

# **BERNARDS PUBLIC SCHOOLS**



Township of Bernards  
Board of Education  
Basking Ridge  
County of Somerset  
New Jersey

*Annual Comprehensive Financial Report  
For the Year Ended  
June 30, 2024*

# **Township of Bernards Board of Education**

## **Basking Ridge, New Jersey**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

Prepared by

Business Office

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# **Introductory Section**



**BERNARDS TOWNSHIP PUBLIC SCHOOLS**

101 Peachtree Road  
Basking Ridge, New Jersey 07920

James Rollo  
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Business Administrator/Board Secretary

Phone: 908-204-2600  
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January 15, 2025

Members of the Board of Education  
Bernards Township School District  
101 Peachtree Road  
Basking Ridge, N.J. 07920

Dear Board Members and Constituents:

The Annual Comprehensive Financial Report of the Bernards Township School District (District) as of and for the year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information at June 30, 2024, and the respective changes in financial position and cash flows, where applicable, for the year then ended. 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 (designed to complement Management's discussion and analysis and should be read in conjunction with it), the District's organizational chart, and a list of principal officials and professionals. The financial section includes Management's discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Audit Standards* and an independent auditors' report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with the Uniform Guidance and New Jersey Circular 15-08 are included in the single audit section of this report.

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

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

The District provides a full range of educational services appropriate to grade levels kindergarten through twelve. These include regular, as well as, special education for handicapped youngsters. The District completed the 2023/2024 fiscal year with an average daily enrollment of 4,724 students, which is 28 students less than the previous year's average daily enrollment. The following details the changes in average daily enrollment in the District over the last five years.

<b>Average Daily Enrollment</b>		
<b><u>Fiscal</u></b>	<b><u>Student</u></b>	<b><u>Percent</u></b>
<b><u>Year</u></b>	<b><u>Enrollment</u></b>	<b><u>Change</u></b>
2023-24	4,724	(0.59)%
2022-23	4,752	0.08
2021-22	4,748	(2.12)
2020-21	4,851	(5.73)
2019-20	5,146	(3.05)

## **2. ECONOMIC CONDITIONS AND OUTLOOK:**

The School District continues to proactively address the financial impacts of the state's fiscal condition and imposed state and federal regulatory requirements. The immediate future continues to hold continuing financial and budgeting challenges for the District, especially when anticipating increases in health insurance and transportation costs and the need to replace aging technological hardware and as such the Bernards Township School District is working under conservative assumptions with respect to the economic outlook. The Board of Education has resolved to create and fund capital, maintenance and emergency reserves in an effort to support this philosophy and as a way to anticipate fluctuations in future resources. In an effort to optimally manage the increase in the significant operating cost related to provision of health benefits the district became self-funded in fiscal year 2018-2019. It should be noted that this shift permitted the district to avoid an increase in its budgeted major medical insurance expenses from the prior fiscal year. Results for the fiscal years 2019-2020 and 2018-2019 were within anticipated margins. In the summer of 2020 the State legislature enacted new legislation which mandated that districts must offer a new state health benefit plan or its equivalent which based upon preliminary risk management analysis will likely significantly increase the district's share of health benefit costs and overrides freely bargained collective labor agreements. As more employees move into these plans there becomes a greater district contribution for each employee.

Current demographic data suggest that total student enrollment is expected to continue to decline. The current decline in enrollment is consistent with the end of residential development. One factor contributing to some uncertainty is the potential impact of turnover in home ownership from aging residents to new families as well as potential residential development of previously commercial properties. The Township has entered into affordable housing settlement agreements, which were thought to potentially offset some of this decline in enrollment over a period of 2-3 years beginning in late 2020. However, an updated demographers report issued in the late Fall of 2023 has now considered the potential growth from these developments and at this time still forecasts an overall

continued decline in enrollment. In the event that enrollment does in fact begin to decline at a significant rate, there may be an opportunity to reevaluate the allocation of resources.

The District has and continues to refund its outstanding serial bond debt as bonds become callable and market conditions permit. During the past six years, the District has refunded or defeased by prepayment \$74,300,000, or 91% of serial bond debt outstanding as of July 1, 2012. The refundings have reduced the District's debt levy by 11.5%. Since 2013, the District's bond rating has been upgraded twice. In January of 2015, the District's bond rating was upgraded to AAA. Among the factors cited by the ratings agency as the basis for this upgrade were: the "strong financial performance and growth in reserves following five years of positive audited results with another operating surplus projected for 2015 and low overall net debt as a percent of market value..." That rating was upheld by the ratings agency in April of 2016 prior to the district's most recent bond refunding. Among the factors cited by the ratings agency as the basis for retention of the AAA rating were: "consistent budgetary performance with strong reserves and low overall net debt as percent of market value." The district is one of only (4) K-12 districts in the state with a AAA bond rating. The district continues to actively manage its outstanding debt through augmentation of reserves as part of its long-term debt management. In July of 2016 the district approved a policy for the management of its long-term debt. That policy provides that a prudent strategy for the judicious management of all outstanding long-term debt would: identify and level anomalous increases in outstanding long-term debt to facilitate a smoothing or leveling of any future local debt service levies; provide conservative budgeting and implementation of the school district annual budgets; sustain the Board of Education's high quality credit rating, which results in favorable interest rates on subsequent bond issue; and, as appropriate, establish reserves for the defeasance of segments of outstanding long-term debt which are identified as contributing to anomalous increases in the local debt levy

### **3. MAJOR INITIATIVES:**

Below outlines a summary of major district activities and agendas of the 2023-2024 school year divided into the following areas: A. Goals, B. Finance, C. Curriculum, D. Facilities, E. Policy, and F. Human Resources.

#### **A. GOALS**

The 2023-2024 District Goals included:

##### **Goal 1 - Academics**

Focus on increasing academic achievement and growth through the utilization of targeted supports and expanded program opportunities.

##### *Objectives:*

- a. Leverage grant funds to provide new opportunities for district funded tutoring of students.
- b. Grow the Pathways program to include more students.
- c. Expand dual enrollment course opportunities through the program of studies.
- d. Achieve measurable improvement of NJSLA and/or NWEA MAP reading and math assessments results in the third and fourth grade.

##### **Goal 2 - Facilities and Operations**

Maintain District facilities in a manner that maintains asset value, minimizes expenditures while maximizing stakeholder access, utilization and enjoyment. Evaluate operations and implement solutions for increased efficiency with a focus on stakeholder wellness, budgetary optimization, operational efficiencies and academic improvements.

*Objectives:*

- a. Achieve a consistent state of the timely completion of emergency (5 days or less), standard (90 days or less) and long-range work orders (recognizing lead time for parts and logistical considerations).
- b. Complete a facility condition assessment and populate asset management system populated with District-wide asset inventory and use it to complete a Long-Range Capital Plan.
- c. Develop, finalize and recommend for January 2024 Board approval, a two/three tiered bussing plan for the 2024-2025 school year.

**Goal 3 - Finances**

Focus on maximizing resources and operating as efficiently as possible to provide a thorough and efficient education for all students while respecting community and taxpayer resources. The District will continue to develop and revise financial plans while actively seeking more alternative sources of revenue and continuing legislative and advocacy efforts to update and revise the current state aid formula.

*Objectives:*

- a. Through the budgeting process, identify areas of reduction in recurring expenses.
- b. Maximize shared services opportunities with existing and new co-operatives such as Bernards Township Engineering and Department of Public Works.
- c. Develop a five-year budget plan to fund identified capital projects, including but not limited to ROD Grant projects, Varsity Complex, and other projects identified by Facility Condition Assessment.
- d. Identify and enact opportunities to increase non-tax levy revenue sources.

**Goal 4 - Wellness/Personnel**

Collect and evaluate new or existing data from staff and students on school climate and use it to guide future programming for students and staff.

*Objectives:*

- a. Refine professional development plans to ensure all staff have the support and structure needed to provide a data driven, thorough and efficient education for all students.
- b. Report on HIB, student and staff attendance, ESS, student code of conduct violations and trends in mental health.
- c. Select and utilize a tool to determine a student's baseline knowledge of the SEL competencies/skills and pillars of character and use it to plan future programming for students.

Activities to accomplish Goal 1 included:

- In house tutoring and remote tutoring with a third party service provider
- Additional options for students to pursue a Pathway at Ridge
- Instructional support and targeted interventions at the elementary level

Activities to accomplish Goal 2 included:

- Enhanced facilities department staff
- Conducted facilities audit with third party vendor
- Utilized new facilities management software for work orders

- Achieved board approval for a three-tier busing plan to implement in 2024-2025 school year

Activities to accomplish Goal 3 included:

- Achieved approximately \$1 million in savings for the 2024-2025 budget through staffing efficiencies.
- Successfully obtained 11 ROD grants.
- Initiated additional energy saving programs through Direct Install programs and laid the groundwork for a 5 year capital plan.
- Maximized interest earning opportunities.

Activities to accomplish Goal 4 included:

- Enhanced staff college offerings and in-service day training programs with Wellness in mind.
- Prepared reports for the BOE relative to code of conduct, HIB and wellness through the trends in mental health report.
- Contracted with Panorama to collect data on school climate and culture.

## **B. FINANCE**

All PowerPoint presentations regarding the preparation of the 2023-2024 budget can be accessed on the District website. The District's conservative approach to budgeting is reflected in this audit. Financing continues to be a burden due to the inability of the State to fully fund the state aid formula.

District busing was privately contracted in FY 2020-2021 for the first time in 20 plus years. The effective saving to the district for shifting from its prior educational service commission provider was in the form of cost avoidance of an estimated \$1.3 Million dollars. The district assumed direct responsibility for the management and daily operation of all transportation needs except privately contracted routes for out of district transportation, which remained with the Somerset County Educational services commission to insure cost efficiency in sharing routes with other districts in the county. There were approximately 100 routes servicing all regular, special education (including extended summer period), subscription and non-public students. However, the rising costs of transportation statewide continue to make transportation an area of focus for further cost reduction measures.

During the 2023-2024 school year the district altered school start times to accommodate a triple tiered transportation program where each bus is used three times to get students to and from school. The triple tiers bids awarded in 2023-2024 saved the district more than \$1.3 million in the 2024-2025 school year.

## **C. CURRICULUM**

Curriculum work is led by the Assistant Superintendent of Curriculum and Instruction, Ms. Kristin Fox. Working closely with the administrative team including the Director of School Counseling, Ms. Stephanie Smith, Ms. Fox presents two reports annually:

- [State Assessment Report](#)
- [Post Secondary Report](#)

The two reports provide one view of student performance. The district uses many local tools to assess students including for example the NWEA MAP tests.

Ms. Fox led two notable areas of focus for the district during the 2023-2024 school year which were:

- Revised elementary schedule to provide students with daily opportunity for WIN “What I Need” time to address learning deficits or opportunities for enrichment.
- Implemented Panorama for Education in order to support students, particularly in the area of wellness and character education. We are utilizing Panorama’s survey instrument in Grades 3-12 and their student success dashboard in Grades 6-8.

Additionally, Ms. Fox led all of the district’s curriculum development and program evaluation efforts which are documented at the district’s curriculum website:

- [Curriculum Website](#)

## **D. FACILITIES**

The district’s new Business Administrator, Mr. James Rollo supported the district goals 2 and 3. However, Mr. Rollo also led other efforts to improve district operations including:

- Successfully completing bids and negotiating achieved target savings of \$1.3 million in triple tiered bussing routes.
- Successfully awarding and completing an RFP for a Facility Condition Assessment that would for the basis for a five year capital plan
- Executed a Regular Operating District grant agreement and bid to replace 8 classroom unit ventilators at Ridge High School
- Successfully completing bid for a Direct Install Project at Liberty Corner Elementary saving \$296,061.20 in the cost of upgrading lights and HVAC units

At the end of the 2023-2024 school year, Mr. Rollo also continued the active pursuit of grant opportunities for facilities and direct install energy savings programs. The district bid and awarded summer construction projects for repaving the William Annin Parking loop and added an ADA walkway from the High School to Lee Field. The district also submitted a concept plan to renovate the Ridge Varsity complex to the Department of Environmental Protection for approval.

## E. POLICY

The district continuously reviews and updates the Board of Education policies and regulations in consultation with both Board Counsel and the Strauss Esmay law firm. Regular policy alerts are received from Strauss Esmay and the district makes corresponding updates and changes to its policy manual in order to stay in compliance with current state statute and administrative code. Many policies and regulations were reviewed and updated during the 2023-2024 school year including:

P 0155 - Board Committees (Revised)
P 0169 - Board Member Use of Electronic Communication/Email/Social Media (Revised)
P 1140 - Educational Equity Policies/Affirmative Action (M) (Revised)
P 1523 - Comprehensive Equity Plan (M) (Revised)
P 1530 - Equal Employment Opportunities (M) (Revised)
P 1550 - Equal Employment/Anti-Discrimination Practices (M) (Revised)
P 1642.01 - Sick Leave (New)
P 2260 - Equity in School and Classroom Practices (M) (Revised)
P 2411 - Guidance Counseling (M) (Revised)
P 2419 - School Threat Assessment Teams (New)
P 2423 - Bilingual Education (M) (Revised)
P 2431.4 - Prevention and Treatment of Sports-Related Concussions and Head Injuries (M) (Revised)
P 3161 - Examination for Cause (Revised)
P 3211 - Code of Ethics (Revised)
P 3212 - Attendance (M) (Revised)
P 3283 - Electronic Communication Between Teaching Staff Members and Students (M)
P 3324 - Right of Privacy (Revised)
P 3432 - Sick Leave (Abolished)
P 4161 - Examination for Cause (Revised)
P 4212 - Attendance (M) (Revised)
P 4324 - Right of Privacy (Revised)
P 4432 - Sick Leave (Abolished)
P 5111 - Eligibility of Resident/Nonresident Students (M) (Revised)
P 5116 - Education of Homeless Children and Youths (Revised)
P 5460.02 - Bridge Year Pilot Program (M) (Abolished)
P 5570 - Sportsmanship (Revised)
P 5750 - Equitable Educational Opportunity (M) (Revised)
P 5755 - Equity in Educational Programs and Services (M) (Abolished)

P 5842 - Equal Access of Student Organizations (Revised)
P 7438 - Lightning Safety (New)
P 7481 - Unmanned Aircraft Systems (UAS - also known as Drones) (New)
P 7610 - Vandalism (Revised)
P 8210 - School Year Calendar (Revised)
P 8451 - Control of Communicable Diseases (M) (Revised)
P 8500 - Food Services (M) (Revised)
P 8540 - School Nutrition Programs (M) (Abolished)
P 8550 - Meal Charges/Outstanding Food Service Bill (M) (Abolished)
P 9181 - Volunteer Athletic Coaches And Co-Curricular Activity Advisors/Assistants (Revised)
P 9323 - Notification of Juvenile Offender Case Disposition (Revised)
R 2419 - School Threat Assessment Teams (New)
R 2431.4 - Prevention and Treatment of Sports-Related Concussions and Head Injuries (M) (Revised)
R 5111 - Eligibility of Resident/Nonresident Students (M) (Revised)

In closing the Major Initiatives section of this letter, the District wishes to thank the community of Bernards Township for its support, and renews the commitment to provide services that are in concert with the District's mission to provide a superior education which results in academic excellence, responsible behavior, good citizenship and fosters social-emotional development so that ultimately each student will be able to:

- Maximize his/her potential.
- Become a contributing member of society.
- Maintain a commitment to life-long learning.
- Achieve the New Jersey Student Learning Standards at all grade levels.

#### **4. INTERNAL CONTROL:**

---

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America as they pertain to governmental entities. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management. As part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal awards 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 controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. 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. Those amounts to be re-appropriated are reported as fund balance, assigned to other purposes at June 30, 2024.

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

The District's financial statements are presented in conformity with generally accepted accounting principles in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide statements are explained in "Notes to the Basic Financial Statements," Note 1.

#### **7. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. 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 Government 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.

#### **8. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

#### **9. OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and New Jersey State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements

and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

**10. ACKNOWLEDGMENTS:**

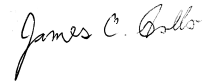
We would like to express our appreciation to the members of the Bernards Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



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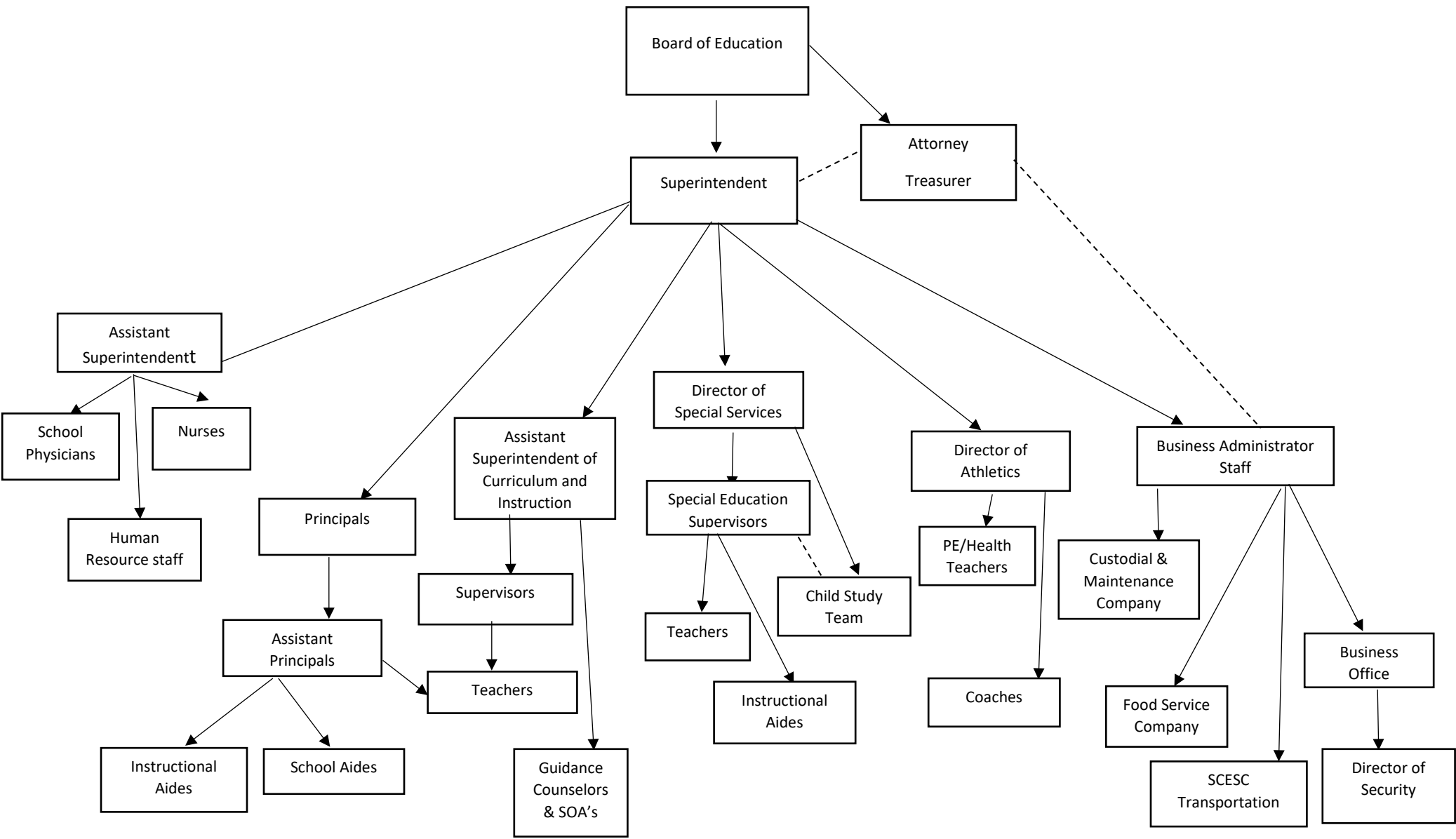
Nick Markarian  
Superintendent



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James C. Rollo  
Business Administrator/Board Secretary

BERNARDS TOWNSHIP PUBLIC SCHOOLS  
ORGANIZATIONAL CHART  
JUNE 30, 2024



**Bernards Township Board of Education**

**Basking Ridge, New Jersey**

**Roster of Officials**

**June 30, 2024**

<b>Board Member</b>	<b>Term</b>
Timothy Salmon, President	2022-2024
Jennifer White, Vice President	2024-2026
Csilla Csipak	2023-2025
Janice Corrado	2024-2026
Kirsten Light	2022-2024
Robin McKeon	2022-2024
Keith Molinari	2023-2025
David Shaw	2024-2026
Nimish Amin	2023-2025

**Other Officials**

Nick Markarian, Superintendent

Sean Siet, Assistant Superintendent

Kristin Fox, Assistant Superintendent – Curriculum & Instruction

James C. Rollo, School Business Administrator/Board Secretary

Michael Petrizzo, Treasurer

Township of Bernards Board of Education  
Basking Ridge, New Jersey

Independent Auditors and Advisors

*Independent Auditors*

PKF O'Connor Davies, LLP  
20 Commerce Drive, Suite 301  
Cranford, NJ 07016

*Attorney*

Cleary Giacobbe Alfieri Jacobs, LLC  
169 Ramapo Valley Road  
Upper Level Suite 105  
Oakland, NJ 07436

*Official Depository*

Peapack-Gladstone Bank  
500 Hills Drive  
Suite 300  
Bedminster, NJ 07921

## **Financial Section**



## **Independent Auditors' Report**

**Honorable President and Members  
of the Board of Education  
Bernards Township School District  
County of Somerset  
Basking Ridge, 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 the Bernards Township School District, County of Somerset, New Jersey (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2024, 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 (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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

PKF O'CONNOR DAVIES, LLP  
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of the Board of Education  
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presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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



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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 management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 January 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

January 15, 2025  
Cranford, New Jersey

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

## **Required Supplementary Information – Part I**

### Management's Discussion and Analysis

## Township of Bernards Board of Education

### Management's Discussion and Analysis Year Ended June 30, 2024

As management of the Bernards Township School District (the "District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2024. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis ("MD&A") is Required Supplementary Information as required by the Governmental Accounting Standards Board. Certain comparative information between the current fiscal year and the prior fiscal year is presented in this MD&A.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required supplementary information, supplementary information and other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick and vacation leave and pension liability).

The government-wide financial statements can be found on schedules A-1 and A-2 of this report.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and special revenue fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on schedules B-1, B-2 and B-3 of this report.

**Proprietary funds.** The District maintains one proprietary fund type. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service, after school enrichment, project jump start and before and after school care programs, each of which are considered major funds of the District. The basic proprietary fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

**Internal service fund.** The District maintains one internal service fund. The internal service fund is utilized to account for the activity of the District's health insurance expenses. The basic internal service fund financial statements can be found on schedules B-4, B-5 and B-6 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

## Other information

## Financial Highlights

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,469,099 (net position) at the close of 2024.

