

**SECAUCUS BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**Secaucus, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Secaucus Board of Education**

**Secaucus, New Jersey**

**For The Fiscal Year Ended June 30, 2020**

**Prepared by**

**Secaucus Board of Education  
Business Department**

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**INTRODUCTORY SECTION**



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## Secaucus Public Schools

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Ms. Jennifer L. Montesano  
Superintendent of Schools  
(201) 974-2000 x 2113

Ms. Grace Yeo  
Business Administrator/Board Secretary  
(201) 974-2008

January 25, 2021

Honorable President and Members of the  
Secaucus Board of Education  
685 Fifth Street  
Secaucus, New Jersey 07094

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United State of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Secaucus Board of Education for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the Secaucus Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Secaucus Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Secaucus Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Secaucus Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects

The Secaucus Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public-school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Secaucus Board of Education for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion



that the Secaucus Board of Education’s