Key financial highlights for the 2023-2024 fiscal year include the following:

- The State withheld both of the June fiscal year state aid payments until July 2024.
- The final approved extraordinary aid awarded to the District for 2023/2024 exceeded the amount budgeted for by the District by \$1,022,159.
- The District records the net pension liability as required by GASB Nos. 68 and 71. The liability recorded at June 30, 2024 and 2023 was \$16,553,400 and \$17,671,197, respectively. This resulted in the unrestricted net position being reduced during the current year resulting in an unrestricted deficit at the government-wide governmental activities financial statements of \$15,725,072 and \$16,269,152 at June 30, 2023 and 2023, respectively.
- The District followed the requirements of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In the current year, this resulted in the District recording revenue and expense in the amount of \$7,998,828 relating to post-employment health benefits paid for by the State on behalf of the District.

The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2024 and 2023:

Township of Bernards Board of Education  
Net Position at June 30,

	2024			2023		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Current and other assets	\$ 44,429,265	\$ 2,455,712	\$ 46,884,977	\$ 41,353,401	\$ 2,595,397	\$ 43,948,798
Capital assets, net	72,848,234	381,874	73,230,108	74,940,516	85,185	75,025,701
Total assets	117,277,499	2,837,586	120,115,085	116,293,917	2,680,582	118,974,499
Deferred Outflows of Resources	3,608,968	-	3,608,968	4,649,119	-	4,649,119
Liabilities						
Current Liabilities	18,883,102	195,228	19,078,330	13,327,907	198,904	13,526,811
Net Pension Liability	16,553,400		16,553,400	17,671,197		17,671,197
Long Term Liabilities	35,950,696		35,950,696	40,348,267		40,348,267
Total liabilities	71,387,198	195,228	71,582,426	71,347,371	198,904	71,546,275
Deferred Inflow of Resources	1,672,528	-	1,672,528	3,211,816	-	3,211,816
Net position:						
Net investment in capital assets	34,032,293	381,874	34,414,167	31,023,213	85,185	31,108,398
Restricted	29,519,520		29,519,520	31,629,788		31,629,788
Unrestricted (deficit)	(15,725,072)	2,260,484	(13,464,588)	(16,269,152)	2,396,493	(13,872,659)
Total net position	\$ 47,826,741	\$ 2,642,358	\$ 50,469,099	\$ 46,383,849	\$ 2,481,678	\$ 48,865,527

A large portion of the District's net position is the amount invested in capital assets (e.g. land, construction in progress, building and building improvements and machinery, vehicles and equipment), net of related debt. The balance of net investment in capital assets is the carrying value of capital assets less the amount of the outstanding debt used to finance those assets.

The balance of restricted net position consists of the excess surplus-current year of \$5,761,527, excess surplus-designated for subsequent year's expenditures of \$3,797,192, \$4,850,170 for a maintenance reserve, \$11,550,039 for a capital reserve, \$1,000,000 for emergency reserve, \$1,006,568 is restricted for capital projects, \$493,251 is restricted for unemployment claims, \$1,429 restricted for scholarships and \$856,536 for student activities.

The increase in current and other assets is mainly attributable to the timing of receivables and due to the results of current year operations. The decrease in capital assets, net is the result of current year depreciation expense exceeding the additions in the current year. The decrease in the net pension liability is the result of the actuarial valuation of the PERS pension liability performed for the fiscal year, as well as changes in proportion of the allocation of the net pension liability. The decrease in long-term liabilities is mainly the result of the pay down of the principal on bonds outstanding and obligations under capital leases. The decrease in deferred inflow of resources is the result of the actuarial valuation of the PERS pension deferrals District.

The total net position of the District increased \$1,603,572 which was mainly due to the decreased deferred inflow of resources.

**District activities.** The key elements of the District's changes in net position for the years ended June 30, 2024 and 2023 are as follows:

**Township of Bernards Board of Education  
Changes in Net Position, Year ended June 30,**

	<b>2024</b>			<b>2023</b>		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,694,651	\$ 3,667,803	\$ 6,362,454	\$ 2,830,403	\$ 3,578,370	\$ 6,408,773
Operating grants and contributions	4,462,013		4,462,013	4,139,625		4,139,625
Capital grants and contributions	32,276		32,276			-
General revenues:						
Property taxes	96,429,865		96,429,865	96,429,865		96,429,865
Federal and state aid not restricted to a specific purpose	30,326,802		30,326,802	29,295,972		29,295,972
Investment Income	2,240,408		2,240,408	491,110		491,110
Miscellaneous	984,527	135,373	1,119,900	932,458	4,807	937,265
Total revenues	137,170,542	3,803,176	140,973,718	134,119,433	3,583,177	137,702,610
<b>Expenses:</b>						
Instructional services	77,715,476		77,715,476	73,685,364		73,685,364
Support services	56,746,603		56,746,603	52,833,119		52,833,119
Interest and Other Charges	1,265,571		1,265,571	1,445,054		1,445,054
Business-Type Activities		3,642,496	3,642,496		3,072,959	3,072,959
Total expenses	135,727,650	3,642,496	139,370,146	127,963,537	3,072,959	131,036,496
Change in Net Position	1,442,892	160,680	1,603,572	6,155,896	510,218	6,666,114
Net position—beginning	46,383,849	2,481,678	48,865,527	40,227,953	1,971,460	42,199,413
Net position—ending	\$ 47,826,741	\$ 2,642,358	\$ 50,469,099	\$ 46,383,849	\$ 2,481,678	\$ 48,865,527

The increase in governmental activities revenues of approximately \$3.03 million is mainly the result of the increase in Investment income.

The increase in instructional expenses is the result of the related increase in expenses associated with the impact of GASB 68.

The increase in support service expenses is primarily the result of the increase in the District providing student and instruction related services and plant operations and required maintenance.

The decrease in the interest and other charges is due to the decreased interest payments as the principal of bonds is paid down.

Business-type revenues and expenses increased significantly from the prior year. The increase is driven by the Food Service Enterprise Fund generating revenues as the increase in use of the District's After School Enrichment, Project Jump Start, and Before and After School Care programs as well as the increase in revenues related to the food service management company's guarantee.



## Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The fund balance is divided into three separate components, restricted, assigned and unassigned as required by GASB.

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.

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the year ended June 30, 2024, and the increases in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase from 2023</u>	<u>Percent of Increase</u>
Local sources	\$ 102,430,754	75.0%	\$ 1,553,058	1.5%
State sources	39,315,402	23.2%	2,736,538	7.5%
Federal sources	4,033,726	1.8%	516,439	14.7%
Total	<u>\$ 145,779,882</u>	<u>100.0%</u>	<u>\$ 4,806,035</u>	3.4%

The increase in local sources from the prior year was the result of an increase in interest income due to the District's change in banking institution resulting in an increase in interest income.

The increase in state sources is mainly the result of approximately \$343,000 additional TPAF pension contributions made by the State of New Jersey on-behalf of the District, increase approximately \$486,000 additional Transportation aid and approximately \$486,000 additional Extraordinary aid received during 2023-2024 compared to the prior year, the increase of SDA revenue of approximately \$297,000 for projects previously funded by the capital reserve, and the increase in Special education aid of approximately \$285,000.

The increase in federal sources is primarily attributable to the increase of ARP ESSER III of approximately \$865,000 that were made available to the District in the current year.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the year ended June 30, 2024 and the increases and decreases in relation to the prior year:

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2023</b>	<b>Percent of Increase (Decrease)</b>
Current expenditures:				
Instruction	\$ 51,131,930	34.3%	\$ 1,988,146	4.0%
Undistributed	90,118,782	60.0%	6,348,495	7.6%
Capital Outlay	1,284,899	0.9%	(795,095)	-38.2%
Debt service:				
Principal	5,026,627	3.4%	1,364,677	37.3%
Interest and Other	1,473,366	1.0%	(267,615)	-15.4%
Total	<u>\$ 149,035,604</u>	<u>100.0%</u>	<u>\$ 8,638,608</u>	<u>6.2%</u>

The increase in undistributed expenditures is mainly attributable to the increase in Plant Operations and Maintenance of approximately \$1.58 million and the increase in Unallocated Benefits of approximately \$3.21M, as well as incremental increases to other lines. Capital outlay increased primarily due to machinery, equipment and vehicles increases.

**Business-Type Activities.** The focus of the District's business-type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service and other enterprise fund programs.

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. The following schedule presents a summary of the enterprise fund revenues for the year ended June 30, 2024, and the increase in relation to the prior year:

<b>Revenue</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase from 2023</b>	<b>Percent of Increase</b>
Local sources	<u>\$ 3,803,176</u>	<u>100.0%</u>	<u>\$ 219,999</u>	<u>6.1%</u>

Local revenues increased due to the increase in revenues related to the food service management company's guarantee and increase in use of the District's After School Enrichment, Project Jump Start, and Before and After School Care programs.

The following schedule presents a summary of the enterprise fund operating expenses for the year ended June 30, 2024, and the increases and (decreases) in relation to the prior year:

<b>Expenses</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2023</b>	<b>Percent of Increase (Decrease)</b>
Salaries	\$ 2,367,740	65.0%	\$ 464,202	81.51%
General insurance	138,048	3.8%	110,605	19.42%
Other purchased services	26,975	0.7%	(25,396)	(4.46)%
Supplies and materials	97,811	2.7%	(13,120)	(2.3)%
Depreciation	27,294	0.7%	10,563	1.85%
Cost of sales	786,460	21.6%	27,510	4.83%
Management fee	147,942	4.1%	(8,655)	(1.52)%
Miscellaneous expenses	50,226	1.4%	3,828	0.67%
<b>Total</b>	<b>\$ 3,642,496</b>	<b>100.0%</b>	<b>\$ 569,537</b>	<b>18.53%</b>

The increase in expenses is mainly attributable to the increase of salary and benefits related expenses as well as the increase in expenses related to the After School enrichment and Project jump Start program.

### **Capital Assets**

*Capital Assets.* At June 30, 2024, the District's governmental activities had capital assets of \$72,848,234 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, machinery, equipment and vehicles. The District's governmental funds capital assets, net of depreciation consisted of the following at June 30, 2024 and 2023:

	<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>
Land	\$ 5,277,400	\$ 5,277,400
Construction in progress	556,646	1,481,318
Buildings and building improvements	65,420,143	66,656,525
Machinery, equipment, and vehicles	1,594,045	1,525,273
<b>Total capital assets, net</b>	<b>\$ 72,848,234</b>	<b>\$ 74,940,516</b>

The decrease in capital assets is mainly due to the depreciation expense in the current year exceeding current year additions. The construction in progress at June 30, 2024 were related to the Ridge High School Cafeteria Upgrades and the Ridge High School Classroom HVAC Upgrades. Business-type activity capital assets, net of accumulated depreciation were \$381,874 and \$85,185 at June 30, 2024 and 2023, respectively. For more detailed information, please refer to Note 4 to the basic financial statements.

## Debt Administration and Long Term Liabilities

At June 30, 2024 and 2023, the District's governmental activity long-term liabilities consisted of:

	June 30,	
	2024	2023
Bonds payable (net)	\$ 40,084,967	\$ 45,468,958
Financed purchases payable	30,927	47,554
Net pension liability	16,553,400	17,671,197
Compensated absences	819,449	689,931
Total long-term liabilities	\$ 57,488,743	\$ 63,877,640

The District made the scheduled principal payments during the 2023/2024 fiscal year and did not have any refinancings during the current year. Financed purchases payable have decreased due to the current year's scheduled payments. The net pension liability has decreased from the prior year based on the actuarial valuation performed for the state. Additional information on the District's long-term liabilities can be found in Note 5 to the basic financial statements.

## General Fund Budgetary Highlights

Budgetary transfers were made between budgetary line items and approved by the Board for various reasons including the following more significant transfers:

- Undistributed Expenditures – Unallocated benefits - employee benefits – Health benefits – an increase of \$681,096, which is a result of anticipated increased claims.
- Capital outlay – Facilities acquisition and construction services – construction services, an increase of \$808,500 was made to account for a transfer out of the capital reserve to the capital projects fund to fund improvements.

## Economic Factors and Next Year's Budget

- The District budgeted \$3,797,192 of its 2024 restricted fund balance to partially fund 2024/2025 operations, a decrease of \$4,906,248 from the prior year.
- The 2024/2025 tax levy was increased in accordance with state regulations.

The above noted factors were considered in preparing the District's budget for the 2024/2025 fiscal year.

## Requests for Information

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact Mr. Nick Markarian, Superintendent of Schools or Ms. Beth Brooks, Acting Business Administrator, at Township of Bernards Board of Education, 101 Peachtree Road, Basking Ridge, NJ 07920 or email at [bbrooks@bernardsboe.com](mailto:bbrooks@bernardsboe.com).

## **Basic Financial Statements**

## **Government-wide Financial Statements**

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2024.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 37,745,902	\$ 2,316,423	\$ 40,062,325
Receivables, Net	6,192,567	171,071	6,363,638
Inventories		23,937	23,937
Internal Balances	55,719	(55,719)	-
Restricted assets:			
Cash Held with Fiscal Agents	435,077		435,077
Capital Assets, Non-Depreciable	5,834,046		5,834,046
Capital Assets, Depreciable, Net	67,014,188	381,874	67,396,062
Total Assets	<u>117,277,499</u>	<u>2,837,586</u>	<u>120,115,085</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Loss on Defeasance of Debt	1,299,953		1,299,953
Pension Deferrals	2,309,015		2,309,015
Total Deferred Outflows of Resources	<u>3,608,968</u>		<u>3,608,968</u>
<b>LIABILITIES</b>			
Accounts Payable	3,115,005	152,603	3,267,608
Accrued Liability for Insurance Claims	1,246,000		1,246,000
Accrued Interest Payable	587,033		587,033
Payable to State Government	33,767		33,767
Other Liabilities	273,587		273,587
Unearned Revenue	8,643,063	42,625	8,685,688
Noncurrent Liabilities:			
Net Pension Liability	16,553,400		16,553,400
Due Within One Year	4,984,647		4,984,647
Due Beyond One Year	35,950,696		35,950,696
Total Liabilities	<u>71,387,198</u>	<u>195,228</u>	<u>71,582,426</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension Deferrals	1,672,528		1,672,528
Total Deferred Inflow of Resources	<u>1,672,528</u>		<u>1,672,528</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	34,032,293	381,874	34,414,167
Restricted For:			
Capital Projects	1,006,568		1,006,568
Capital Reserve	11,550,039		11,550,039
Maintenance Reserve	4,850,170		4,850,170
Emergency Reserve	1,000,000		1,000,000
Unemployment Reserve	493,251		493,251
Scholarships	1,429		1,429
Student Activities	856,536		856,536
Reserved for Excess Surplus - Current Year	5,761,527		5,761,527
Reserved for Excess Surplus -			
Designated for Subsequent Years	3,797,192		3,797,192
Assigned:			
Designated for Subsequent Year	202,808		202,808
Unrestricted (deficit)	<u>(15,725,072)</u>	<u>2,260,484</u>	<u>(13,464,588)</u>
Total Net Position	<u>\$ 47,826,741</u>	<u>\$ 2,642,358</u>	<u>\$ 50,469,099</u>

*See accompanying notes to the basic financial statements.*

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Statement of Activities**  
**Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 48,617,012		\$ 1,560,934		\$ (47,056,078)	\$ (47,056,078)
Special Education	22,739,674		1,569,996		(21,169,678)	(21,169,678)
Other Special	3,272,995				(3,272,995)	(3,272,995)
Other Instructional Programs	3,085,795				(3,085,795)	(3,085,795)
Support Services:						
Tuition	2,266,584	\$ 777,918			(1,488,666)	(1,488,666)
Student and Instruction Related Services	24,770,568	1,731,210	1,254,177		(21,785,181)	(21,785,181)
General Administrative Services	1,630,283				(1,630,283)	(1,630,283)
School Administrative Services	6,463,703				(6,463,703)	(6,463,703)
Central Administrative Services	1,257,704				(1,257,704)	(1,257,704)
Administrative Information Technology	1,579,113				(1,579,113)	(1,579,113)
Plant Operations and Maintenance	10,926,319		76,906	\$ 32,276	(10,817,137)	(10,817,137)
Pupil Transportation	7,852,329	185,523			(7,666,806)	(7,666,806)
Interest and Other Charges on Long-Term Debt	1,265,571				(1,265,571)	(1,265,571)
Total Governmental Activities	135,727,650	2,694,651	4,462,013	32,276	(128,538,710)	(128,538,710)
<b>Business-type Activities:</b>						
Food Service	2,130,416	2,298,575				\$ 168,159
After School Enrichment	141,626	138,108				(3,518)
Project Jump Start	91,511	71,928				(19,583)
Before and After School Care	1,278,943	1,294,565				15,622
Total Business-type Activities	3,642,496	3,803,176				160,680
Total Primary Government	\$ 139,370,146	\$ 6,497,827	\$ 4,462,013	\$ 32,276	(128,538,710)	160,680
						(128,378,030)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					91,314,864	91,314,864
Property Taxes, Levied for Debt Service					5,115,001	5,115,001
Federal and State Aid Not Restricted					30,326,802	30,326,802
Interest on Investments					2,240,408	2,240,408
Miscellaneous					984,527	984,527
Total General Revenues					129,981,602	129,981,602
Change in Net Position					1,442,892	160,680
Net Position - Beginning					46,383,849	2,481,678
Net Position - Ending					\$ 47,826,741	\$ 2,642,358
						\$ 50,469,099

See accompanying notes to the basic financial statements.



## **Fund Financial Statements**

## **Governmental Funds**

## TOWNSHIP OF BERNARDS BOARD OF EDUCATION

Balance Sheet  
Governmental Funds  
June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 28,694,744	\$ 2,026,526	\$ 1,957,010	\$ 5,067,622	\$ 37,745,902
Intergovernmental Receivable - State	5,063,842	287	24,888		5,089,017
Intergovernmental Receivable - Federal		827,806			827,806
Intergovernmental Receivable - Local		13,556			13,556
Interfund Receivable	7,194,332	59,714			7,254,046
Other Accounts Receivable	260,994	1,194			262,188
<b>Total Assets</b>	<b>\$ 41,213,912</b>	<b>\$ 2,929,083</b>	<b>\$ 1,981,898</b>	<b>\$ 5,067,622</b>	<b>\$ 51,192,515</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 656,147	\$ 307,818			\$ 963,965
Payroll Deductions and Withholdings Payable	547,222				547,222
Interfund Payable	870,637	1,521,913	\$ 975,330	\$ 4,641,370	8,009,250
Other Liabilities	273,587				273,587
Payable to State Government		33,767			33,767
Unearned Revenue	8,009,192	207,620		426,251	8,643,063
<b>Total Liabilities</b>	<b>10,356,785</b>	<b>2,071,118</b>	<b>975,330</b>	<b>5,067,621</b>	<b>18,470,854</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year	5,761,527				5,761,527
Excess Surplus - Designated for Subsequent Year's Expenditures	3,797,192				3,797,192
Capital Reserve	11,550,039				11,550,039
Emergency Reserve	1,000,000				1,000,000
Maintenance Reserve	4,850,170				4,850,170
Unemployment Compensation Reserve	493,251				493,251
Capital Projects			1,006,568		1,006,568
Debt Service				1	1
Scholarships		1,429			1,429
Student Activities		856,536			856,536
<b>Assigned to:</b>					
Designated for Subsequent Year's Expenditures	202,808				202,808
Other Purposes	507,474				507,474
Unassigned	2,694,666				2,694,666
<b>Total Fund Balances</b>	<b>30,857,127</b>	<b>857,965</b>	<b>1,006,568</b>	<b>1</b>	<b>32,721,661</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 41,213,912</b>	<b>\$ 2,929,083</b>	<b>\$ 1,981,898</b>	<b>\$ 5,067,622</b>	

Amounts reported for *governmental activities* in the Statement of  
Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the capital assets is \$131,703,092 and the accumulated depreciation is \$58,854,858 (See Note 4).	72,848,234
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(587,033)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	1,299,953
Long-term liabilities, including bonds payable and related unamortized premiums, financed purchases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5).	(40,935,343)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	636,487
Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,603,818)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds (See Note 5).	(16,553,400)
<b>Net Position of Governmental Activities</b>	<b>\$ 47,826,741</b>

See accompanying notes to the basic financial statements .

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 91,314,864			\$ 5,115,001	\$ 96,429,865
Tuition from Other LEA's	695,189				695,189
Tuition from Individuals	82,729				82,729
Transportation Fees from Individuals	185,523				185,523
Interest Revenue	2,240,408				2,240,408
Miscellaneous	1,068,560	\$ 1,728,480			2,797,040
Total - Local Sources	95,587,273	1,728,480		5,115,001	102,430,754
State Sources	38,052,411	448,308	\$ 32,276	814,683	39,347,678
Federal Sources	1,746	4,031,980			4,033,726
Total Revenues	133,641,430	6,208,768	32,276	5,929,684	145,812,158
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	29,903,909	1,560,934			31,464,843
Special Education Instruction	13,837,406	1,569,996			15,407,402
Other Special Instruction	2,074,280				2,074,280
Other Instructional Programs	2,185,406				2,185,406
Support Services:					
Tuition	2,266,584				2,266,584
Student and Instruction Related Services	15,208,210	3,043,609			18,251,819
General Administrative Services	1,368,073				1,368,073
School Administrative Services	4,234,021				4,234,021
Central Administrative Services	890,013				890,013
Administrative Information Technology	1,168,586				1,168,586
Plant Operations and Maintenance	10,213,409				10,213,409
Pupil Transportation	7,599,803				7,599,803
Unallocated Benefits	18,971,526				18,971,526
On-behalf TPAF FICA and Pension	25,341,049				25,341,049
Debt Service:					
Principal	16,627			5,010,000	5,026,627
Interest	853			1,472,513	1,473,366
Capital Outlay	1,021,891	76,906	186,102		1,284,899
Total Expenditures	136,301,646	6,251,445	186,102	6,482,513	149,221,706
(Deficiency) Excess of Revenues (Under) Over Expenditures	(2,660,216)	(42,677)	(153,826)	(552,829)	(3,409,548)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			868,000	552,829	1,420,829
Transfers Out	(1,420,829)				(1,420,829)
Total Other Financing Sources (Uses)	(1,420,829)	-	868,000	552,829	-
Net Change in Fund Balances	(4,081,045)	(42,677)	714,174	-	(3,409,548)
Fund Balance, July 1	34,938,172	900,642	292,394	1	36,131,209
Fund Balance - June 30	\$ 30,857,127	\$ 857,965	\$ 1,006,568	\$ 1	\$ 32,721,661

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in the accompanying schedule (B-3).

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (3,409,548)

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 depreciation expense exceeded capital asset additions in the current year.

Depreciation Expense	\$ (2,676,017)	
Capital Asset Additions	<u>583,735</u>	(2,092,282)

Repayments of bond principal and financed purchases payable are expenditures 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.

Serial Bonds Payable	5,010,000	
Financed Purchases Payable	<u>16,627</u>	5,026,627

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Amortization of Premium on Bonds	373,991	
Amortization of Deferred Interest Costs	<u>(299,256)</u>	74,735

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

133,060

In the statement of activities, certain operating expenses, e.g., compensated absences (sick and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(129,518)

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension Expense		<u>1,839,818</u>
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Change in Net Position of Governmental Activities (A-2)		<u><u>\$ 1,442,892</u></u>
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## **Proprietary Funds**

## TOWNSHIP OF BERNARDS BOARD OF EDUCATION

Statement of Net Position

Proprietary Funds

June 30, 2024

	Major Funds					Governmental
	Business-type Activities - Enterprise Funds					Activity
	Food Service	After School Enrichment	Project Jump Start	Before and After School Care	Total	Internal Service Fund Self-Insured Health Benefits
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,606,447	\$ 120,661	\$ 226,331	\$ 362,984	\$ 2,316,423	
Cash Held with Fiscal Agent						\$ 435,077
Other Accounts Receivable	129,891			41,180	171,071	
Inventories	23,937				23,937	
Interfund Receivable						810,923
Total Current Assets	1,760,275	120,661	226,331	404,164	2,511,431	1,246,000
Noncurrent Assets:						
Capital Assets:						
Machinery and Equipment	813,120				813,120	
Less: Accumulated Depreciation	(431,246)				(431,246)	
Total Capital Assets, net	381,874	-	-	-	381,874	-
Total Assets	2,142,149	120,661	226,331	404,164	2,893,305	1,246,000
LIABILITIES						
Current Liabilities:						
Accounts Payable	151,286			1,317	152,603	
Accrued Liability for Insurance Claims						1,246,000
Interfund Payable	54,741		287	691	55,719	
Unearned Revenue		42,625			42,625	
Total Current Liabilities	206,027	42,625	287	2,008	250,947	1,246,000
Total Liabilities	206,027	42,625	287	2,008	250,947	1,246,000
NET POSITION						
Investment in Capital Assets	381,874				381,874	
Unrestricted	1,554,248	78,036	226,044	402,156	2,260,484	-
Total Net Position	\$ 1,936,122	\$ 78,036	\$ 226,044	\$ 402,156	\$ 2,642,358	\$ -

See accompanying notes to the basic financial statements.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2024

	Major Funds					Governmental
	Business-type Activities - Enterprise Funds					Activity
		After	Project	Before		Internal
	Food	School	Jump	and After		Service Fund
	Service	Enrichment	Start	School	Total	Self-Insured
				Care		Health Benefits
Operating Revenues:						
Charges for Services:						
Services Provided by Other Funds						\$ 17,456,014
Daily Sales	\$ 2,163,202				\$ 2,163,202	
Tuition and Fees		\$ 138,108	\$ 71,928	\$ 1,294,565	1,504,601	
Miscellaneous	135,373				135,373	
Total Operating Revenues	2,298,575	138,108	71,928	1,294,565	3,803,176	17,456,014
Operating Expenses:						
Salaries	1,009,779	128,173	75,729	1,154,059	2,367,740	
Employee Benefits	34,492	8,938	5,793	88,825	138,048	17,371,014
Other Purchased Services	18,754		8,221		26,975	85,000
Supplies and Materials	55,469	4,515	1,768	36,059	97,811	
Depreciation	27,294				27,294	
Cost of Sales	786,460				786,460	
Management Fee	147,942				147,942	
Miscellaneous	50,226				50,226	
Total Operating Expenses	2,130,416	141,626	91,511	1,278,943	3,642,496	17,456,014
Operating Income (Loss) and Change in Net Position	168,159	(3,518)	(19,583)	15,622	160,680	-
Total Net Position - Beginning	1,767,963	81,554	245,627	386,534	2,481,678	-
Total Net Position - Ending	\$ 1,936,122	\$ 78,036	\$ 226,044	\$ 402,156	\$ 2,642,358	\$ -

See accompanying notes to the basic financial statements .



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2024

	Major Funds					Governmental
	Business-type Activities - Enterprise Funds					Activity
	Food Service	After School Enrichment	Project Jump Start	Before and After School Care	Total	Internal Service Fund Self-Insured Health Benefits
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 2,175,803	\$ 144,050	\$ 49,424	\$ 1,290,759	\$ 3,660,036	
Receipts from services provided						\$ 17,456,014
Payments to employees	(1,009,779)	(128,173)	(75,729)	(1,154,059)	(2,367,740)	
Payments for insurance claims						(17,371,014)
Payments to suppliers	(1,078,766)	(13,453)	(15,783)	(127,004)	(1,235,006)	(85,000)
Net cash provided by (used for) operating activities	87,258	2,424	(42,088)	9,696	57,290	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(323,983)				(323,983)	
Net cash (used for) capital and related financing activities	(323,983)				(323,983)	
Net (decrease) increase in cash and cash equivalents	(236,725)	2,424	(42,088)	9,696	(266,693)	
Cash and cash equivalents, beginning of year	1,843,172	118,237	268,419	353,288	2,583,116	
Cash and cash equivalents, end of year	\$ 1,606,447	\$ 120,661	\$ 226,331	\$ 362,984	\$ 2,316,423	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 168,159	\$ (3,518)	\$ (19,583)	\$ 15,622	\$ 160,680	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	27,294				27,294	
Change in assets and liabilities:						
Decrease/(Increase) in other accounts receivable	(122,772)			(3,806)	(126,578)	
(Increase) in inventories	(430)				(430)	
Increase/(Decrease) in unearned revenue		5,942	(22,505)		(16,563)	
(Decrease)/Increase in accounts payable	15,007			(2,120)	12,887	
Net cash provided by (used for) operating activities	\$ 87,258	\$ 2,424	\$ (42,088)	\$ 9,696	\$ 57,290	\$ -

See accompanying notes to the basic financial statements .

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### **1. Summary of Significant Accounting Policies**

The financial statements of the Bernards Township School District (the "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 District's accounting policies are described below.

#### **A. Reporting Entity**

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Bernards Township School District in Basking Ridge, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

#### **B. Government-wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the District. For the most part, the effect of internal activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds, the major individual enterprise funds, and the nonmajor internal service fund are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds, except internal service funds, be reported as major to promote consistency among school districts in the State of New Jersey.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

Property taxes, interest and state aid funds associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

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

*Special Revenue Fund:* The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

*Capital Projects Fund:* The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund:

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

The District's Enterprise Funds are comprised of the Food Service Fund, After School Enrichment Program, Project Jump Start and Before and After School Care.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

The District reports the following internal service fund:

*Self-Insurance Internal Service Fund:* The self-insurance fund is used to record the activity of the District's health insurance expenses.

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges for sales of food, tuition and program fees. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets, if applicable. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheets and statements of net position. Unearned revenue arises when resources are received by the District before it has legal claim to them. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

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 certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties, and the Township Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**D. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds and submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition in the general fund of the last two state aid payments for budgetary purposes and the treatment of encumbrances in the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are re-appropriated in the subsequent year's budget. Unencumbered appropriations lapse at fiscal year-end.

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

**E. Interfund Receivables/Payables**

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

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**F. Inventories**

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expense during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2024, the District recorded inventory of \$23,937 in the Food Service Enterprise Fund.

**G. Tuition**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the 2023-2024 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined. The District does not anticipate a significant change based on these estimates.

**H. Capital Assets**

Capital assets, which include land, property, plant and equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their acquisition value on the date of acquisition.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Life</u></b>
Athletic Equipment	10
Audio Visual Equipment	10
School Buildings	50
Business Machines (Other than Copiers)	10
Communications Equipment	10
Computer Hardware	5
Computer Software (Administrative)	15
Computer Software (Instructional)	7.5
Copiers	5
Custodial Equipment	15
Fire Suppression/Sprinklers	25
Classroom and Office Furniture	20
Grounds Equipment	15
Construction Equipment	10
HVAC Systems	20
Interior Construction	25
Kitchen Equipment	15
Machinery and Shop Tools	15
Musical Instruments	10
Outdoor Equipment	20
Plumbing and Electrical	30
Roofing	20
Science and Laboratory Equipment	10
Site Improvements	20

Depreciation of all exhaustive capital assets used by enterprise funds is charged as an expense against their operations. Accumulated depreciation is reported in the enterprise fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for the various types of equipment in the food service enterprise fund range between 3 to 12 years.

There are no capital assets maintained in any of the other District Enterprise funds.



Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**I. Compensated Absences**

A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated 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.

Under terms of association agreements, employees earn vacation and sick leave in amounts varying with tenure and classification. The liability for vested compensated absences of the District is recorded in the Government-wide financial statements and includes salary related payments.

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, 2024, a liability existed for compensated absences in the governmental activities of the Government-wide financial statements in the amount of \$819,449 and there was no liability for compensated absences in the enterprise funds.

**J. Unearned Revenue**

Unearned revenue in the general fund represents subscription busing fees received in advance. Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned. Unearned revenue in proprietary funds represent cash received in advance for summer programs and after school programs, which have not yet been earned.

**K. 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 element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**K. Deferred Outflows / Inflows of Resources (continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, which relates to deferred amounts related to pensions.

**L. Deferred Loss on Defeasance of Debt**

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest and other charges on long-term debt. The amortization expense for the year ended June 30, 2024 amounted to \$299,256. As of June 30, 2024, the District has recorded an unamortized balance of \$1,299,953 as a deferred outflow of resources.

**M. Long-Term Obligations**

In the government-wide financial statements and enterprise funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds statement of net position.

Bond premiums are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium.

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

**N. Fund Balances**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") 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. Under GASB 54, 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 as follows:

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

- 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 used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 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. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$30,857,127 of fund balances in the General Fund at June 30, 2024, \$507,474 of encumbrances are assigned to other purposes, \$5,761,527 has been restricted for excess surplus-current year, \$3,797,192 has been restricted for prior year excess surplus that has been designated for subsequent year's expenditures, \$202,808 is assigned as designated for subsequent years expenditures, \$11,550,039 has been restricted for the capital reserve, \$4,850,170 has been restricted for the maintenance reserve, \$1,000,000 has been restricted for the emergency reserve, \$493,251 has been restricted in the unemployment compensation reserve, and \$2,694,666 is classified as unassigned.

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### **1. Summary of Significant Accounting Policies (continued)**

The District has \$1,429 restricted for scholarships and \$856,536 restricted for student activities in the Special Revenue Fund. The District also has \$1,006,568 of fund balance in the Capital Projects Fund, which is restricted for capital projects and \$1 in the Debt Service Fund, which is restricted for debt service.

#### **O. Net Position**

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities in the government-wide and proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

#### **P. Management Estimates**

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

#### **Q. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement pension and medical contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been decreased by \$11,970,890 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

#### **R. Calculation of Excess Surplus**

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, 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, 2024 was \$9,578,719. Of this amount, \$3,797,192 has been appropriated in the 2024/25 budget and the remaining \$5,761,527 will be appropriated in the 2025/26 budget.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**1. Summary of Significant Accounting Policies (continued)**

**S. GASB Pronouncements**

**Recently Issued and Adopted Accounting Principles**

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures* in January 2024. The objective of the 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. The requirements of this Statement are effect for periods beginning after June 15, 2024, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements* in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined the impact of the Statement on the financial statements.

**T. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2024 and January 15, 2025, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**2. Reconciliation of Government-wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable and unamortized premiums, financed purchases payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$40,935,343 difference are as follows:

Bonds payable	\$ 38,645,000
Unamortized premium on bonds	1,439,967
Financed purchases payable	30,927
Compensated absences payable	<u>819,449</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 40,935,343</u>

**3. Deposits and Investments**

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and 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:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that 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.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**3. Deposits and Investments (continued)**

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.

**Deposits**

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

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

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

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

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

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2024, the carrying amount of the District's deposits for all funds was \$40,062,323 and the bank balance was \$43,714,930. Of the bank balances, \$500,000 of the District's cash deposits on June 30, 2024 were secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$32,220,793.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**3. Deposits and Investments (continued)**

\$680,120 held in the District agency accounts and \$10,314,017 held in a NJ Cash Management account are not covered by GUDPA. In addition, the District has cash held with fiscal agents in the amount of \$435,077.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA.

At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

*New Jersey Cash Management Fund*

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF") as one of its investments. The NJCMF is administered by the State of New Jersey, and issues a separate report that can be obtained directly from the Department of the Treasury.



Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**3. Deposits and Investments (continued)**

It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF daily without penalty. At June 30, 2024, the District's balance in NJCMF was \$10,314,017 and is classified as cash equivalents at June 30, 2024 due to its short-term nature and is considered a Level 1 investment under GASB No. 72. The debt instruments in the NJCMF are rated by three national rating agencies.

*Custodial Credit Risk:* The District does not have any investments that are exposed to custodial credit risk and does not have a policy for custodial credit risk.

*Credit Risk:* The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The District did not have any funds invested in debt securities.

*Concentration of Credit Risk:* The District places no limit on the amount the District may invest in any one issuer. At June 30, 2024, the District had no investments, other than funds held in NJCMF which are classified as cash equivalents due to its short-term nature.

*Interest Rate Risk:* The District does not have a policy to limit interest rate risk. The District did not have any funds held as investments during the year ended June 30, 2024, other than funds held in NJCMF which are classified as cash equivalents due to its short-term nature.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**4. Capital Assets**

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2024:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,277,400			\$ 5,277,400
Construction in progress	1,481,318	\$ 275,527	\$ (1,200,199)	556,646
Total capital assets, not being depreciated	6,758,718	275,527	(1,200,199)	5,834,046
Capital assets, being depreciated:				
Buildings and building improvements	117,457,374		1,200,199	118,657,573
Machinery, equipment and vehicles	6,903,265	308,208		7,211,473
Total capital assets, being depreciated	124,360,639	308,208	1,200,199	125,869,046
Less accumulated depreciation for:				
Buildings and building improvements	(50,800,849)	(2,436,581)		(53,237,430)
Machinery, equipment and vehicles	(5,377,992)	(239,436)		(5,617,428)
Total accumulated depreciation	(56,178,841)	(2,676,017)	-	(58,854,858)
Total capital assets, being depreciated, net	68,181,798	(2,367,809)	1,200,199	67,014,188
Governmental activities capital assets, net	\$ 74,940,516	\$ (2,092,282)	\$ -	\$ 72,848,234

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**4. Capital Assets (continued)**

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2024 as follows:

Instruction:	
Regular	\$ 887,798
Special education	434,727
Other special instruction	58,527
School sponsored/ other instructional	61,662
Support Services:	
Student and instruction related services	514,545
General administrative services	38,601
School administrative services	119,465
Central administrative services	25,112
Administrative information technology	32,972
Plant operations and maintenance	288,176
Pupil transportation	214,432
Total	<u>\$ 2,676,017</u>

The following schedule is a summarization of the business-type changes in capital assets for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Business-type activities:			
Non-depreciable Capital assets:			
Construction in Progress	\$ 11,700	\$ 21,106	\$ 32,806
Capital assets, being depreciated:			
Machinery and equipment	477,437	\$ 302,877	780,314
Less accumulated depreciation for:			
Machinery and equipment	(403,952)	(27,294)	(431,246)
Total business-type activities capital assets, net	<u>\$ 85,185</u>	<u>\$ 296,689</u>	<u>\$ 381,874</u>

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### 5. Long-Term Liabilities

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
School bonds	\$ 43,655,000		\$ 5,010,000	\$ 38,645,000	\$ 4,640,000
Unamortized premium on bonds	1,813,958		373,991	1,439,967	319,079
Financed purchases payable	47,554		16,627	30,927	11,209
Compensated absences payable	689,931	\$ 911,029	781,511	819,449	14,359
Subtotal	46,206,443	911,029	6,182,129	40,935,343	4,984,647
Net pension liability	17,671,197		1,117,797	16,553,400	-
Total governmental activity long-term liabilities	\$ 63,877,640	\$ 911,029	\$ 7,299,926	\$ 57,488,743	\$ 4,984,647

The District expects to liquidate the compensated absences, the net pension liability and financed purchases with payments made from the District's general fund and the bonds payable from the debt service fund.

### Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds that are direct borrowings of the District of which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the District.

Year	Principal	Interest	Total
2025	\$ 4,640,000	\$ 1,280,800	\$ 5,920,800
2026	5,315,000	1,082,869	6,397,869
2027	5,340,000	870,750	6,210,750
2028	5,590,000	659,875	6,249,875
2029	5,930,000	462,900	6,392,900
2030-2031	11,830,000	374,425	12,204,425
	<u>\$ 38,645,000</u>	<u>\$ 4,731,619</u>	<u>\$ 43,376,619</u>

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**5. Long-Term Liabilities (continued)**

All bonds outstanding are presented on schedule I-1 in this report. Bonds payable at June 30, 2024 are comprised of the following issues:

\$9,700,000, 2012 refunding bonds, due in annual installments ranging from \$85,000 to \$5,230,000 through July 15, 2029 at interest rates ranging from 2.500% to 3.00%.

\$23,745,000, 2013 refunding bonds, due in annual installments ranging from \$3,435,000 to \$4,620,000 through July 15, 2027 at an interest rate of 4.00%.

\$5,515,000, 2015 refunding bonds, due in annual installments ranging from \$295,000 to \$815,000 through July 15, 2030 at an interest rate of 4.00%.

\$8,680,000, 2016 refunding bonds, due in annual installments of \$3,215,000 and \$5,220,000 due on July 15, 2029 and July 15, 2030, respectively, at an interest rate of 3.00%.

As of June 30, 2024, the District did not have any defeased debt outstanding.

**Financed Purchases Payable**

The District is has entered into several copiers and technology equipment financed purchasing agreements with interest rates ranging from 1.57% to 6.62%. The following is a schedule of the future payments under these agreements and the net minimum payments at June 30, 2024:

2025	\$	12,733
2026		10,130
2027		7,112
2028		3,831
Total minimum payments		<u>33,806</u>
Less: amount representing inerest		<u>(2,879)</u>
Present value of net minimum payments	\$	<u>30,927</u>

All financed purchases payable outstanding are presented on schedule I-2 in this report. Assets capitalized through financed purchases at June 30, 2024 are as follows:

Machinery, equipment and vehicles	\$	2,087,053
Less accumulated depreciation		<u>(1,093,875)</u>
Total	\$	<u>993,178</u>

## Township of Bernards Board of Education

### Notes to the Basic Financial Statements

Year ended June 30, 2024

#### **6. Pension Plans**

##### **Description of Systems**

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

##### **Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all fulltime public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

##### **Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

Members are classified into one of five tiers dependent upon the date of their enrollment. Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tier 1

## Township of Bernards Board of Education

### Notes to the Basic Financial Statements

Year ended June 30, 2024

#### **6. Pension Plans (continued)**

and 2 members upon reaching the age of 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members 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 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. 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.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

#### **Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$21,760,337 to the TPAF for on-behalf medical benefits, long-term disability insurance, and pension contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$3,580,712 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the Government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023, and 2022 were \$1,603,818, \$1,527,446 and \$1,476,620, respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

*Public Employees' Retirement System (PERS)*

At June 30, 2024, the District reported a liability of \$16,553,400 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.1142845378 percent, which was a decrease of 0.0028101306 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized full accrual pension benefit of \$312,372 in the government-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 158,272	\$ 67,665
Changes of assumptions	36,364	1,003,207
Net difference between projected and actual earnings on pension plan investments	76,231	
Changes in proportion and differences between District contributions and proportionate share of contributions	434,330	601,656
District contributions subsequent to the measurement date	1,603,818	
	<u>\$ 2,309,015</u>	<u>\$ 1,672,528</u>

\$1,603,818 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

Year ended June 30:

2025	\$	(974,292)
2026		(493,321)
2027		705,259
2028		(200,633)
2029		(4,344)
	\$	<u>(967,331)</u>

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increase through 2026	2.75 – 6.55%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2022. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

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.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

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.

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
<i>Discount Rate</i>	100.00%	

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
District's proportionate share of the net pension liability	\$ 21,549,005	\$ 16,553,400	\$ 12,301,480

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

*Additional Information*

Collective balances – Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 1,080,204,730
Deferred inflows of resources	1,780,216,457
Net pension liability	14,606,489,066
District's Proportion	0.0954562279%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018 is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years, respectively.

*Special Funding Situation – Teachers' Pension and Annuity Fund (TPAF)*

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$208,781,763. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on a 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, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.4091139360 percent, which was a decrease of 0.40442745560 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$4,660,287 for contributions incurred by the State.

*Actuarial assumptions*

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2022.

*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, 2023) 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.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**6. Pension Plans (continued)**

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	At 1% decrease (6.00%)	At current discount rate (7.00%)	At 1% increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 246,191,585	\$ 208,781,763	\$ 177,273,801

*Pension plan fiduciary net position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**Additional Information**

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 2,498,730,891
Deferred inflows of resources	\$ 14,719,080,314
Net pension liability	\$ 51,109,961,824
 District's Proportion	 0.4091139360%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2023 is \$1,292,291,943.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, is 7.93, 7.83, 7.93, 7.99, 8.04, 8.29, 8.30, 8.30, and 8.30 years, respectively.

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### 7. Post-Retirement Benefits

#### *General Information about the OPEB Plan*

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.



Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2024, 2023, and 2022 were \$4,654,008, \$4,454,527, and \$3,944,734, respectively, which equaled the required contributions for each year.

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. 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 State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2023 was \$163,661,154. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

Additional information on pensions and OPEB can be assessed at [state.nj.us/treasury/pensions/financial-reports.shtml](http://state.nj.us/treasury/pensions/financial-reports.shtml).

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

*Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023 and included in the June 30, 2023 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF/ABP	PERS
Inflation rate	2.75%	2.75%
Salary increases: through 2026	2.75 - 4.25% based on years of service	2.75 - 6.55% based on age

*Mortality Rates*

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the actual experience studies for the periods July 1, 2019 – June 30, 2022 and July 1, 2022 – June 30, 2023 for TPAF and PERS, respectively.

*Discount Rate*

The discount rate for June 30, 2023 was 3.65%. 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.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend was (1.99%) in fiscal year 2023, increasing to 13.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

*The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate*

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	At 1% decrease (2.65%)	At current discount rate (3.65%)	At 1% increase (4.65%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 191,864,606	\$ 163,661,154	\$ 141,017,056

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 135,863,990	\$ 163,661,154	\$ 200,033,815

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

*Changes in the Total Non-employer OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2023:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2022	\$ 156,555,344
Changes for the year:	
Service cost	8,250,595
Interest cost	5,763,946
Differences between expected and actual inputs	(2,893,224)
Changes in assumptions or other inputs	329,873
Member contributions	147,710
Benefit payments	(4,493,090)
Net changes	<u>7,105,810</u>
Ending Total OPEB Liability, June 30, 2023	<u>\$ 163,661,154</u>

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2023</u>
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	<u>152,383</u>
Total Plan Members	<u>369,595</u>

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

For the year ended June 30, 2024, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$7,998,828 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 17,347,811,894
Deferred inflows of resources	\$ 30,503,688,706
Collective OPEB Expense	\$ 1,369,124,126
District's Proportion	0.31%

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**7. Post-Retirement Benefits (continued)**

*Special Funding Situation*

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

**8. Interfund Receivables and Payables**

The total interfund accounts receivable and payable balances for the District amounted to the following as of June 30, 2024:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 7,194,332	\$ 870,637
Special Revenue Fund	59,714	1,521,913
Capital Projects Fund		975,330
Debt Service Fund		4,641,370
Food Service Enterprise Fund		54,741
Project Jump Start Enterprise Fund		287
Before and After School Care Enterprise Fund		691
Internal Service Fund - Self Insurance	810,923	
	<u>\$ 8,064,969</u>	<u>\$ 8,064,969</u>

The interfund between the General Fund and the Special Revenue Fund represents a payable from the Special Revenue Fund to the General Fund to cover expenditures paid on behalf of the special revenue fund, of which the District is awaiting reimbursement. In addition, there is a payable from the General Fund to the Special Revenue Fund to remit monies collected that are due to the student activity accounts. The interfund between the General Fund and the Capital Projects Fund represents a payable from the Capital Projects Fund to the General Fund for interest earned on cash in the Capital Projects Fund as well as a loan from the General Fund to cover the expenditures of the ongoing SDA projects, of which the District is awaiting reimbursement. The interfund between the General Fund and Food Service Enterprise Fund represents a payable from the Food Service Enterprise Fund to the General Fund to cover food service bills and payroll paid on behalf of the Food Service Enterprise Fund. The interfund between the Internal Service Fund and the General Fund represents the funds expensed in the Internal Service Fund that will be reimbursed by the General Fund.

All interfunds are expected to be liquidated within one year.

## Township of Bernards Board of Education

### Notes to the Basic Financial Statements

Year ended June 30, 2024

#### **9. Economic Dependency**

The 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 District's programs and activities.

#### **10. Contingent Liabilities**

The District is a defendant in several legal proceedings that are in various stages of litigation. In the opinion of management and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its capital projects. The costs associated with the funding received from the NJSDA are subject to final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible requirements, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired.

As a result of the impact of COVID-19, the District has received funding under the Elementary and Secondary School Emergency Relief (ESSER) Fund, Coronavirus Relief Fund (CRF), American Rescue Plan Elementary and Secondary School Emergency Relief Funds (ARP ESSER), and American Rescue Plan IDEA Funds (ARP IDEA). To the extent that the District has not complied with the rules and regulations governing these funds, money may be required to be returned. In the opinion of the District's management, there are no significant contingent liabilities relating to compliance with rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

#### **11. Capital Reserve Account**

A capital reserve account was established by the Township of Bernards Board of Education by inclusion of \$1 on September 25, 2000 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).

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### 11. Capital Reserve Account (continued)

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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$	9,912,348
Deposits:		
Interest earned on investments		652,398
Budgeted in Adopted Budget		1,017,614
Approved by Resolution at the June 10, 2024 meeting		2,197,008
Withdrawals:		
Transfer to Capital Projects Fund		(868,000)
Transfer to Debt Service Fund		(552,829)
Transfer to Capital Outlay		(808,500)
Ending balance, June 30, 2024	\$	<u>11,550,039</u>

The June 30, 2024 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in capital reserve.

### 12. Maintenance Reserve Account

On June 20, 2011, the District elected to establish a reserve to be used to accumulate funds for the required maintenance of a facility, and in accordance with N.J.S.A. 18A:7G-9, as amended by P.L. 2004, c. 73 (S1701), passed a board resolution authorizing the establishment of a maintenance reserve account in the District's General Fund. As allowed by N.J.S.A. 18A:F-41 and N.J.A.C. 6A:23A-14.3 the District can adopt a board resolution to deposit funds into a maintenance reserve account between June 1 and June 30 of each budget year.

The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$	4,144,250
Deposits:		
Approved by Resolution at the June 10, 2024 meeting		441,811
Budgeted in Adopted Budget		441,000
Interest earned on Investments		273,109
Withdrawals:		
Board approved withdrawal at the December 18, 2023 meeting		(300,000)
Board approved withdrawal at the June 10, 2024 meeting		(150,000)
Ending balance, June 30, 2024	\$	<u>4,850,170</u>

# Township of Bernards Board of Education

## Notes to the Basic Financial Statements

Year ended June 30, 2024

### 13. Emergency Reserve Account

On June 15, 2016, the District elected to establish a reserve to be used to accumulate funds for the current expense emergency reserve, and in accordance with N.J.S.A. 18A:7F-41 and NJAC 6A:23A-14.4(a)(1), passed a board resolution authorizing the establishment of an emergency reserve account in the District's General Fund. As allowed by N.J.S.A. 18A:7F-41 and N.J.A.C. 6A:23A-14.4(a)(1), the District can pass a board resolution to deposit funds into an emergency reserve account between June 1 and June 30 of each budget year.

The activity of the emergency reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$ 911,666
Deposits:	
Interest earned on Investments	334
Budgeted in Adopted Budget	88,000
Ending balance, June 30, 2024	<u>\$ 1,000,000</u>

### 14. Risk Management

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

#### Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

#### New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The District's withholdings are recorded in the Unemployment Compensation Reserve in the general fund.



Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**14. Risk Management (continued)**

**Self-Insurance**

The District is self-insured for medical and prescription and has established an internal service fund to account for its self-insurance activities. At June 30, 2024, the accrued liability for unpaid medical and prescription of \$1,246,000 has been recorded in the internal service fund financial statements for Incurred But Not Reported Claims (IBNR), which is subject to modification and/or assessment of existing or additional claims. The medical and prescription IBNR liability has been calculated by an actuary contracted by the District's risk management actuary. The actuary utilized a 15% margin to estimate the liabilities.

The change in the IBNR for the years ended June 30, 2024, 2023 and 2022 is as follows:

Year	Beginning Balance	Claims and Estimates	Payments	Ending Balance
2023-24	\$ 922,000	\$ 17,695,014	\$ 17,371,014	\$ 1,246,000
2022-23	1,161,000	13,523,110	13,762,110	922,000
2021-22	1,179,000	14,913,051	14,931,051	1,161,000

**15. Deferred Compensation**

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by Lincoln Investment Planning, VALIC, Thomas Seely Agency, Security First Group and the Equitable, 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. Since the District does not hold the assets in a trustee capacity, the related assets are not included in the District's fiduciary fund financial statements.

**16. Commitments**

The District has contractual commitments at June 30, 2024 to various vendors, which are recorded in the General Fund as fund balance assigned to other purposes in the amount of \$507,474 and in the Capital Projects Fund as restricted for capital projects in the amount of \$1,006,568.

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**17. GASB 77 Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements.

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Bernards has entered into a tax abatement agreement, which has reduced the Township's tax revenues. The Township entered into this agreement dated July 28, 2009, which is a full abatement of taxes for a nonprofit housing corporation for its senior citizen housing development, and in return the nonprofit housing corporation is required to pay the Township an annual service charge. The annual service charge is to be calculated at 15% of the annual gross rents derived from such housing project as detailed in the agreement. The agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first. For the 2023 calendar year, the Township recognized revenue of \$459,129 from the annual service charge in lieu of payment of taxes, while the taxes that would have been paid for this property was \$487,804, resulting in a reduction of taxes collected by the Township of \$28,675. A portion of this would have been allocated to the District.

**18. Transfers – Reconciliation**

The following represents a reconciliation of transfers made during the 2024 fiscal year:

	In	Out
General Fund		\$ 1,420,829
Debt Service Fund	\$ 552,829	
Capital Projects Fund	868,000	
	<u>\$ 1,420,829</u>	<u>\$ 1,420,829</u>

Township of Bernards Board of Education

Notes to the Basic Financial Statements

Year ended June 30, 2024

**18. Transfers – Reconciliation (continued)**

The transfer from General Fund to the Capital Projects Fund represents a transfer from the Capital Reserve to fund the local portion of the SDA projects. The transfer from General Fund to the Debt Service fund represents a transfer from the Capital Reserve to fund debt payments.

**19. Net Position – Net Investment in Capital Assets**

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$34,032,293 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 72,848,234
Bonds payable (used to build or acquire capital assets)	(38,645,000)
Premium on bonds	(1,439,967)
Financed purchases and leases payable	(30,927)
Deferred loss on refunding of debt	1,299,953
Total net investment in capital assets	<u>\$ 34,032,293</u>

## **Required Supplementary Information – Part II**

TOWNSHIP OF BERNARDS BOARD OF EDUCATION  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System

Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset) - Local Group	0.1142845378%	0.1175624801%	0.1133710704%	0.1137895830%	0.1174963106%	0.1167161900%	0.1186278136%	0.1215446151%	0.1131163225%	0.1095265402%
District's proportionate share of the net pension liability (asset)	\$ 16,553,400	\$ 17,671,197	\$ 13,430,503	\$ 18,556,036	\$ 21,171,053	\$ 22,980,836	\$ 27,614,659	\$ 35,998,029	\$ 25,392,348	\$ 20,506,364
District's covered-employee payroll	\$ 8,696,154	\$ 8,478,111	\$ 8,238,646	\$ 8,133,512	\$ 8,088,658	\$ 7,912,953	\$ 8,093,970	\$ 8,068,738	\$ 7,952,090	\$ 7,496,079
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.35%	208.43%	163.02%	228.14%	261.74%	290.42%	341.18%	446.14%	319.32%	273.56%
Plan fiduciary net position as a percentage of the total pension liability - Local Group	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

n/a - information not available

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION  
Schedule of District Contributions  
Public Employees' Retirement System  
  
Required Supplementary Information  
  
Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,603,818	\$ 1,527,446	\$ 1,476,620	\$ 1,244,797	\$ 1,142,899	\$ 1,125,708	\$ 1,079,785	\$ 1,091,853	\$ 972,497	\$ 893,254
Contributions in relation to the contractually required contribution	(1,603,818)	(1,527,446)	(1,476,620)	(1,244,797)	(1,142,899)	(1,125,708)	(1,079,785)	(1,091,853)	(972,497)	(893,254)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,724,806	\$ 8,696,154	\$ 8,478,111	\$ 8,238,646	\$ 8,133,512	\$ 8,088,658	\$ 7,912,953	\$ 8,093,970	\$ 8,068,738	\$ 7,952,090
Contributions as a percentage of covered-employee payroll	16.49%	17.56%	17.42%	15.11%	14.05%	13.92%	13.65%	13.49%	12.05%	11.23%

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION  
Schedule of the State's Proportionate Share of the Net Pension  
Liability Associated with the District  
Teachers' Pension and Annuity Fund

Required Supplementary Information

Last Ten Fiscal Years\*

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.4091139360%	0.4044274556%	0.3984428035%	0.4016031646%	0.3936407400%	0.3939148723%	0.3819528228%	0.3818596058%	0.3785217272%	0.3766510631%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 208,781,763	\$ 208,661,983	\$ 191,552,129	\$ 264,450,852	\$ 241,581,038	\$ 250,600,181	\$ 257,526,366	\$ 300,395,079	\$ 239,241,896	\$ 201,307,735
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 208,781,763</u>	<u>\$ 208,661,983</u>	<u>\$ 191,552,129</u>	<u>\$ 264,450,852</u>	<u>\$ 241,581,038</u>	<u>\$ 250,600,181</u>	<u>\$ 257,526,366</u>	<u>\$ 300,395,079</u>	<u>\$ 239,241,896</u>	<u>\$ 201,307,735</u>
Plan fiduciary net position as a percentage of the total pension liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

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

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation, the District does not make contributions to this plan.

See accompanying note to required supplementary information.

TOWNSHIP OF BERNARDS BOARD OF EDUCATION  
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District  
and Changes in the Total OPEB Liability and Related Ratios  
Public Employees' Retirement System and Teachers' Pension and Annuity Fund

Required Supplementary Information

Last Ten Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.31%	0.31%	0.31%	0.30%	0.30%	0.29%	0.28%	0.28%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 163,661,154	\$ 156,555,344	\$ 188,464,457	\$ 206,807,580	\$ 124,869,505	\$ 131,465,904	\$ 150,631,595	\$ 161,686,767
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 163,661,154</u>	<u>\$ 156,555,344</u>	<u>\$ 188,464,457</u>	<u>\$ 206,807,580</u>	<u>\$ 124,869,505</u>	<u>\$ 131,465,904</u>	<u>\$ 150,631,595</u>	<u>\$ 161,686,767</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017 **</b>
Service cost	\$ 8,250,595	\$ 10,670,147	\$ 12,326,855	\$ 6,970,219	\$ 6,677,315	\$ 7,508,589	\$ 9,107,318	
Interest cost	5,763,946	4,148,889	4,888,967	4,553,819	5,274,853	5,601,203	4,820,081	
Changes in benefit terms	-	-	(200,597)	-	-	-	-	
Difference between expected and actual	(2,893,224)	(753,013)	(31,818,133)	36,128,623	-	-	-	
Changes of assumptions	329,873	(41,997,376)	185,934	37,776,638	(14,829,069)	(28,881,628)	(21,622,096)	
Member contributions	147,710	131,838	124,987	109,126	113,624	121,496	128,472	
Gross benefit payments	(4,493,090)	(4,109,598)	(3,851,136)	(3,600,350)	(3,833,122)	(3,515,351)	(3,488,947)	
Net change in total OPEB liability	<u>7,105,810</u>	<u>(31,909,113)</u>	<u>(18,343,123)</u>	<u>81,938,075</u>	<u>(6,596,399)</u>	<u>(19,165,691)</u>	<u>(11,055,172)</u>	
Total OPEB liability - beginning	<u>156,555,344</u>	<u>188,464,457</u>	<u>206,807,580</u>	<u>124,869,505</u>	<u>131,465,904</u>	<u>150,631,595</u>	<u>161,686,767</u>	
Total OPEB liability - ending	<u>\$ 163,661,154</u>	<u>\$ 156,555,344</u>	<u>\$ 188,464,457</u>	<u>\$ 206,807,580</u>	<u>\$ 124,869,505</u>	<u>\$ 131,465,904</u>	<u>\$ 150,631,595</u>	
Covered-employee payroll	<u>\$ 59,767,020</u>	<u>\$ 57,074,638</u>	<u>\$ 54,948,120</u>	<u>\$ 54,487,890</u>	<u>\$ 53,527,972</u>	<u>\$ 50,777,433</u>	<u>\$ 49,398,644</u>	
Total OPEB liability as a percentage of covered-employee payroll	<u>273.83%</u>	<u>274.30%</u>	<u>342.99%</u>	<u>379.55%</u>	<u>233.28%</u>	<u>258.91%</u>	<u>304.93%</u>	

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

\*\* information not available.

See accompanying note to required supplementary information.



TOWNSHIP OF BERNARDS BOARD OF EDUCATION

Notes to Required Supplementary Information

Year ended June 30, 2024

**1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM-PENSION**

**Benefit Changes**

There were none.

**Changes of Assumptions**

There were none.

**2. TEACHERS' PENSION AND ANNUITY FUND-PENSION**

**Benefit Changes**

There were none.

**Changes of Assumptions**

There were none.

**3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND**

**Benefit Changes**

There were none.

**Changes of Assumptions**

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

## **Required Supplementary Information – Part III**

### **Budgetary Comparison Schedules**

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
 Budgetary Comparison Schedule  
 Budgetary Basis  
 General Fund  
 Year ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 91,314,864		\$ 91,314,864	\$ 91,314,864	
Tuition from other LEA's	750,000		750,000	695,189	\$ (54,811)
Tuition from individuals				82,729	82,729
Transportation fees from individuals	100,000		100,000	185,523	85,523
Interest earned on capital reserve funds	333		333	652,398	652,065
Interest earned on maintenance reserve funds	333		333	273,109	272,776
Interest earned on emergency reserve funds	334		334	334	
Interest earned				1,314,567	1,314,567
Miscellaneous	150,000		150,000	1,068,560	918,560
Total - local sources	<u>92,315,864</u>		<u>92,315,864</u>	<u>95,587,273</u>	<u>3,271,409</u>
State sources:					
Special education aid	5,164,947		5,164,947	5,164,947	
Security aid	430,818		430,818	430,818	
Transportation aid	1,783,392		1,783,392	1,783,392	
Extraordinary aid	3,700,000		3,700,000	4,722,159	1,022,159
Additional nonpublic transportation aid				168,350	168,350
Securing our Children's Future Bond Act - Alyssa's Law				232,045	232,045
Other State Aid				296,959	296,959
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				17,100,050	17,100,050
TPAF Pension Contributions - Post-Retirement Medical (On-Behalf - Non-Budgeted)				4,654,008	4,654,008
TPAF Pension Contributions - Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				6,279	6,279
TPAF Social Security (Reimbursed - Non-Budgeted)				3,580,712	3,580,712
Total - state sources	<u>11,079,157</u>		<u>11,079,157</u>	<u>38,139,719</u>	<u>27,060,562</u>
Federal sources:					
Medicaid reimbursement	15,253		15,253	1,746	(13,507)
Total - federal sources	<u>15,253</u>		<u>15,253</u>	<u>1,746</u>	<u>(13,507)</u>
Total revenues	<u>103,410,274</u>		<u>103,410,274</u>	<u>133,728,738</u>	<u>30,318,464</u>
<b>Expenditures</b>					
Current expense:					
Instruction:					
Regular programs:					
Salaries of teachers:					
Kindergarten	996,034	\$ 100,374	1,096,408	1,096,408	
Grades 1-5	9,831,122	45,042	9,876,164	9,876,164	
Grades 6-8	7,488,222	(242,377)	7,245,845	7,245,845	
Grades 9-12	10,067,164	(65,936)	10,001,228	10,001,200	28
Instruction- home instruction:					
Salaries of teachers	50,000	1,140	51,140	51,140	
Purchased professional-educational services	5,000	27,944	32,944	31,557	1,387
Regular programs - undistributed instruction:					
Purchased professional-educational services	25,692	(15,770)	9,922	9,922	
Purchased technical services	215,365	(76,408)	138,957	135,176	3,781
General supplies	1,318,463	(70,939)	1,247,524	1,247,185	339
Textbooks	362,082	(152,771)	209,311	209,311	
Total regular programs	<u>30,359,144</u>	<u>(449,701)</u>	<u>29,909,443</u>	<u>29,903,908</u>	<u>5,535</u>
Special education:					
Intellectual Disability moderate:					
Salaries of teachers	395,551	(29,805)	365,746	365,746	
Other salaries for instruction	491,053	8,668	499,721	499,721	
General Supplies	17,089		17,089	14,140	2,949
Textbooks	16,800	(12,472)	4,328	3,502	826
Total Intellectual Disability moderate	<u>920,493</u>	<u>(33,609)</u>	<u>886,884</u>	<u>883,109</u>	<u>3,775</u>
Learning and/or language disabilities:					
Salaries of teachers	303,222	3,351	306,573	306,573	
Other salaries for instruction	392,391	33,708	426,099	426,099	
General supplies	23,000	(1,700)	21,300	20,647	653
Textbooks	3,000		3,000	3,000	
Total learning and/or language disabilities	<u>721,613</u>	<u>35,359</u>	<u>756,972</u>	<u>756,319</u>	<u>653</u>
Auditory impairments:					
Salaries of teachers	94,924	4,769	99,693	99,693	
General supplies	10,000	(5,000)	5,000	4,124	876
Total auditory impairments	<u>104,924</u>	<u>(231)</u>	<u>104,693</u>	<u>103,817</u>	<u>876</u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Instruction (continued):					
Emotional regulation impairment:					
Salaries of teachers	\$ 520,652	\$ (79,539)	\$ 441,113	\$ 441,113	
Other salaries for instruction	459,702	(23,087)	436,615	436,615	
General supplies	16,000	(465)	15,535	14,261	\$ 1,274
Total emotional regulation impairment	996,354	(103,091)	893,263	891,989	1,274
Resource room/center:					
Salaries of teachers	5,581,862	(307,021)	5,274,841	5,274,841	
Other salaries for instruction	293,948	(27,783)	266,165	265,183	982
General supplies	56,268	(450)	55,818	50,489	5,329
Total resource room/center	5,932,078	(335,254)	5,596,824	5,590,513	6,311
Autism:					
Salaries of teachers	1,705,621	75,031	1,780,652	1,780,652	
Other salaries for instruction	3,337,550	(84,583)	3,252,967	3,252,568	399
General supplies	53,340	9,174	62,514	59,070	3,444
Total autism	5,096,511	(378)	5,096,133	5,092,290	3,843
Preschool disabilities-part-time:					
Salaries of teachers	266,285	84,143	350,428	350,428	
Other salaries for instruction	125,830	26,626	152,456	152,456	
General supplies	12,253	(8,966)	3,287	2,564	723
Total preschool disabilities - part-time	404,368	101,803	506,171	505,448	723
Preschool disabilities-full time:					
General supplies	5,000	9,579	14,579	13,922	657
Total preschool disabilities - full time	5,000	9,579	14,579	13,922	657
Total special education	14,181,342	(325,822)	13,855,519	13,837,407	18,112
Basic skills/remedial - Instruction:					
Salaries of teachers	884,019	14,012	898,031	898,031	
General supplies	6,300	(5,210)	1,090	791	299
Total basic skills/redmedial - instruction	890,319	8,802	899,121	898,822	299
Bilingual education:					
Salaries of teachers	408,801	13,627	422,428	422,428	
Other salaries for instruction	34,985	(24,113)	10,872	9,897	975
Other purchased services	705		705		705
General supplies		124	124	117	7
Total bilingual education	444,491	(10,362)	434,129	432,442	1,687
School sponsored co-curricular activities - instruction:					
Salaries	537,055	20,875	557,930	556,444	1,486
Supplies and materials	57,550	(10,791)	46,759	37,537	9,222
Other objects	1,000		1,000		1,000
Total school sponsored co-curricular activities - instruction	595,605	10,084	605,689	593,981	11,708
School sponsored athletic activities:					
Salaries	1,225,462	19,193	1,244,655	1,244,655	
Purchased services	76,400	(4,195)	72,205	69,261	2,944
Supplies and materials	153,250	(23,570)	129,680	129,030	650
Other objects	75,250	3,228	78,478	78,478	
Transfers to cover deficit (agency funds)	92,280	(22,280)	70,000	70,000	
Total school sponsored athletic activities	1,622,642	(27,624)	1,595,018	1,591,424	3,594
Other supplemental / at-risk programs - instruction:					
Salaries of reading specialists	744,349	(1,333)	743,016	743,016	
Total other supplemental / at-risk programs - instruction	744,349	(1,333)	743,016	743,016	
Total instruction	48,837,891	(795,956)	48,041,935	48,001,000	40,935

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Undistributed expenditures:					
Instruction:					
Tuition to other school districts in the state-special	\$ 286,731	\$ 82,654	\$ 369,385	\$ 364,022	\$ 5,363
Tuition to county vocational - regular	44,830	(30,960)	13,870	13,870	
Tuition to private school - disability in state	1,639,200	174,253	1,813,453	1,813,453	
Tuition to private school - disability out of state	74,410	830	75,240	75,240	
Total undistributed expenditures - instruction	2,045,171	226,777	2,271,948	2,266,585	5,363
Attendance and social work services:					
Purchased professional and technical services		5,000	5,000	1,279	3,721
Total attendance and social work services		5,000	5,000	1,279	3,721
Health services:					
Salaries	802,560	128,676	931,236	929,329	1,907
Other salaries	150,526	(25,379)	125,147	125,147	
Purchased prof. and tech. services	22,000	5,000	27,000	23,165	3,835
Other purchased services	3,050		3,050	1,706	1,344
Supplies and materials	65,129	(24,115)	41,014	29,249	11,765
Total health services	1,043,264	84,183	1,127,447	1,108,596	18,851
Other support services - student-speech, OT, PT, and related services:					
Salaries	1,537,915	103,325	1,641,240	1,641,240	
Purchased professional educational services	91,764	87,678	179,442	172,230	7,212
Supplies and materials	12,250	30	12,280	11,160	1,120
Total other support services - student-speech, OT, PT, and related servi	1,641,929	191,033	1,832,962	1,824,630	8,332
Other support services - students - extra services:					
Salaries	978,178	83,027	1,061,205	1,061,205	
Purchased professional educational services	529,125	(87,272)	441,853	379,620	62,233
Supplies and materials	8,385	(30)	8,355	6,175	2,180
Total other support services - students - extra services	1,515,688	(4,275)	1,511,413	1,447,000	64,413
Other support services - guidance - regular:					
Salaries of other prof. staff	2,024,245	32,917	2,057,162	2,057,162	
Salaries secretary/clerical assts.	501,552	1,234	502,786	500,353	2,433
Purchased professional - educational services	57,249	(9,794)	47,455	47,455	
Other purchased prof. and tech. services	178,348		178,348	175,550	2,798
Other purchased services	450,854	6,500	457,354	452,821	4,533
Supplies and materials	16,280	(12,215)	4,065	4,047	18
Other objects	919		919	859	60
Total other support services - guidance - regular	3,229,448	18,641	3,248,089	3,238,247	9,842
Child study teams:					
Salaries of other prof. staff	2,322,099	170,171	2,492,270	2,492,270	
Salaries secretary/clerical assistants	338,465	(6,046)	332,419	332,419	
Other purchased prof. and tech. services	94,500	(18,411)	76,089	76,089	
Other purchased services	25,500	(11,921)	13,579	12,915	664
Supplies and materials	106,150	(22,592)	83,558	83,558	
Other objects	4,500	(2,000)	2,500	678	1,822
Total child study teams	2,891,214	109,201	3,000,415	2,997,929	2,486
Improvement of instruction services/instructional staff:					
Salaries of supervisors of instruction	921,841	(7,449)	914,392	914,392	
Salaries of secretarial and clerical assistants	206,966	1,902	208,868	208,868	
Other salaries	447,000	(67,951)	379,049	379,049	
Supplies and materials	698,512	(24,634)	673,878	664,607	9,271
Other objects	13,539		13,539	13,075	464
Total improvement of instruction services/instructional staff	2,287,858	(98,132)	2,189,726	2,179,991	9,735

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2024**

	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance  Final To <u>Actual</u>
Current expense (continued):					
Undistributed expenditures (continued):					
Educational media services/school library:					
Salaries	\$ 560,927	\$ (32,145)	\$ 528,782	\$ 526,520	\$ 2,262
Salaries of technology coordinators	110,000	11,659	121,659	121,445	214
Purchased prof. and tech. services	141,175	(28,648)	112,527	111,188	1,339
Supplies and materials	74,802	(1,575)	73,227	71,966	1,261
Total educational media services/school library	<u>886,904</u>	<u>(50,709)</u>	<u>836,195</u>	<u>831,119</u>	<u>5,076</u>
Instructional staff training services:					
Salaries of supervisors of instruction	1,026,141	(9,250)	1,016,891	1,016,891	
Salaries of secretarial and clerical assistants	352,950	2,680	355,630	355,630	
Other salaries	49,876	31,477	81,353	81,353	
Purchased professional - educational services	23,000	(17,650)	5,350	5,350	
Other purchased prof. and tech. services	84,285	(41,366)	42,919	42,919	
Other purchased services	41,851	1,125	42,976	42,328	648
Supplies and materials	35,491	(4,794)	30,697	29,628	1,069
Other objects	5,830	3,000	8,830	5,322	3,508
Total instructional staff training services	<u>1,619,423</u>	<u>(34,777)</u>	<u>1,584,646</u>	<u>1,579,421</u>	<u>5,225</u>
Support services - general administration:					
Salaries	429,002	607	429,609	427,320	2,289
Legal services	178,000	67,964	245,964	245,964	
Audit fees	62,000	200	62,200	62,200	
Architect / engineering services	135,268	(29,124)	106,144	78,711	27,433
Other purchased prof. services	97,000	55,170	152,170	148,570	3,600
Communications/telephone	82,430	(7,343)	75,087	75,087	
BOE other purchased services	7,500		7,500	4,411	3,089
Miscellaneous purchased services	326,412	(46,879)	279,533	279,532	1
General supplies	12,450	500	12,950	12,511	439
Miscellaneous expenditures	47,000	(13,232)	33,768	33,768	
Total support services - general administration	<u>1,377,062</u>	<u>27,863</u>	<u>1,404,925</u>	<u>1,368,074</u>	<u>36,851</u>
Support services -school administration:					
Salaries of principals/asst. principals	2,767,544	(130,721)	2,636,823	2,635,085	1,738
Salaries of other professional staff	180,794	5,080	185,874	185,874	
Salaries secretary/clerical assts.	1,321,093	35,028	1,356,121	1,356,121	
Purchased professional and technical services	71,955	(20,707)	51,248	48,246	3,002
Other purchased services	6,050	500	6,550	2,852	3,698
Supplies and materials	14,300	(5,790)	8,510	3,961	4,549
Other objects	20,600	4,693	25,293	19,362	5,931
Total support services - school administration	<u>4,382,336</u>	<u>(111,917)</u>	<u>4,270,419</u>	<u>4,251,501</u>	<u>18,918</u>
Central Services:					
Salaries	749,931	(10,746)	739,185	739,185	
Purchased professional services	96,064	99,345	195,409	125,052	70,357
Misc purchased services	24,250	(13,110)	11,140	10,733	407
Supplies and materials	14,295	(3,001)	11,294	11,294	
Miscellaneous expenditures	5,700		5,700	3,749	1,951
Total central services	<u>890,240</u>	<u>72,488</u>	<u>962,728</u>	<u>890,013</u>	<u>72,715</u>
Admin Info Technology:					
Salaries	881,203	1,453	882,655	882,655	
Purchased technical services	290,847	(39,256)	251,591	246,215	5,376
Supplies and materials	51,900	(12,185)	39,715	39,715	
Total Admin Info Technology	<u>1,223,949</u>	<u>(49,988)</u>	<u>1,173,961</u>	<u>1,168,585</u>	<u>5,376</u>
Required maintenance for school facilities:					
Salaries	409,911	(15,050)	394,861	394,861	
Cleaning, repair and maintenance services	2,047,529	364,750	2,412,279	2,337,466	74,813
Travel	1,500		1,500		1,500
General supplies	252,800	80,431	333,231	324,107	9,124
Total required maintenance for school facilities	<u>2,711,740</u>	<u>430,131</u>	<u>3,141,871</u>	<u>3,056,434</u>	<u>85,437</u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Current expense (continued):					
Undistributed expenditures (continued):					
Custodial services:					
Salaries	\$ 451,155	\$ 37,584	\$ 488,739	\$ 488,631	\$ 108
Purchased professional and technical services	95,000	(1,300)	93,700	93,576	124
Cleaning, repair and maintenance services	2,786,709	174,570	2,961,279	2,957,760	3,519
Other purchased property services	300,000	12,513	312,513	312,480	33
Insurance	538,827	18,000	556,827	556,026	801
Misc. purchased services		2,000	2,000	1,485	515
General supplies	210,000	(4,936)	205,064	202,297	2,767
Energy (natural gas)	479,843	(96,934)	382,909	376,761	6,148
Energy (electricity)	862,706	(41,441)	821,265	821,121	144
Total custodial services	5,724,240	100,056	5,824,296	5,810,137	14,159
Care and upkeep of grounds:					
Cleaning, repair and maintenance services	659,765	(25,411)	634,354	611,733	22,621
General supplies	35,099	19,200	54,299	50,321	3,978
Total care and upkeep of grounds	694,864	(6,211)	688,653	662,054	26,599
Security:					
Salaries	86,915	22,543	109,458	109,458	
Purchased professional and technical services	560,000	12,357	572,357	572,357	
General supplies	500		500		500
Other objects	2,640	329	2,969	2,969	
Total security	650,055	35,229	685,284	684,784	500
Student transportation services:					
Salaries for pupil trans. - (other than between home/school)	89,057		89,057	89,057	
Management fee- ESC & CTSA trans. program	84,890	1,661	86,551	86,551	
Cleaning, repair and maintenance services	20,000	(13,824)	6,176	6,176	
Contracted services - aid in lieu of payments - nonpublic	383,250	20,080	403,330	402,748	582
Contracted services (between home and sch.) - vendor	3,481,053		3,481,053	3,480,182	871
Contracted services (other than home to sch.) - vendor	461,423	(43,578)	417,845	413,240	4,605
Contracted services - parental contracts	23,000	25,500	48,500	45,994	2,506
Contracted services (special ed.) - esc	2,746,115	329,015	3,075,130	3,075,130	
Miscellaneous purchased services		425	425		
Other objects	400	(100)	300	300	
Total student transportation services	7,289,188	319,179	7,608,367	7,599,803	8,564
Unallocated benefits - employee benefits:					
Social security contributions	1,300,409	(106,419)	1,193,990	1,193,990	
Other retirement contributions - PERS	1,700,771	(153,199)	1,547,572	1,547,572	
Unemployment compensation	40,000	(40,000)			
Worker's compensation	377,490	(90,250)	287,240	287,239	1
Health benefits	14,831,819	681,141	15,512,960	15,512,915	45
Tuition reimbursement	255,000	(16,596)	238,404	238,403	1
Other employee benefits	164,800	27,193	191,993	191,405	588
Total unallocated benefits	18,670,289	301,870	18,972,159	18,971,524	635
On-behalf payments:					
On-behalf TPAF pension and annuity fund (non-budgeted)				17,100,050	(17,100,050)
On-behalf TPAF post retirement medical (non-budgeted)				4,654,008	(4,654,008)
On-behalf TPAF long-term disability insurance (non-budgeted)				6,279	(6,279)
Reimbursed TPAF social security contributions (non-budgeted)				3,580,712	(3,580,712)
Total on-behalf payments				25,341,049	(25,341,049)
Total undistributed expenditures	60,774,862	1,565,642	62,340,504	87,278,755	(24,938,251)
Total expenditures - current expense	109,612,753	769,686	110,382,439	135,279,755	(24,897,316)
<b>Capital outlay</b>					
Equipment:					
Regular programs - instruction:					
Grades 1-5		37,589	37,589	37,589	
Grades 6-8		13,917	13,917	13,917	
Grades 9-12	75,917	28,903	104,820	103,823	997
Special Education - instruction:					
Instructional Alternative Education Programs	80,525	(41,068)	39,457	39,457	
Undistributed expenditures:					
Required maintenance for school facilities	60,000	5,780	65,780	64,954	826
Care and Upkeep of Grounds		17,200	17,200	17,125	75
Total equipment	216,442	62,321	278,763	276,865	1,898

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**General Fund**  
**Year ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>Capital outlay (continued)</b>					
Facilities acquisition and construction services:					
Other purchased professional and technical services	\$ 265,000		\$ 265,000		\$ 265,000
Construction services	3,096,265	\$ 808,500	3,904,765	\$ 745,026	3,159,739
Total facilities acquisition and construction svcs.	3,361,265	808,500	4,169,765	745,026	3,424,739
Total capital outlay	3,577,707	870,821	4,448,528	1,021,891	3,426,637
Total expenditures	113,190,460	1,640,507	114,830,967	136,301,646	(21,470,679)
(Deficiency) excess of revenues (under) over expenditures	(9,780,186)	(1,640,507)	(11,420,693)	(2,572,908)	8,847,785
Other Financing Sources (Uses):					
Transfers Out - Capital Reserve Transfer to Capital Projects Fund		(868,000)	(868,000)	(868,000)	
Transfers Out - Capital Reserve Transfer to Debt Service Fund	(552,829)		(552,829)	(552,829)	
Total other financing sources (uses)	(552,829)	(868,000)	(1,420,829)	(1,420,829)	
(Deficiency) excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(10,333,015)	(2,508,507)	(12,841,522)	(3,993,737)	8,847,785
Fund Balances, July 1	35,583,279		35,583,279	35,583,279	
Fund Balances, June 30	<u>\$ 25,250,264</u>	<u>\$ (2,508,507)</u>	<u>\$ 22,741,757</u>	<u>\$ 31,589,542</u>	<u>\$ 8,847,785</u>
<b>Recapitulation of (Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing (uses)</b>					
Budgeted Fund Balance	\$ (10,923,107)	\$ (382,007)	\$ (11,305,113)	\$ (6,425,681)	\$ 4,879,432
Withdrawal From Capital Reserve - Transfer to Capital Outlay		(808,500)	(808,500)	(808,500)	
Withdrawal from Maintenance Reserve		(450,000)	(450,000)	(450,000)	
Capital Reserve - Transfer to Repayment of Debt	(552,829)		(552,829)	(552,829)	
Capital Reserve - Transfer to Capital Projects Fund		(868,000)	(868,000)	(868,000)	
Increase in Capital Reserve	1,017,614		1,017,614	1,017,614	
Increase in Maintenance Reserve	441,000		441,000	441,000	
Increase in Current Expense Emergency Reserve	88,000		88,000	88,000	
Deposit to Capital Reserve				2,197,008	2,197,008
Deposit to Maintenance Reserve				441,811	441,811
Deposit to Capital Reserve	333		333	652,397	652,064
Deposit to Maintenance Reserve	333		333	273,109	272,776
Deposit to Emergency Reserve	334		334	334	
Adjustment for Prior Year Encumbrances	(404,694)		(404,694)		404,694
Total	<u>\$ (10,333,015)</u>	<u>\$ (2,508,507)</u>	<u>\$ (12,841,522)</u>	<u>\$ (3,993,737)</u>	<u>\$ 8,847,785</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 3,797,192	
Excess Surplus - Current Year				5,761,527	
Capital Reserve				11,550,039	
Maintenance Reserve				4,850,170	
Emergency Reserve				1,000,000	
Unemployment Compensation				493,251	
Assigned Fund Balance:					
Year End Encumbrances				507,474	
Designated for Subsequent Year's Expenditures				202,808	
Unassigned Fund Balance				<u>3,427,081</u>	
				31,589,542	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not recognized on GAAP Basis				(732,415)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 30,857,127</u>	



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Budgetary Basis**  
**Special Revenue Fund**  
**Required Supplementary Information**  
**Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
<b>REVENUES:</b>					
Local Sources		\$ 150,637	\$ 150,637	\$ 1,712,081	\$ 1,561,444
State Sources	\$ 270,500	212,507	483,007	449,199	(33,808)
Federal Sources	2,002,661	2,362,288	4,364,949	3,983,603	(381,346)
Total Revenues	2,273,161	2,725,432	4,998,593	6,144,883	1,146,290
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	473,161	692,025	1,165,186	1,019,216	145,970
Purchased Professional - Educational Services	200,000	145,358	345,358	273,443	71,915
Other Purchased Services	500,000	1,148,864	1,648,864	1,648,864	
General Supplies	100,000	113,474	213,474	153,090	60,384
Textbooks	50,000	(23,349)	26,651	25,743	908
Other Objects		100	100		100
Total Instruction	1,323,161	2,076,472	3,399,633	3,120,356	279,277
<b>Support Services:</b>					
Salaries	60,000	6,339	66,339	64,108	2,231
Personal Services - Employee Benefits	55,000	46,162	101,162	86,230	14,932
Purchased Professional and Technical Services	125,000	51,526	176,526	142,453	34,073
Other Purchased Services	450,000	355,783	805,783	774,423	31,360
Supplies and Materials	160,000	151,577	311,577	187,893	123,684
Other Objects	5,000	4,544	9,544	831	8,713
Scholarships				3,150	(3,150)
Student Activities				1,731,210	(1,731,210)
Total Support Services	855,000	615,931	1,470,931	2,990,298	(1,519,367)
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	20,000	14,923	34,923	48,279	(13,356)
Construction Services	75,000	18,106	93,106	28,627	64,479
Total Facilities Acquisition and Construction Services	95,000	33,029	128,029	76,906	51,123
Total Expenditures	2,273,161	2,725,432	4,998,593	6,187,560	(1,188,967)
Deficiency of Revenues Under Expenditures	\$ -	\$ -	\$ -	(42,677)	\$ (42,677)
Fund Balance, July 1				900,642	
Fund Balance, June 30				\$ 857,965	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Scholarships				\$ 1,429	
Student Activities				856,536	
Total Fund Balance				\$ 857,965	

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**

Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year Ended June 30, 2024

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules (C-1, C-2)	\$ 133,728,738	\$ 6,144,883
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(30,651)
Prior Year (net of cancellations)		94,536
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	645,107	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(732,415)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (B-2)	<u><u>\$ 133,641,430</u></u>	<u><u>\$ 6,208,768</u></u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 136,301,646	\$ 6,187,560
Difference - Budget to GAAP:		
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.		
Current Year		(30,651)
Prior Year (net of Cancellations)		94,536
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	<u><u>\$ 136,301,646</u></u>	<u><u>\$ 6,251,445</u></u>

## **Supplementary Information**

## **Special Revenue Fund**

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures**  
**Budgetary Basis**  
**Year Ended June 30, 2024**

	NJ Nonpublic Auxiliary Services, Ch. 192					NJ Nonpublic Handicapped Services, Ch. 193				
	Nonpublic Textbooks	Nonpublic Security	Nonpublic Comp. Education	Home Instruction	ESL	Nonpublic Exam and Class.	Nonpublic Corrective Speech	Nonpublic Suppl. Instruction	Nonpublic Nursing Services	Nonpublic Technology
REVENUES:										
State Sources	\$ 25,743	\$ 84,634	\$ 50,794	\$ 287	\$ 916	\$ 47,967	\$ 18,786	\$ 27,341	\$ 55,252	\$ 21,986
Federal Sources										
Other Sources										
Total Revenues	<u>\$ 25,743</u>	<u>\$ 84,634</u>	<u>\$ 50,794</u>	<u>\$ 287</u>	<u>\$ 916</u>	<u>\$ 47,967</u>	<u>\$ 18,786</u>	<u>\$ 27,341</u>	<u>\$ 55,252</u>	<u>\$ 21,986</u>
EXPENDITURES:										
Instruction:										
Salaries of Teachers										
Purchased Professional - Educational Services			\$ 50,794	\$ 287	\$ 916	\$ 47,967	\$ 18,786	\$ 27,341	\$ 55,252	\$ 21,986
Other Purchased Services										
General Supplies										
Textbooks	<u>\$ 25,743</u>									
Total Instruction	<u>25,743</u>		<u>50,794</u>	<u>287</u>	<u>916</u>	<u>47,967</u>	<u>18,786</u>	<u>27,341</u>	<u>55,252</u>	<u>21,986</u>
Support Services:										
Salaries										
Personal Svcs. - Employee Benefits										
Purchased Professional and Technical Services										
Other Purchased Services										
Supplies and Materials		\$ 84,634								
Other Objects										
Scholarships										
Student Activities										
Total Support Services		<u>84,634</u>								
Facilities Acquisition and Construction Services:										
Construction Services										
Noninstructional Equipment										
Instructional Equipment										
Total Facilities Acquisition and Construction Services										
Total Expenditures	<u>25,743</u>	<u>84,634</u>	<u>50,794</u>	<u>287</u>	<u>916</u>	<u>47,967</u>	<u>18,786</u>	<u>27,341</u>	<u>55,252</u>	<u>21,986</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures**  
**Budgetary Basis**  
**Year Ended June 30, 2024**

	Title I	Title IIA	Title III	Title IV	I.D.E.A. Part B	I.D.E.A. Part B Preschool	COVID-19 I.D.E.A. Part B ARP Preschool	S.D.A. Emergent Needs
REVENUES:								
State Sources								\$ 115,493
Federal Sources	\$ 149,462	\$ 59,391	\$ 27,072	\$ 21,374	\$ 1,233,472	\$ 76,360	\$ 640	
Other Sources								
Total Revenues	<u>\$ 149,462</u>	<u>\$ 59,391</u>	<u>\$ 27,072</u>	<u>\$ 21,374</u>	<u>\$ 1,233,472</u>	<u>\$ 76,360</u>	<u>\$ 640</u>	<u>\$ 115,493</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers					\$ 139,708			
Purchased Prof. - Educ. Services	\$ 36,940				6,174			
Other Purchased Services					1,004,714	\$ 49,046		
Instructional Supplies	51,675		\$ 1,508	\$ 428	26,694	10,791	\$ 640	
Textbooks								
Total Instruction	<u>88,615</u>		<u>1,508</u>	<u>428</u>	<u>1,177,290</u>	<u>59,837</u>	<u>640</u>	
Support Services:								
Salaries		\$ 34,000	21,844	8,264				
Personal Svcs. - Employee Benefits		21,760			4,590			
Purchased Professional and Technical Services		2,800		5,700	41,431			
Other Purchased Services	7,200		1,950	4,195				\$ 86,866
Supplies and Materials	53,647		1,770	2,787	10,161	16,523		
Other Objects		831						
Scholarships Awarded								
Student Activities								
Total Support Services	<u>60,847</u>	<u>59,391</u>	<u>25,564</u>	<u>20,946</u>	<u>56,182</u>	<u>16,523</u>		<u>86,866</u>
Facilities Acquisition and Construction Services:								
Construction Services								28,627
Instructional Equipment								
Noninstructional Equipment								
Total Facilities Acquisition and Construction Services								<u>28,627</u>
Total Expenditures	<u>149,462</u>	<u>59,391</u>	<u>27,072</u>	<u>21,374</u>	<u>1,233,472</u>	<u>76,360</u>	<u>640</u>	<u>115,493</u>
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures**  
**Budgetary Basis**  
**Year Ended June 30, 2024**

	COVID-19 ARP ESSER III	COVID-19 ARP ESSER Learning Acceleration	COVID-19 ARP ESSER Summer Enrichment	COVID-19 ARP ESSER Comp Beyond School Day	COVID-19 ARP ESSER Mental Health	COVID-19 ACSERS	Local Grants	Scholarship Fund	Activity/ Athletic Fund	Totals
REVENUES:										
State Sources										\$ 449,199
Federal Sources	\$ 1,536,679	\$ 346,460	\$ 4,000	\$ 7,000	\$ 45,000	\$ 476,693				3,983,603
Other Sources							\$ 20,398	\$ 3,032	\$ 1,688,651	1,712,081
Total Revenues	<u>\$ 1,536,679</u>	<u>\$ 346,460</u>	<u>\$ 4,000</u>	<u>\$ 7,000</u>	<u>\$ 45,000</u>	<u>\$ 476,693</u>	<u>\$ 20,398</u>	<u>\$ 3,032</u>	<u>\$ 1,688,651</u>	<u>\$ 6,144,883</u>
EXPENDITURES:										
Instruction:										
Salaries of Teachers	\$ 578,060	\$ 179,674				\$ 121,774				\$ 1,019,216
Purchased Prof. - Educ. Services				\$ 7,000						273,443
Other Purchased Services	390,457					204,647				1,648,864
Instructional Supplies		59,208	\$ 1,246				\$ 900			153,090
Textbooks										25,743
Total Instruction	<u>968,517</u>	<u>238,882</u>	<u>1,246</u>	<u>7,000</u>		<u>326,421</u>	<u>900</u>			<u>3,120,356</u>
Support Services:										
Salaries										64,108
Personal Svcs. - Employee Benefits	44,222	12,904	2,754							86,230
Purchased Professional and Technical Services		59,751			\$ 32,771					142,453
Other Purchased Services	523,940					150,272				774,423
Supplies and Materials					12,229		6,142			187,893
Other Objects										831
Scholarships Awarded								\$ 3,150		3,150
Student Activities									\$ 1,731,210	1,731,210
Total Support Services	<u>568,162</u>	<u>72,655</u>	<u>2,754</u>		<u>45,000</u>	<u>150,272</u>	<u>6,142</u>	<u>3,150</u>	<u>1,731,210</u>	<u>2,990,298</u>
Facilities Acquisition and Construction Services:										
Construction Services										28,627
Instructional Equipment		34,923					13,356			48,279
Noninstructional Equipment										
Total Facilities Acquisition and Construction Services		<u>34,923</u>					<u>13,356</u>			<u>76,906</u>
Total Expenditures	<u>1,536,679</u>	<u>346,460</u>	<u>4,000</u>	<u>7,000</u>	<u>45,000</u>	<u>476,693</u>	<u>20,398</u>	<u>3,150</u>	<u>1,731,210</u>	<u>6,187,560</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	-	-	-	-	-	-	-	(118)	(42,559)	(42,677)
Fund Balance, July 1	-	-	-	-	-	-	-	1,547	899,095	900,642
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,429</u>	<u>\$ 856,536</u>	<u>\$ 857,965</u>

## **Capital Projects Fund**



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Schedule of Project Revenues, Expenditures, Project Balances and Project Status - Budgetary Basis**

**Year Ended June 30, 2024**

**REVENUES**

State Sources	
SDA Grants	\$ 572,000
Total Revenues	<u>572,000</u>

**EXPENDITURES**

Construction Services	186,102
Total Expenditures	<u>186,102</u>

Excess of Revenues over Expenditures	385,898
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**OTHER FINANCING SOURCES**

Transfers In - Capital Reserve	868,000
Total Other Financing Sources	<u>868,000</u>

Net Change in Fund Balance	1,253,898
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Fund Balance - July 1	<u>299,782</u>
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Fund Balance - June 30	<u><u>\$ 1,553,680</u></u>
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## Reconciliation to Fund Financial Statements:

Fund balance, June 30, 2024 - budgetary- basis	\$ 1,553,680
GAAP Basis Revenues not recognized	<u>(547,112)</u>
Fund balance, June 30, 2024 - GAAP Basis	<u><u>\$ 1,006,568</u></u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Ridge High School Cafeteria Upgrades**  
**Year Ended June 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from capital reserve	\$ 669,563		\$ 669,563	\$ 669,563
Total Revenues	669,563	-	669,563	669,563
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services	494,425		494,425	669,563
Total Expenditures and Other Financing Uses	494,425	-	494,425	669,563
Excess (deficiency) of revenues over (under) expenditures	\$ 175,138	\$ -	\$ 175,138	\$ -
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 669,563			
Additional Authorized Cost				
Revised Authorized Cost	\$ 669,563			
Percentage Increase (Decrease) over Original Authorized Cost	0.00%			
Percentage Completed	73.84%			
Original Target Completion Date	9/1/20			
Revised Target Completion Date	Complete			

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**William Annin Middle School Science Labs**  
**Year Ended June 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from capital reserve	\$ 592,550		\$ 592,550	\$ 592,550
Total Revenues	592,550	-	592,550	592,550
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services	57,498		57,498	58,050
Construction Services	524,745		524,745	534,500
Total Expenditures and Other Financing Uses	582,243	-	582,243	592,550
Excess (deficiency) of revenues over (under) expenditures	\$ 10,307	\$ -	\$ 10,307	\$ -
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 54,750			
Additional Authorized Cost	537,800			
Revised Authorized Cost	\$ 592,550			
Percentage Increase (Decrease) over Original Authorized Cost	982.28%			
Percentage Completed	98.26%			
Original Target Completion Date	9/1/22			
Revised Target Completion Date	Complete			

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Oak Street School Roof Project**  
**Year Ended June 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Transfer from capital reserve	\$ 606,723	\$ 10,000	\$ 616,723	\$ 616,723
Total Revenues	606,723	10,000	616,723	616,723
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services	45,500		45,500	45,500
Construction Services	446,886	123,882	570,768	571,223
Total Expenditures and Other Financing Uses	492,386	123,882	616,268	616,723
Excess (deficiency) of revenues over (under) expenditures	\$ 114,337	\$ (113,882)	\$ 455	\$ -
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 606,723			
Additional Authorized Cost	10,000			
Revised Authorized Cost	\$ 616,723			
Percentage Increase (Decrease) over Original Authorized Cost	1.65%			
Percentage Completed	99.93%			
Original Target Completion Date	9/1/23			
Revised Target Completion Date	Complete			

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Ridge High School HVAC Upgrade Project**  
**Year Ended June 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources - SDA Grant		\$ 572,000	\$ 572,000	\$ 572,000
Transfer from capital reserve		858,000	858,000	858,000
Total Revenues	-	1,430,000	1,430,000	1,430,000
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Other Purchased Professional and Technical Services				330,000
Construction Services		62,220	62,220	1,100,000
Total Expenditures and Other Financing Uses	-	62,220	62,220	1,430,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 1,367,780	\$ 1,367,780	\$ -
<b>ADDITIONAL PROJECT INFORMATION</b>				
Project Number	3050-050-23-G5AY			
Grant Date	1/22/24			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$	1,430,000		
Additional Authorized Cost		-		
Revised Authorized Cost	\$	1,430,000		
Percentage Increase (Decrease) over Original Authorized Cost	0.00%			
Percentage Completed	4.35%			
Original Target Completion Date	9/1/24			
Revised Target Completion Date	9/1/24			

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Capital Projects Fund**

**Summary Schedule of Project Expenditures**  
**Year Ended June 30, 2024**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2024</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Ridge High School - Cafeteria Upgrades	11/12/2018	\$ 669,563	\$ 494,425		\$ 175,138
William Annin M.S. - Science Labs	11/12/2018	592,550	582,243		10,307
Oak Street School - Roof Project	6/13/2022	616,723	492,386	\$ 123,882	455
Ridge High School - HVAC Upgrades	1/22/2024	1,430,000		62,220	1,367,780
Totals		\$ 3,308,836	\$ 1,569,054	\$ 186,102	\$ 1,553,680

## **Long-Term Debt**

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Long-Term Debt**  
**Schedule of Serial Bonds Payable**  
**Year Ended June 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>June 30, 2023</u>		<u>Paid</u>
Refunding School Bonds	5/22/12	\$ 9,700,000	07/15/24	\$ 85,000	2.500 %	\$ 8,865,000	\$ 80,000	\$ 8,785,000
			07/15/25	85,000	2.750			
			07/15/26	90,000	3.000			
			07/15/27	1,455,000	3.000			
			07/15/28	5,230,000	3.000			
			07/15/29	1,840,000	3.000			
Refunding School Bonds	2/6/13	23,745,000	07/15/24	4,260,000	4.000	20,840,000	4,090,000	16,750,000
			07/15/25	4,435,000	4.000			
			07/15/26	4,620,000	4.000			
			07/15/27	3,435,000	4.000			
Refunding School Bonds	2/25/15	5,515,000	07/15/24	295,000	4.000	5,515,000	840,000	4,675,000
			07/15/25	795,000	4.000			
			07/15/26	630,000	4.000			
			07/15/27	700,000	4.000			
			07/15/28	700,000	4.000			
			07/15/29	740,000	4.000			
			07/15/30	815,000	4.000			
Refunding School Bonds	5/18/16	8,680,000	07/15/29	3,215,000	3.000	8,435,000		8,435,000
			07/15/30	5,220,000	3.000			
						<u>\$ 43,655,000</u>	<u>\$ 5,010,000</u>	<u>\$ 38,645,000</u>



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Long-Term Debt**  
**Schedule of Financed Purchases Payable**  
**Year Ended June 30, 2024**

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance June 30, 2023</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
			<u>Principal</u>	<u>Interest</u>				
2019 - Copiers - Various Schools	10/28/2018	5 Years	\$ 6,605	\$ 1,172	6.62 %	\$ 385	\$ 385	
2019 - Copiers - Various Schools	1/28/2019	5 Years	49,880	7,840	5.90	5,674	5,674	
2021 - Copiers - Various Schools	3/28/2021	5 Years	26,651	4,189	1.57	15,185	5,417	\$ 9,768
2023 - Copiers - Various Schools	2/28/2023	5 Years	28,369	4,458	1.57	<u>26,310</u>	<u>5,151</u>	<u>21,159</u>
						<u>\$ 47,554</u>	<u>\$ 16,627</u>	<u>\$ 30,927</u>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 5,115,001		\$ 5,115,001	\$ 5,115,001	
State Sources-Debt Service Aid	<u>814,683</u>		<u>814,683</u>	<u>814,683</u>	
Total Revenues	<u>5,929,684</u>		<u>5,929,684</u>	<u>5,929,684</u>	
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	5,010,000		5,010,000	5,010,000	
Interest on Bonds	<u>1,472,513</u>		<u>1,472,513</u>	<u>1,472,513</u>	
Total Expenditures	<u>6,482,513</u>		<u>6,482,513</u>	<u>6,482,513</u>	
Net change in fund balance	(552,829)		(552,829)	(552,829)	
OTHER FINANCING SOURCES					
Transfers in	<u>552,829</u>		<u>552,829</u>	<u>552,829</u>	
Total Other Financing Sources	<u>552,829</u>		<u>552,829</u>	<u>552,829</u>	
Net Change in Fund Balances	-		-	-	
Fund Balance, July 1	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

**Statistical Section**  
(Unaudited)

## **Statistical Section**

### **Unaudited**

#### **Contents**

##### **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.

##### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

##### **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.

##### **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.

##### **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.

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

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
 (Accrual Basis of Accounting)  
**Unaudited**

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 9,037,435	\$ 13,736,660	\$ 16,936,066	\$ 19,080,016	\$ 22,390,074	\$ 25,079,014	\$ 26,402,648	\$ 28,517,359	\$ 31,023,213	\$ 34,032,293
Restricted	15,682,406	16,339,829	19,016,860	19,510,590	19,589,095	21,979,836	24,123,710	27,813,180	31,629,788	29,519,520
Unrestricted (deficit)	(19,437,972)	(20,748,365)	(23,954,718)	(24,339,529)	(24,423,925)	(24,186,971)	(19,054,522)	(16,102,586)	(16,269,152)	(15,725,072)
Total Governmental Activities Net Position	<u>\$ 5,281,869</u>	<u>\$ 9,328,124</u>	<u>\$ 11,998,208</u>	<u>\$ 14,251,077</u>	<u>\$ 17,555,244</u>	<u>\$ 22,871,879</u>	<u>\$ 31,471,836</u>	<u>\$ 40,227,953</u>	<u>\$ 46,383,849</u>	<u>\$ 47,826,741</u>
Business-type Activities:										
Investment in Capital Assets	\$ 61,521	\$ 132,771	\$ 124,511	\$ 103,854	\$ 85,591	\$ 62,688	\$ 46,114	\$ 90,216	\$ 85,185	\$ 381,874
Unrestricted	1,114,668	1,319,034	1,718,909	1,939,293	2,027,446	2,140,951	1,933,422	1,881,244	2,396,493	2,260,484
Total Business-type Activities Net Position	<u>\$ 1,176,189</u>	<u>\$ 1,451,805</u>	<u>\$ 1,843,420</u>	<u>\$ 2,043,147</u>	<u>\$ 2,113,037</u>	<u>\$ 2,203,639</u>	<u>\$ 1,979,536</u>	<u>\$ 1,971,460</u>	<u>\$ 2,481,678</u>	<u>\$ 2,642,358</u>
Government-wide:										
Net Investment in Capital Assets	\$ 9,098,956	\$ 13,869,431	\$ 17,060,577	\$ 19,183,870	\$ 22,475,665	\$ 25,141,702	\$ 26,448,762	\$ 28,607,575	\$ 31,108,398	\$ 34,414,167
Restricted	15,682,406	16,339,829	19,016,860	19,510,590	19,589,095	21,979,836	24,123,710	27,813,180	31,629,788	29,519,520
Unrestricted (deficit)	(18,323,304)	(19,429,331)	(22,235,809)	(22,400,236)	(22,396,479)	(22,046,020)	(17,121,100)	(14,221,342)	(13,872,659)	(13,464,588)
Total Government-Wide Net Position	<u>\$ 6,458,058</u>	<u>\$ 10,779,929</u>	<u>\$ 13,841,628</u>	<u>\$ 16,294,224</u>	<u>\$ 19,668,281</u>	<u>\$ 25,075,518</u>	<u>\$ 33,451,372</u>	<u>\$ 42,199,413</u>	<u>\$ 48,865,527</u>	<u>\$ 50,469,099</u>

Source: District ACFR A-1

Note:

GASB 84 was implemented during the 2021 fiscal year, which required a retroactive adjustment of beginning net position in the amount of \$1,399,107. This amount is not reflected in the June 30, 2020 Net Position, above.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)  
**Unaudited**

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular Instruction	\$ 45,216,758	\$ 47,134,891	\$ 53,375,707	\$ 53,242,764	\$ 50,846,588	\$ 49,102,191	\$ 54,597,662	\$ 46,390,857	\$ 44,936,073	\$ 48,617,012
Special Education Instruction	19,374,066	20,646,861	22,529,787	23,778,056	22,611,975	22,214,745	24,261,027	22,456,874	22,808,151	22,739,674
Other Special Instruction	1,958,334	2,331,613	2,820,956	3,183,051	2,968,214	3,246,173	3,585,348	2,350,889	3,007,897	3,272,995
Other Instruction	2,336,349	2,110,012	2,307,572	2,602,853	2,572,403	2,700,880	2,721,068	3,690,952	2,933,243	3,085,795
Support Services:										
Tuition	2,697,135	2,176,329	1,848,121	2,285,833	2,280,243	2,549,053	3,928,992	2,167,384	2,407,786	2,266,584
Related Services	14,019,783	15,653,548	17,731,406	20,048,518	19,551,111	19,049,807	20,889,493	22,779,567	23,499,292	24,770,568
General Administration Services	914,351	1,224,933	1,316,991	1,437,136	1,446,330	1,382,202	2,966,429	1,445,940	1,505,810	1,630,283
School Administration Services	5,242,747	5,761,590	6,174,950	6,616,137	6,544,237	6,207,232	5,865,508	6,418,692	6,093,351	6,463,703
Central Services	958,597	955,062	978,363	1,067,485	978,299	1,015,805	1,110,752	1,166,623	1,130,291	1,257,704
Administrative Information Technology	839,648	888,132	982,707	1,159,516	1,051,967	1,136,543	1,283,697	1,362,991	1,392,329	1,579,113
Plant Operations and Maintenance	6,306,007	6,748,671	6,778,337	6,576,526	7,030,609	6,399,299	7,613,032	8,821,404	9,278,866	10,926,319
Pupil Transportation	5,346,667	5,506,213	5,346,333	5,853,470	5,602,180	5,473,941	5,392,718	6,063,358	7,525,394	7,852,329
Interest and other charges on Long-Term Debt	2,720,395	2,903,168	2,248,746	2,152,262	2,026,264	1,888,520	1,724,102	1,575,121	1,445,054	1,265,571
<b>Total Governmental Activities Expenses</b>	<b>107,930,837</b>	<b>114,041,023</b>	<b>124,439,976</b>	<b>130,003,607</b>	<b>125,510,420</b>	<b>122,366,391</b>	<b>135,939,828</b>	<b>126,690,652</b>	<b>127,963,537</b>	<b>135,727,650</b>
Business-type Activities:										
Food Service	2,309,728	2,178,252	1,898,157	2,094,777	2,145,630	1,522,290	206,532	1,673,635	1,856,166	2,130,416
After School Enrichment	102,696	115,744	110,284	125,212	145,133	130,767			137,275	141,626
Project Jump Start	90,088	90,703	82,248	119,029	41,827	4,162			43,510	91,511
Before and After School Care	1,196,661	1,265,941	1,241,025	1,310,375	1,411,641	899,568	49,297	1,158,558	1,036,008	1,278,943
<b>Total Business-type Activities Expense</b>	<b>3,699,173</b>	<b>3,650,640</b>	<b>3,331,714</b>	<b>3,649,393</b>	<b>3,744,231</b>	<b>2,556,787</b>	<b>255,829</b>	<b>2,832,193</b>	<b>3,072,959</b>	<b>3,642,496</b>
<b>Total District Expenses</b>	<b>\$ 111,630,010</b>	<b>\$ 117,691,663</b>	<b>\$ 127,771,690</b>	<b>\$ 133,653,000</b>	<b>\$ 129,254,651</b>	<b>\$ 124,923,178</b>	<b>\$ 136,195,657</b>	<b>\$ 129,522,845</b>	<b>\$ 131,036,496</b>	<b>\$ 139,370,146</b>
<b>Program Revenues</b>										
Governmental Activities:										
Changes for Services:										
Instruction (Tuition)	\$ 1,384,605	\$ 1,370,663	\$ 1,350,891	\$ 1,323,962	\$ 978,515	\$ 905,675	\$ 804,736	\$ 959,769	\$ 1,036,886	\$ 777,918
Student and Instruction Related Services							878,927	1,506,561	1,629,516	1,731,210
Pupil Transportation	240,193	237,288	225,237	207,025	241,335	165,168	59,344	158,783	164,001	185,523
Operating Grants and Contributions	1,763,391	1,784,900	1,789,911	1,837,957	1,847,771	1,883,936	2,670,359	2,771,682	4,139,625	4,462,013
Capital Grants and Contributions	393,512	886,147	696,634	338,092	625,538	194,916		201,441		32,276
<b>Total Governmental Activities Program Revenues</b>	<b>3,781,701</b>	<b>4,278,998</b>	<b>4,062,673</b>	<b>3,707,036</b>	<b>3,693,159</b>	<b>3,149,695</b>	<b>4,413,366</b>	<b>5,598,236</b>	<b>6,970,028</b>	<b>7,188,940</b>
Business-type Activities:										
Charges for Services:										
Food Service	2,192,147	2,199,301	2,372,148	2,261,276	2,246,569	2,288,587	1,557,404	1,533,619	2,120,911	2,298,575
After School Enrichment	127,127	126,920	123,030	116,747	122,995	142,352	112,429		156,122	138,108
Project Jump Start	109,857	105,007	86,250	86,450	139,100	45,500			85,377	71,928
Before and After School Care	1,204,769	1,219,883	1,265,121	1,258,856	1,340,456	1,337,682	977,556	1,040,498	1,220,767	1,294,565
Operating Grants and Contributions	132,132	120,253								
Capital Grants and Contributions			79,707							
<b>Total Business-type Activities Program Revenues</b>	<b>3,766,032</b>	<b>3,771,364</b>	<b>3,926,256</b>	<b>3,723,329</b>	<b>3,849,120</b>	<b>3,814,121</b>	<b>2,647,389</b>	<b>2,574,117</b>	<b>3,583,177</b>	<b>3,803,176</b>
<b>Total District Program Revenues</b>	<b>\$ 7,547,733</b>	<b>\$ 8,050,362</b>	<b>\$ 7,988,929</b>	<b>\$ 7,430,365</b>	<b>\$ 7,542,279</b>	<b>\$ 6,963,816</b>	<b>\$ 7,060,755</b>	<b>\$ 8,172,353</b>	<b>\$ 10,553,205</b>	<b>\$ 10,992,116</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (91,176,263)	\$ (93,494,934)	\$ (104,149,136)	\$ (126,296,571)	\$ (121,817,261)	\$ (119,216,696)	\$ (131,526,462)	\$ (121,092,416)	\$ (120,993,509)	\$ (128,538,710)
Business-type Activities	(49,403)	157,659	72,191	73,936	104,889	1,257,334	2,391,560	(258,076)	510,218	160,680
<b>Total Government-wide Net Expense</b>	<b>\$ (91,225,666)</b>	<b>\$ (93,337,275)</b>	<b>\$ (104,076,945)</b>	<b>\$ (126,222,635)</b>	<b>\$ (121,712,372)</b>	<b>\$ (117,959,362)</b>	<b>\$ (129,134,902)</b>	<b>\$ (121,350,492)</b>	<b>\$ (120,483,291)</b>	<b>\$ (128,378,030)</b>

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(Accrual Basis of Accounting)  
**Unaudited**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 78,920,911	\$ 80,499,329	\$ 82,109,315	\$ 83,751,501	\$ 85,426,531	\$ 87,135,060	\$ 88,877,761	\$ 90,655,316	\$ 91,314,864	\$ 91,314,864
Taxes Levied for Debt Service	5,084,960	5,218,563	5,284,441	5,102,268	5,107,583	5,106,178	5,107,890	5,105,651	5,115,001	5,115,001
Unrestricted Grants and Contributions	23,047,087	27,345,345	35,255,841	39,315,637	33,687,820	31,729,107	44,244,359	33,644,754	29,295,972	30,326,802
Investment Earnings	8,333	8,413	8,240	91,958	255,811	201,558	32,440	37,564	491,110	2,240,408
Miscellaneous Income	735,725	736,630	389,550	288,076	643,683	361,428	464,870	405,240	932,458	984,527
<b>Total Governmental Activities</b>	<b>107,797,016</b>	<b>113,808,280</b>	<b>123,047,387</b>	<b>128,549,440</b>	<b>125,121,428</b>	<b>124,533,331</b>	<b>138,727,320</b>	<b>129,848,525</b>	<b>127,149,405</b>	<b>129,981,602</b>
Business-type Activities:										
Miscellaneous Income								250,000	-	-
<b>Total Business-type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>
<b>Total Government-wide</b>	<b>\$ 107,797,016</b>	<b>\$ 113,808,280</b>	<b>\$ 123,047,387</b>	<b>\$ 128,549,440</b>	<b>\$ 125,121,428</b>	<b>\$ 124,533,331</b>	<b>\$ 138,727,320</b>	<b>\$ 130,098,525</b>	<b>\$ 127,149,405</b>	<b>\$ 129,981,602</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 16,620,753	\$ 20,313,346	\$ 18,898,251	\$ 2,252,869	\$ 3,304,167	\$ 5,316,635	\$ 7,200,858	\$ 8,756,109	\$ 6,155,896	\$ 1,442,892
Business-type Activities	(49,403)	157,659	72,191	73,936	104,889	1,257,334	2,391,560	(8,076)	510,218	160,680
<b>Total District</b>	<b>\$ 16,571,350</b>	<b>\$ 20,471,005</b>	<b>\$ 18,970,442</b>	<b>\$ 2,326,805</b>	<b>\$ 3,409,056</b>	<b>\$ 6,573,969</b>	<b>\$ 9,592,418</b>	<b>\$ 8,748,033</b>	<b>\$ 6,666,114</b>	<b>\$ 1,603,572</b>

Source: District ACFR A-2

GASB 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.

GASB 84 was implemented in the 2021 fiscal year, which increased the related services expense line and charges for services from the previous year.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified Accrual Basis of Accounting)  
**Unaudited**

	June 30,									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund:										
Restricted	\$ 14,017,605	\$ 15,719,627	\$ 18,558,587	\$ 18,970,726	\$ 19,205,575	\$ 21,779,150	\$ 22,799,630	\$ 26,843,499	\$ 28,161,630	\$ 27,452,179
Assigned	953,179	315,469	40,462	620,982	406,843	635,313	768,828	1,208,886	2,679,816	710,282
Unassigned	<u>2,347,624</u>	<u>2,404,541</u>	<u>2,316,967</u>	<u>2,546,788</u>	<u>3,058,747</u>	<u>3,286,993</u>	<u>7,356,220</u>	<u>6,532,291</u>	<u>4,096,726</u>	<u>2,694,666</u>
Total General Fund	<u>\$ 17,318,408</u>	<u>\$ 18,439,637</u>	<u>\$ 20,916,016</u>	<u>\$ 22,138,496</u>	<u>\$ 22,671,165</u>	<u>\$ 25,701,456</u>	<u>\$ 30,924,678</u>	<u>\$ 34,584,676</u>	<u>\$ 34,938,172</u>	<u>\$ 30,857,127</u>
All Other Governmental Funds:										
Restricted for:										
Special Revenue Fund*							\$ 697,513	\$ 750,549	\$ 900,642	\$ 857,965
Capital Projects Fund	\$ 148,540	\$ 1,664,801	\$ 620,202	\$ 458,273	\$ 539,864	\$ 383,521	625,501	219,132	292,394	1,006,568
Debt Service Fund	<u>286,069</u>	<u>36,069</u>		<u>1,802</u>	<u>3,182</u>	<u>1,381</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total All Other Governmental Funds	<u>\$ 434,609</u>	<u>\$ 1,700,870</u>	<u>\$ 620,202</u>	<u>\$ 460,075</u>	<u>\$ 543,046</u>	<u>\$ 384,902</u>	<u>\$ 1,323,015</u>	<u>\$ 969,682</u>	<u>\$ 1,193,037</u>	<u>\$ 1,864,534</u>

Source: District ACFR B-1

\* The increase is due to the implementation of GASB 84, which required the reporting of scholarships and student activities in the Special Revenue Fund.



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
**Unaudited**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax Levy	\$ 84,005,871	\$ 85,717,892	\$ 87,393,756	\$ 88,853,769	\$ 90,534,114	\$ 92,241,238	\$ 93,985,651	\$ 95,760,967	\$ 96,429,865	\$ 96,429,865
Tuition Charges	1,336,604	1,370,663	1,296,717	1,323,962	978,515	905,675	804,736	959,769	1,036,886	777,918
Interest Earnings	48,001	8,413	8,240	91,958	255,811	201,558	32,440	36,654	491,110	2,240,408
Miscellaneous	1,248,876	1,123,675	847,989	541,400	978,673	600,891	1,494,134	2,057,568	2,919,835	2,982,563
State Sources	14,832,731	16,887,311	17,895,211	19,962,090	23,205,503	24,353,793	29,846,264	35,275,090	36,578,864	39,347,678
Federal Sources	1,320,815	1,428,770	1,393,854	1,562,588	1,484,300	1,633,811	2,335,349	2,659,707	3,517,287	4,033,726
<b>Total Revenues</b>	<b>102,792,898</b>	<b>106,536,724</b>	<b>108,835,767</b>	<b>112,335,767</b>	<b>117,436,916</b>	<b>119,936,966</b>	<b>128,498,574</b>	<b>136,749,755</b>	<b>140,973,847</b>	<b>145,812,158</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	27,443,412	27,558,982	28,089,373	28,354,341	29,069,183	28,682,480	29,700,287	29,703,947	29,188,675	31,464,842
Special Education Instruction	12,846,421	13,167,825	13,236,885	13,571,968	13,767,124	13,966,179	13,874,027	14,718,023	15,885,816	15,407,402
Other Special Instruction	1,314,366	1,306,749	1,425,485	1,633,136	1,641,700	1,852,198	1,883,245	1,911,792	1,949,106	2,074,280
School-sponsored/Other Instructional	1,517,476	1,514,095	1,575,741	1,667,585	1,730,798	1,854,817	1,688,836	1,968,866	2,120,187	2,185,406
Support Services:										
Tuition	2,676,546	2,155,642	1,836,112	2,275,487	2,277,410	2,549,053	1,822,763	2,167,384	2,407,786	2,266,584
Student and Instruction Related Services	10,248,340	10,614,056	11,412,307	12,332,102	12,790,815	12,856,757	14,491,373	15,608,756	17,644,995	18,251,819
General Administrative Services	778,801	963,463	1,003,733	1,094,848	1,137,732	1,099,757	1,430,913	1,178,414	1,212,406	1,368,074
School Administrative Services	3,619,073	3,558,390	3,498,321	3,644,988	3,862,168	3,772,625	3,923,164	4,025,786	4,069,828	4,234,021
Central Services	696,289	675,431	652,085	696,564	686,105	688,429	749,892	798,957	831,694	890,013
Admin. Information Technology	648,290	661,173	709,508	768,126	726,750	840,605	877,448	935,558	1,066,525	1,168,586
Plant Operations and Maintenance	6,032,621	6,400,037	6,384,898	6,211,074	6,635,205	6,024,687	6,956,859	8,221,218	8,632,212	10,213,409
Pupil Transportation	5,169,310	5,328,761	5,154,251	5,645,226	5,407,828	5,281,001	5,206,287	5,835,623	7,276,522	7,599,803
Employee Benefits	20,521,613	22,763,318	23,638,620	26,067,479	29,119,728	30,081,903	34,863,626	40,196,512	40,628,319	44,312,575
Charter Schools	20,589	20,687	12,009	10,346	2,833					
Capital Outlay	3,123,933	3,310,221	3,468,645	1,429,848	2,491,055	1,704,075	443,703	754,526	2,079,994	1,284,899
Cost of issuance	84,661	112,906								
Debt Service:										
Principal	2,750,000	3,784,600	3,110,000	3,316,784	3,448,791	3,634,477	3,625,656	3,540,945	3,661,950	5,026,627
Interest and Other Charges	2,858,284	2,764,108	2,454,542	2,447,189	2,323,651	2,201,847	2,039,637	1,877,849	1,740,981	1,473,366
<b>Total Expenditures</b>	<b>102,350,025</b>	<b>106,660,444</b>	<b>107,662,515</b>	<b>111,167,091</b>	<b>117,118,876</b>	<b>117,090,890</b>	<b>123,577,716</b>	<b>133,444,156</b>	<b>140,396,996</b>	<b>149,221,706</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>442,873</u>	<u>(123,720)</u>	<u>1,173,252</u>	<u>1,168,676</u>	<u>318,040</u>	<u>2,846,076</u>	<u>4,920,858</u>	<u>3,305,599</u>	<u>576,851</u>	<u>(3,409,548)</u>
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-budgeted)	1,531,879	51,375	1,143,000	136,775	56,485		26,651			
Payments to Escrow Agent	(6,395,704)	(9,037,678)								
Refunding Bonds Issued	5,515,000	8,680,000								
Premium on Bonds Refunded	965,365	470,584								
Transfers In	1,717,801	2,468,243	883,897	654,769	946,333	823,972	538,028		606,723	1,420,829
Transfers Out	(1,717,801)	(2,468,243)	(883,897)	(654,769)	(946,333)	(823,972)	(538,028)		(606,723)	(1,420,829)
<b>Total Other Financing Sources (Uses)</b>	<b>1,616,540</b>	<b>164,281</b>	<b>1,143,000</b>	<b>136,775</b>	<b>56,485</b>	<b>-</b>	<b>26,651</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 2,059,413</b>	<b>\$ 40,561</b>	<b>\$ 2,316,252</b>	<b>\$ 1,305,451</b>	<b>\$ 374,525</b>	<b>\$ 2,846,076</b>	<b>\$ 4,947,509</b>	<b>\$ 3,305,599</b>	<b>\$ 576,851</b>	<b>\$ (3,409,548)</b>
Debt service as a percentage of noncapital expenditures	5.65%	6.34%	5.34%	5.25%	5.04%	5.06%	4.60%	4.08%	3.91%	4.39%

Source: District ACFR B-2

Note: Noncapital expenditures are total expenditures less capital outlay and debt service.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**General Fund - Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)  
**Unaudited**

<u>Fiscal Year Ended June 30.</u>	<u>Transportation Fees</u>	<u>Facility Use Fees</u>	<u>Prior Year Refunds</u>	<u>Other</u>	<u>Annual Totals</u>
2015	\$ 240,193	\$ 129,594	\$ 401,932	\$ 209,742	\$ 981,461
2016	237,288	117,098	59,024	568,488	981,898
2017	225,237	129,242	105,434	162,890	622,803
2018	207,025	140,023	22,890	123,783	493,721
2019	241,335	149,972	29,822	463,889	885,018
2020	165,168	84,634	7,753	269,041	526,596
2021	59,344		30,512	434,358	524,214
2022	158,783	83,484	5,710	363,610	611,587
2023	164,001	118,928	487,404	817,236 *	1,587,569
2024	185,523	23,185	391,047	2,894,736 *	3,494,491

**Source:** District Records

\* The increases in the past two years is the result of additional interest earned due to higher interest rates.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2015	\$ 18,465,900	\$ 6,029,535,000	\$ 23,132,300	\$ 301,600	\$ 713,515,600	\$ 6,476,500	\$ 7,923,800	\$ 6,799,350,700	\$ 8,113,677	\$ 6,807,464,377	\$ 6,896,718,944	\$ 1.246
2016	19,396,000	6,031,343,100	26,258,500	306,000	717,290,500	6,476,500	8,013,500	6,809,084,100	7,858,035	6,816,942,135	6,976,129,429	1.270
2017	20,557,600	5,988,078,700	31,572,700	300,300	728,288,600	6,476,500	8,131,800	6,783,406,200	7,895,242	6,791,301,442	6,791,301,442	1.297
2018	16,232,700	5,976,650,700	30,782,900	292,000	765,478,300	2,052,200	8,626,800	6,800,115,600	7,863,361	6,807,978,961	6,807,978,961	1.317
2019	14,373,000	5,978,937,900	28,394,100	268,700	785,793,100	2,128,000	8,586,700	6,818,481,500	7,896,944	6,826,378,444	6,826,378,444	1.339
2020	12,255,400	5,853,177,400	28,439,600	278,300	793,945,900	2,173,400	8,744,000	6,699,014,000	8,151,385	6,707,165,385	6,707,165,385	1.389
2021	14,385,500	5,936,384,357	27,806,900	271,100	764,069,500	2,199,700	9,977,500	6,755,094,557	8,243,422	6,763,337,979	6,763,337,979	1.403
2022	14,207,500	6,349,085,500	31,312,500	284,900	780,503,100	2,279,500	13,928,000	7,191,601,000	8,258,900	7,199,859,900	7,727,882,129	1.335
2023	25,880,600	6,890,127,100	33,658,700	284,200	799,988,300	2,279,500	15,109,800	7,767,328,200	9,147,000	7,776,475,200	7,772,790,503	1.240
2024	43,320,500	7,513,012,300	37,993,900	294,000	818,874,100	2,324,900	16,840,500	8,432,660,200	9,143,900	8,441,804,100	8,570,955,827	1.164

**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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*  
**Unaudited**

Fiscal Year Ended June 30,	Bernards School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Bernards Township	Somerset County	
2015	\$ 1.171	\$ 0.075	\$ 1.246	\$ 0.316	\$ 0.354	\$ 1.916
2016	1.193	0.077	1.270	0.322	0.359	1.951
2017	1.221	0.076	1.297	0.329	0.363	1.989
2018	1.242	0.075	1.317	0.327	0.361	2.005
2019	1.264	0.075	1.339	0.332	0.363	2.005
2020	1.312	0.077	1.389	0.343	0.362	2.094
2021	1.327	0.076	1.403	0.347	0.360	2.110
2022	1.286	0.049	1.335	0.333	0.343	2.011
2023	1.174	0.066	1.240	0.333	0.300	1.873
2024	1.103	0.061	1.164	0.301	0.314	1.779

**Source:** Municipal Tax Collector

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**Unaudited**

	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Direct Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total Direct Net Assessed Value</u>
295 North Maple LLC/Verizon Corp Svcs Group	\$ 238,595,300	1	2.83%	\$ 200,590,692	1	2.95%
Fellowship Senior Living Inc/Fellowship Deconry Inc	68,550,800	2	0.81%	49,841,200	2	0.73%
RW 211 Mount Airy LLC	50,522,000	3	0.60%	22,560,000	5	0.33%
Bernards Plaza Assoc LLC	47,551,700	4	0.56%			
106, 110, 150 Allen LLC C/O Signature Acq	45,615,600	5	0.56%			
219 Mount Airy/3066 Valley Rd	26,446,800	6	0.31%			
Crown Court Associates	23,710,900	7	0.28%			
3066 Valley Rd Basking Ridge Project Partnership LL	18,309,300	8	0.22%			
120 Mountain View LLC	19,284,000	9	0.23%	20,732,800	8	0.30%
131 Morristown Re; C/O UBS Rlty Inv	18,926,400	10	0.22%	21,166,200	6	0.31%
AREP Westgate I, LLC				31,120,100	3	0.46%
Ashford Basking Ridge LP (Marriott)				23,500,000	4	0.35%
110 Allen Road LLC				20,178,100	7	0.30%
150 Allen Road LLC				19,131,900	9	0.28%
Affinity Fed Credit Union				18,322,200	10	0.27%
Total	<u>\$ 557,512,800</u>		<u>6.62%</u>	<u>\$ 427,143,192</u>		<u>6.28%</u>

**Source:** Municipal Tax Assessor

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 84,005,871	\$ 92,389,337	109.98%	*
2016	85,717,892	77,334,426	90.22%	*
2017	87,393,756	87,393,756	100.00%	
2018	88,853,769	88,853,769	100.00%	
2019	90,534,114	90,534,114	100.00%	
2020	92,241,238	92,241,238	100.00%	
2021	93,985,651	93,985,651	100.00%	
2022	95,760,967	95,760,967	100.00%	
2023	96,429,865	96,429,865	100.00%	
2024	96,429,865	104,337,758	108.20%	^

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

<sup>a</sup> School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of the school year.

\* The Township remitted the first quarter payment of the 2016 tax levy early, in the prior fiscal year.

^ The Township remitted the first payment of the subsequent year, 2024-2025 early, in June of 2024.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income</u> <sup>a</sup>	<u>Per Capita</u> <sup>a</sup>
	<u>General Obligation Bonds</u>	<u>Financed Purchases</u>			
2015	\$ 70,365,000	\$ 1,242,640	\$ 71,607,640	3.01%	87,930
2016	66,430,000	777,482	67,207,482	2.75%	90,268
2017	63,320,000	1,495,568	64,815,568	2.48%	96,548
2018	60,380,000	1,194,159	61,574,159	2.16%	104,620
2019	57,315,000	795,564	58,110,564	1.94%	110,466
2020	54,130,000	346,085	54,476,085	1.79%	112,825
2021	50,790,000	87,080	50,877,080	1.61%	113,975
2022	47,295,000	41,135	47,336,135	1.53%	110,753
2023	43,655,000	47,554	43,702,554	Not Available	Not Available
2024	38,645,000	30,927	38,675,927	Not Available	Not Available

**Note:** Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

<sup>a</sup> See J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 70,365,000		\$ 70,365,000	1.03%	87,930
2016	66,430,000		66,430,000	0.98%	90,268
2017	63,320,000	\$ 1,802	63,318,198	0.93%	96,548
2018	60,380,000	3,182	60,376,818	0.88%	104,620
2019	57,315,000	1,381	57,313,619	0.84%	110,466
2020	54,130,000	1	54,129,999	0.81%	112,825
2021	50,790,000	1	50,789,999	0.75%	113,975
2022	47,295,000	-	47,295,000	0.66%	110,753
2023	43,655,000	-	43,655,000	0.56%	Not Available
2024	38,645,000	1	38,644,999	0.46%	Not Available

**Notes:** Details regarding the District's outstanding debt can be found in Note 5 to the basic financial statements.

<sup>a</sup> See J-6 for property tax data.

<sup>b</sup> Population data can be found in J-14.



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2023**  
**Unaudited**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable<sup>a</sup></u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
Debt Repaid with Property Taxes:			
Bernards Township - not made available			
Somerset County General Obligation Debt	<u>\$ 276,384,694</u>	10.594%	<u>\$ 29,280,194</u>
Subtotal, Overlapping Debt			29,280,194
Bernards School District Direct Debt			<u>38,644,999</u>
Total Direct and Overlapping Debt			<u><u>\$ 67,925,193</u></u>

**Source:** Assessed value data used to estimate applicable percentages provided by the Somerset County Board of Taxation.

Debt outstanding data provided by each governmental unit.

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

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Bernards Township's equalized property value that is within the Somerset County's boundaries and dividing it by Somerset County's total equalized taxable value.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Unaudited**

**Legal Debt Margin Calculation for Fiscal Year 2024**

<u>Year</u>	<u>Equalized Valuation Basis</u>
2024	\$ 8,570,955,827
2023	7,772,790,503
2022	7,727,882,129
	<u>\$ 24,071,628,459</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,023,876,153</u>
Debt Limit (4% of Average Equalization Value)	<u>\$ 320,955,046 <sup>a</sup></u>
Total Net Debt Applicable to Limit	<u>38,644,999</u>
Legal Debt Margin	<u>\$ 282,310,047</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 271,639,443	\$ 277,231,659	\$ 277,921,998	\$ 276,738,798	\$ 274,742,118	\$ 274,742,118	\$ 270,625,091	\$ 288,058,710	\$ 304,015,661	\$ 320,955,046
Total Net Debt Applicable to Limit	<u>70,365,000</u>	<u>66,430,000</u>	<u>63,318,198</u>	<u>60,376,818</u>	<u>57,313,619</u>	<u>54,129,999</u>	<u>50,789,999</u>	<u>47,295,000</u>	<u>43,655,000</u>	<u>38,644,999</u>
Legal Debt Margin	<u>\$ 201,274,443</u>	<u>\$ 210,801,659</u>	<u>\$ 214,603,800</u>	<u>\$ 216,361,980</u>	<u>\$ 217,428,499</u>	<u>\$ 220,612,119</u>	<u>\$ 219,835,092</u>	<u>\$ 240,763,710</u>	<u>\$ 260,360,661</u>	<u>\$ 282,310,047</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.90%	23.96%	22.78%	21.82%	20.86%	19.70%	18.77%	16.42%	14.36%	12.04%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other percent limits would be

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2015	27,026	\$ 2,376,396,180	\$ 87,930	3.50%
2016	27,034	2,440,305,112	90,268	3.70%
2017	27,061	2,612,685,428	96,548	3.30%
2018	27,205	2,846,187,100	104,620	2.90%
2019	27,142	2,998,268,172	110,466	2.50%
2020	27,025	3,049,095,625	112,825	5.60%
2021	27,747	3,162,464,325	113,975	4.10%
2022	27,896	3,089,565,688	110,753	2.60%
2023	28,100	3,112,159,300	Not Available	3.40%
2024	Not Available	Not Available	Not Available	4.40%

**Source:**

- <sup>a</sup> Population information provided by the NJ Dept. of Labor and Workforce Development and is reported as of July 1 of the identified year.
- <sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>c</sup> Per capita personal income by municipality estimated based upon the Census published by the US Bureau of Economic Analysis.
- <sup>d</sup> Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**Unaudited**

	<u>2024</u>		<u>2015</u>	
		Percentage of Total Municipal Employment		Percentage of Total Municipal Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	

N/A

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Unaudited**

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Teachers - General Fund	482.7	490.1	489.0	488.2	472.8	490.1	481.0	488.0	455.3	470.3
Classroom Aides - General Fund	122.3	119.5	128.2	129.6	130.8	112.5	137.0	116.0	135.6	121.0
Athletic	2.0	2.0	2.0	2.0	4.0	4.0	3.0	2.8	3.0	2.0
Health Services	12.0	12.5	12.6	13.0	13.0	13.0	13.0	16.3	14.2	15.0
Related Services	13.5	13.0	13.0	16.0	16.0	16.0	17.2	17.8	17.0	20.0
Extraordinary Services	7.6	9.0	10.0	8.0	9.0	10.0	14.8	10.0	9.4	10.4
Guidance - Professional	20.0	20.7	21.0	21.0	22.0	22.0	23.0	22.0	25.0	23.0
Guidance - Support	8.0	8.0	8.0	8.0	10.0	8.0	10.0	7.0	7.0	7.0
Child Study Team	21.6	23.0	21.6	22.0	23.3	21.0	22.0	22.1	21.6	21.6
Child Study Team - Support	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Supervisors and Other Professionals	4.5	5.5	5.5	6.0	12.0	12.5	6.0	12.5	12.5	12.5
Improvement of Instruction - Support	3.0	2.0	3.0	3.0	3.0	3.0	9.5	3.0	3.0	3.0
Media Services/Technology	9.0	10.0	10.0	10.0	10.0	9.0	9.0	8.0	8.0	7.0
Professional Development - Support	4.0	4.0	4.0	4.0	5.0	4.5	5.0	5.0	5.0	5.0
General District Administrators	5.5	9.0	8.5	9.0	3.0	2.5	2.5	2.5	2.5	2.5
General Administration - Professional	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals/Assistant Professionals	17.0	17.0	17.0	17.0	15.0	16.0	15.0	17.0	16.0	17.0
School Administration - Support	19.0	19.0	19.0	19.5	20.0	19.5	20.0	20.0	20.0	20.9
Central Services - Administrators	9.0	6.0	6.0	6.0	6.5	5.5	5.5	6.5	7.0	8.0
Administration Information Technology Services	9.0	9.0	9.0	10.0	8.0	9.0	8.0	9.0	9.5	10.5
Operation and Maintenance	3.0	2.0	2.0	3.0	3.5	2.5	4.5	4.5	5.5	5.5
<b>Total</b>	<b>779.8</b>	<b>788.2</b>	<b>795.4</b>	<b>801.3</b>	<b>792.9</b>	<b>786.6</b>	<b>812.0</b>	<b>796.0</b>	<b>783.1</b>	<b>788.2</b>

**Source:** District Records

N/A - Not Available

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Operating Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2015	5,677	\$ 93,533,147	\$ 16,476	-31.66%	483	10.2	10.3	11.1	5,695	5,449	20.55%	95.68%
2016	5,626	96,688,609	17,186	4.31%	490	10.0	10.5	11.4	5,635	5,407	-1.05%	95.95%
2017	5,521	98,629,328	17,864	3.95%	489	9.8	10.5	11.1	5,529	5,300	-1.88%	95.86%
2018	5,410	103,973,270	19,219	7.58%	488	9.6	9.5	10.7	5,423	5,142	-1.92%	94.82%
2019	5,278	108,855,379	20,624	7.31%	473	9.1	9.2	10.6	5,308	5,076	-2.12%	95.63%
2020	5,105	109,950,491	21,538	4.43%	490	8.8	9.0	10.1	5,146	5,005	-3.05%	97.26%
2021	5,095	117,468,720	23,056	7.05%	481	8.9	9.8	10.2	4,851	4,752	-5.73%	97.96%
2022	4,835	127,270,836	26,323	14.17%	488	10.1	9.1	12.1	4,748	4,541	-2.12%	95.64%
2023	4,688	106,183,448	22,650	-13.95%	455	10.5	10.0	12.0	4,752	4,498	0.08%	94.65%
2024	4,649	112,080,331	24,108	9.41%	448	10.5	10.0	11.0	4,724	4,487	-0.59%	94.98%

**Source:** District Records.

**Note:** Enrollment based on annual October District count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service, capital outlay and costs of issuance on debt.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**School Building Information**  
**Last Ten Fiscal Years**  
**Unaudited**

<b><u>District Building</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>
<b><u>Elementary:</u></b>										
Cedar Hill Elementary School										
Square Feet	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022	68,022
Capacity (students)	724	724	724	724	724	724	724	724	724	724
Enrollment	610	601	592	594	546	556	556	484	484	484
Liberty Corner Elementary School										
Square Feet	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240	82,240
Capacity (students)	682	682	682	682	682	682	682	682	682	682
Enrollment	556	531	545	536	525	515	516	461	461	461
Mount Prospect Elementary School										
Square Feet	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440	103,440
Capacity (students)	839	839	839	839	839	839	839	839	839	839
Enrollment	672	651	611	571	570	520	539	504	504	504
Oak Street Elementary School										
Square Feet	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927	75,927
Capacity (students)	686	686	686	686	686	686	686	686	686	686
Enrollment	579	550	513	488	465	420	420	406	406	406
<b><u>Middle School:</u></b>										
William Annin Middle School										
Square Feet	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713	162,713
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,382	1,396	1,359	1,341	1,317	1,282	1,282	1,200	1,200	1,200
<b><u>High School:</u></b>										
Ridge High School										
Square Feet	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939	312,939
Capacity (students)	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976
Enrollment	1,878	1,897	1,901	1,877	1,855	1,812	1,798	1,779	1,779	1,779
<b><u>Other:</u></b>										
Administration Building										
Square Feet	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076	7,076
Number of Schools at June 30, 2024:										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 1										

**Source:** District Facilities Office

**Note:** Increases in square footage and capacity are the result of

N/A - Not Available

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**  
**Unaudited**

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

*School Facilities	<u>Ridge H.S.</u>	<u>William Annin M.S.</u>	<u>Cedar Hill E.S.</u>	<u>Liberty Corner E.S.</u>	<u>Mount Prospect E.S.</u>	<u>Oak Street E.S.</u>	<u>Total</u>
2015	\$ 726,010	\$ 397,536	\$ 166,189	\$ 200,926	\$ 238,717	\$ 169,244	\$ 1,898,622
2016	721,482	394,688	133,261	203,013	236,712	177,041	1,866,197
2017	752,998	403,255	161,308	205,125	230,845	176,683	1,930,214
2018	790,077	378,896	159,328	200,454	233,151	179,617	1,941,523
2019	933,473	450,151	180,017	212,332	284,436	229,824	2,290,233
2020	781,425	413,682	171,939	189,580	213,572	175,973	1,946,171
2021	1,165,592	324,514	175,195	174,360	159,429	244,346	2,243,436
2022	1,096,117	405,282	192,244	222,039	282,474	270,368	2,468,524
2023	956,666	353,721	167,787	193,790	246,537	235,971	2,154,472
2024	<u>1,378,826</u>	<u>509,782</u>	<u>222,017</u>	<u>265,521</u>	<u>340,142</u>	<u>340,146</u>	<u>3,056,434</u>
Total School Facilities	<u>\$ 9,302,666</u>	<u>\$ 4,031,507</u>	<u>\$ 1,729,285</u>	<u>\$ 2,067,140</u>	<u>\$ 2,466,015</u>	<u>\$ 2,199,213</u>	<u>\$ 21,795,826</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



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Insurance Schedule**  
**June 30, 2024**

School Package Policy - NJSIG:	<u>Coverage</u>	<u>Deductible</u>
Blanket Building and Contents	\$ 202,604,125	\$ 5,000
Electronic Data Processing	1,600,000	1,000
Boiler and Machinery	\$ 202,604,125	25,000
Comprehensive General Liability	31,000,000	-
Crime	1,000,000	1,000
Automobile	31,000,000	1,000
Environmental Liability	1,000,000	25,000
Commercial Excess	Included	-
Workers' Compensation	3,000,000	-
Educators Legal Liability	31,000,000	10,000
 N.J. Cap Program - Fireman's Fund Insurance Co.	 25,000,000	 -
 Public Official's Bonds - Selective Insurance Co.		
Board Secretary	369,000	-
Treasurer	470,000	-
 Student Accident - McCloskey Insurance	 5,000,000	 -

**Source:** Bernards Township Board of Education.

## **Single Audit Section**

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

**Independent Auditors' Report**

**Honorable President and  
Members of the Board of Education  
Bernards Township School District  
County of Somerset  
Basking Ridge, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Bernards Township School District, in the County of Somerset, New Jersey (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 15, 2025.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not identified.

**Honorable President and  
Members of the Board of Education  
Bernards Township School District**

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 15, 2025

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

**Report on Compliance For Each Major Federal and State Program and  
Report on Internal Control Over Compliance Required by the  
Uniform Guidance and New Jersey OMB Circular 15-08**

**Independent Auditors' Report**

**Honorable President and  
Members of the Board of Education  
Bernards Township School District  
County of Somerset  
Basking Ridge, New Jersey**

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

**Opinion on Each Major Federal and State Program**

We have audited the Bernards Township School District's, in the County of Somerset, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal and State Program**

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

**Honorable President and  
Members of the Board of Education  
Bernards Township School District**

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

**Responsibilities of Management for Compliance**

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

**Auditors' Responsibilities for the Audit of Compliance**

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

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

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

**Honorable President and  
Members of the Board of Education  
Bernards Township School District**

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

**Report on Internal Control Over Compliance**

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

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

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

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
January 15, 2025

*Scott A. Clelland*

Scott A. Clelland, CPA  
Licensed Public School Accountant, No. 1049

**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Cash Received	Budgetary Expenditures	Adjustments	(Accounts Receivable) June 30, 2024	Unearned Revenue June 30, 2024	Due to Grantor at June 30, 2024	Amounts Provided to Subrecipients
				From	To								
General Fund:													
U.S. Department of Health and Human Services													
Passed-Through State Department of Health and Human Services													
Medicaid Cluster - Medical Assistance Program - SEMI	93.778	2105NJ5MAP	\$ 1,746	07/01/23	06/30/24		\$ 1,746	\$ (1,746)					
Total General Fund							1,746	(1,746)					
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010	S010A220030	219,863	07/01/23	09/30/24		28,880.00	(149,462)		\$ (120,582)			
Title I, Part A	84.010	S010A220030	463,815	07/01/22	09/30/23	\$ (238,665)	213,237			(25,428)			
Subtotal Title I, Part A						(238,665)	242,117	(149,462)		(146,010)			
Title II - Part A	84.367	S367A220029	62,960	07/01/23	09/30/24		3,631	(59,391)		(55,760)			
Title II - Part A	84.367	S367A220029	143,152	07/01/22	09/30/23	(134,710)	134,710						
Subtotal Title II Part A						(134,710)	138,341	(59,391)		(55,760)			
Language Instruction for English Learners and Immigrant Students:													
Title III	84.365	S365A220030	28,739	07/01/23	09/30/24		21,737	(27,072)		(5,335)			
Title III	84.365	S365A210030	19,253	07/01/21	09/30/22	4,009					\$ 4,009		
Subtotal Language Instruction for English Learners and Immigrant Students						4,009	21,737	(27,072)		(5,335)	4,009		
Title IV	84.424	S424A220031	33,395	07/01/23	09/30/24		16,611	(21,374)		(4,763)			
Title IV	84.424	S424A220031	47,772	07/01/22	09/30/23	(31,022)	23,587		\$ 7,435				
Title IV	84.424	S424A210031	26,277	07/01/21	09/30/22	7,435			(7,435)				
Subtotal Title IV						(23,587)	40,198	(21,374)	-	(4,763)			
Special Education Cluster:													
COVID-19 American Rescue Plan - I.D.E.A., Part B, Preschool	84.173X	H173X210114	21,850	07/01/21	09/30/23	(17,130)	21,850					4,720	
COVID-19 American Rescue Plan - I.D.E.A., Part B, Basic	84.027X	H027X210100	255,816	07/01/21	09/30/23	(41,650)	41,650	(640)		(640)			
I.D.E.A., Part B, Basic	84.027	H027A220100	1,377,937	07/01/23	09/30/24		1,034,523	(1,233,472)		(198,949)			
I.D.E.A., Part B, Basic	84.027	H027A220100	1,359,930	07/01/22	09/30/23	(407,769)	471,871					64,102	
I.D.E.A., Preschool	84.173	H173A220114	99,197	07/01/23	09/30/24		49,046	(76,360)		(27,314)			
I.D.E.A., Preschool	84.173	H173A220114	93,967	07/01/22	09/30/23	(40,128)	40,128						
Subtotal of Special Education Cluster						(506,677)	1,659,068	(1,310,472)		(226,903)	68,822		
Education Stabilization Fund:													
COVID-19 ESSER II	84.425D	S425D210027	1,000,565	03/15/21	09/30/23	(176,166)	176,165			(1)			
COVID-19 ESSER II - NJTSS Mental Health Support Staffing	84.425D	S425D210027	45,000	03/15/21	09/30/23	(11,313)	11,313						
COVID-19 ESSER II - Accelerated Learning Coach and Educator Support	84.425D	S425D210027	382,512	03/15/21	09/30/23	(20,904)	329,267	(346,460)		(38,097)			
COVID-19 ESSER II - Learning Acceleration	84.425U	S425D210027	64,211	03/15/21	09/30/23	(56,603)	56,603						
COVID-19 American Rescue Plan ESSER (ESSER III)	84.425U	S425U210027	2,248,706	03/15/21	09/30/24	(712,026)	2,215,606	(1,536,679)		(33,099)			
COVID-19 ARP ESSER - Evidence Based Summer Learning and Enrichment	84.425U	S425D210027	40,000	03/15/21	09/30/24	(36,000)	38,754	(4,000)		(1,246)			
COVID-19 ARP ESSER - Learning Acceleration	84.425U	S425D210027	40,000	03/15/21	09/30/24		7,000	(7,000)					
COVID-19 ESSER II - NJTSS Mental Health Support Staffing	84.425U	S425D210027	45,000	03/15/20	09/30/24		39,899	(45,000)		(5,101)			
Subtotal Education Stabilization Fund						(1,013,012)	2,874,607	(1,939,139)		(77,544)			
Total U.S. Department of Education Passed-Through State Department of Education						(1,912,642)	4,976,068	(3,506,910)	-	(516,315)	72,831		
U.S. Department of the Treasury													
Passed-through State Department of the Treasury:													
Coronavirus State and Local Fiscal Recovery Funds -													
COVID-19 Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	476,693	03/03/23	12/31/26		165,202	(476,693)		(311,491)			
COVID-19 Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOE1SES	838,939	03/03/22	12/31/25	(420,124)	420,124						
Subtotal ACSERS						(420,124)	585,326	(476,693)		(311,491)			
TOTAL SPECIAL REVENUE FUND						(2,332,766)	5,561,394	(3,983,603)		(827,806)	72,831		
TOTAL EXPENDITURES OF FEDERAL AWARDS						\$ (2,332,766)	\$ 5,563,140	\$ (3,985,349)	\$ -	\$ (827,806)	\$ 72,831	\$ -	\$ -

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



**TOWNSHIP OF BERNARDS BOARD OF EDUCATION**  
**Schedule of Expenditures of State Financial Assistance**  
**Year Ended June 30, 2024**

Total Expenditures: \$3,820,853										Repayment of Prior Years' Balances		Balance at June 30, 2024		MEMO	
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Adjustments		(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
			From	To	(Accounts Receivable)	Due to Grantor									
State Department of Education															
General Fund:															
Special Education Aid	23-495-034-5120-089	\$ 4,879,061	7/1/2022	6/30/2023	\$ (482,965)		\$ 482,965								
Special Education Aid	24-495-034-5120-089	5,164,947	7/1/2023	6/30/2024			4,652,303	\$ (5,164,947)					\$ (512,644)	\$ (5,164,947)	
Security Aid	23-495-034-5120-084	341,292	7/1/2022	6/30/2023	(33,784)		33,784								
Security Aid	24-495-034-5120-084	430,818	7/1/2023	6/30/2024			388,057	(430,818)					(42,761)	(430,818)	
Transportation Aid	23-495-034-5120-014	1,296,717	7/1/2022	6/30/2023	(128,358)		128,358								
Transportation Aid	24-495-034-5120-014	1,783,392	7/1/2023	6/30/2024			1,606,382	(1,783,392)					(177,010)	(1,783,392)	
Extraordinary Aid	23-495-034-5120-044	4,235,337	7/1/2022	6/30/2023	(4,235,337)		4,235,337								
Passed-Through State Department of Health and Human Service	24-495-034-5120-044	4,722,159	7/1/2023	6/30/2024				(4,722,159)			\$ (4,722,159)			(4,722,159)	
Medicaid Cluster - Medical Assistance Program - SEMI	23-495-034-5120-014	114,504	7/1/2022	6/30/2023	(114,504)		114,504								
Nonpublic School Transportation Costs	24-495-034-5120-014	168,350	7/1/2023	6/30/2024				(168,350)			(168,350)			(168,350)	
Securing our Children's Future Bond Act - Alyssa's Law	20E00395	303,316	4/1/2021	3/31/2023	(303,316)		303,316								
Securing our Children's Future Bond Act - Alyssa's Law	20E00395	232,045	7/1/2023	6/30/2024			232,045	(232,045)							
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	3,455,411	7/1/2022	6/30/2023	(168,136)		168,136								
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	2,580,712	7/1/2023	6/30/2024			3,407,379	(3,580,712)			(173,333)			(2,580,712)	
Other State Aid - SDA Grants	Not Available	296,959	7/1/2023	6/30/2024			296,959	(296,959)							
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	17,100,050	7/1/2023	6/30/2024			17,100,050	(17,100,050)						(17,100,050)	
On-Behalf-Teachers' Pension and Annuity Fund - Post															
Retirement Medical	24-495-034-5094-001	4,654,008	7/1/2023	6/30/2024			4,654,008	(4,654,008)						(4,654,008)	
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	24-495-034-5094-004	6,279	7/1/2023	6/30/2024			6,279	(6,279)						(6,279)	
Total General Fund					<u>(5,466,400)</u>		<u>37,809,862</u>	<u>(38,139,719)</u>			<u>(5,063,842)</u>		<u>(732,415)</u>	<u>(36,610,715)</u>	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	23-100-034-5120-064	30,426	7/1/2022	6/30/2023		\$ 587				\$ (587)					
Textbook Aid	24-100-034-5120-064	26,651	7/1/2023	6/30/2024			26,651	(25,743)				\$ 908		(25,743)	
Nursing Services	23-100-034-5120-373	51,632	7/1/2022	6/30/2023		5,152				(5,152)					
Nursing Services	24-100-034-5120-070	55,320	7/1/2023	6/30/2024			55,320	(55,252)				68		(55,252)	
Technology	23-100-034-5120-373	19,362	7/1/2022	6/30/2023		2,678				(2,678)					
Technology	24-100-034-5120-373	22,589	7/1/2023	6/30/2024			22,589	(21,986)				603		(21,986)	
Security	23-100-034-5120-509	94,505	7/1/2022	6/30/2023		17,358				(17,358)					
Security	24-100-034-5120-509	94,085	7/1/2023	6/30/2024			94,505	(84,634)				9,871		(84,634)	
Auxiliary Services:															
Home Instruction	23-000-034-5120-067	287	7/1/2023	6/30/2024				(287)			(287)			(287)	
English as a Second Language	24-100-034-5120-067	2,105	7/1/2022	6/30/2023		200				(200)					
English as a Second Language	23-100-034-5120-067	916	7/1/2023	6/30/2024			916	(916)						(916)	
Compensatory Education	24-100-034-5120-067	75,902	7/1/2022	6/30/2023		18,877				(18,877)					
Special Education Cluster:	23-100-034-5120-067	561,933	7/1/2023	6/30/2024			56,193	(50,794)				5,399		(50,794)	
Handicapped Services:															
Supplemental Instruction	23-100-034-5120-066	30,727	7/1/2022	6/30/2023		6,195				(6,195)					
Supplemental Instruction	24-100-034-5120-066	30,769	7/1/2023	6/30/2024			30,769	(27,341)				3,428		(27,341)	
Examination and Classification	23-100-034-5120-066	55,544	7/1/2022	6/30/2023		10,044				(10,044)					
Examination and Classification	24-100-034-5120-066	53,273	7/1/2023	6/30/2024			53,273	(47,967)				5,306		(47,967)	
Corrective Speech	23-100-034-5120-066	28,830	7/1/2022	6/30/2023		7,440				(7,440)					
Subtotal of Special Education Cluster	24-100-034-5120-066	26,970	7/1/2023	6/30/2024			26,970	(18,786)				8,184		(18,786)	
Total N.J. Nonpublic Aid						68,531	367,186	(333,706)		(68,531)	(287)	33,767		(333,706)	
NJSDA Grants:															
Emergent Needs and Capital Maintenance Grant	24-100-034-5120-519	115,493	04/01/22	03/31/24			115,493	(115,493)						(130,170)	
Emergent Needs and Capital Maintenance Grant	23-100-034-5120-519	116,642	04/01/22	03/31/23	(116,642)		116,642							(130,170)	
Total Special Revenue Fund					<u>(116,642)</u>	<u>67,944</u>	<u>599,321</u>	<u>(449,199)</u>		<u>(67,944)</u>	<u>(287)</u>	<u>33,767</u>		<u>(463,876)</u>	
Capital Projects Fund:															
NJSDA Grants															
WAMS - Unit Ventilator Replacement	0350-050-14-G2NX	524,640	12/12/2014	Completion	(26,004)		26,014	(10)						(505,874)	
WAMS - HVAC Upgrades	0350-050-14-G2NW	401,720	12/12/2014	Completion	(11,960)		19,338	(7,378)						(400,817)	
Ridge High School HVAC Upgrades		572,000	7/1/2023	Completion				(24,888)			(24,888)		(572,000)	(24,888)	
Total Capital Projects Fund					<u>(37,964)</u>		<u>45,352</u>	<u>(32,276)</u>			<u>(24,888)</u>		<u>(572,000)</u>	<u>(931,579)</u>	
Debt Service Aid	495-034-5120-075	814,683	7/1/2023	6/30/2024			814,683	(814,683)						(814,683)	
Total Debt Service Fund							814,683	(814,683)						(814,683)	
Total Expenditures of State Financial Assistance					<u>\$ (5,621,006)</u>	<u>\$ 67,944</u>	<u>\$ 39,269,218</u>	<u>\$ (39,435,877)</u>	<u>\$ -</u>	<u>\$ (67,944)</u>	<u>\$ (5,089,017)</u>	<u>\$ 33,767</u>	<u>\$ (1,304,415)</u>	<u>\$ (38,820,853)</u>	
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf Teachers' Pension and Annuity Fund	495-034-5094-002	17,100,050	7/1/2023	6/30/2024			\$ 17,100,050	\$ (17,100,050)						\$ (17,100,050)	
On-Behalf-Teachers' Pension and Annuity Fund - Post															
Retirement Medical	495-034-5094-001	4,654,008	7/1/2023	6/30/2024			4,654,008	(4,654,008)						(4,654,008)	
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	495-034-5094-004	6,279	7/1/2023	6/30/2024			6,279	(6,279)						(6,279)	
Total On-Behalf State Financial Assistance							<u>21,760,337</u>	<u>(21,760,337)</u>						<u>(21,760,337)</u>	
Total State Financial Assistance Subject to Single Audit Determination					<u>\$ (5,621,006)</u>	<u>\$ 67,944</u>	<u>\$ 17,508,881</u>	<u>\$ (17,675,540)</u>	<u>\$ -</u>	<u>\$ (67,944)</u>	<u>\$ (5,089,017)</u>	<u>\$ 33,767</u>	<u>\$ (1,304,415)</u>	<u>\$ (17,060,516)</u>	

Township of Bernards Board of Education  
  
Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
Year ended June 30, 2024

**1. Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2024. The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

**2. Summary of Significant Accounting Policies**

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

**3. Relationship to Basic Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the District's 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 fiscal 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 of accounting except for the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.

Township of Bernards Board of Education

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
Year ended June 30, 2023

**3. Relationship to Basic Financial Statements (continued)**

For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two 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 recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$87,308 for the general fund and \$63,885 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<b>Federal</b>	<b>State</b>	<b>Total</b>
General Fund	\$ 1,746	\$ 38,052,411	\$ 38,054,157
Special Revenue Fund	4,031,980	448,308	4,480,288
Capital Projects Fund		32,276	32,276
Debt Service Fund		814,683	814,683
Total financial award revenues	<u>\$ 4,033,726</u>	<u>\$ 39,347,678</u>	<u>\$ 43,381,404</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 Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2024.

The post retirement pension medical benefits and long-term disability received on-behalf of the District for the year ended June 30, 2024 amounted to \$21,760,337. Since on-behalf post retirement pension medical and other long-term disability benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

Township of Bernards Board of Education

Notes to Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
Year ended June 30, 2024

**6. Indirect Costs**

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

Township of Bernards Board of Education  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

Part I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes   X   None Reported

Noncompliance material to the basic financial statements noted?

\_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes   X   None Reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
--------------	-------------	------------------------------------

84.425D/84.425U	S425D210027/S425U210027	COVID-19 Education Stabilization Fund
-----------------	-------------------------	---------------------------------------

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

\$750,000

Auditee qualified as low-risk auditee?

  X   Yes \_\_\_\_\_ No

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

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

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes   X   None reported

Type of auditors' report issued on compliance for major state programs: \_\_\_\_\_ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08 as applicable? \_\_\_\_\_ Yes   X   No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-017	Debt Service Aid

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

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

**Part II – Schedule of Financial Statement Findings**

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

Township of Bernards Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2024

**Part II – Schedule of Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

**State Financial Assistance Programs**

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.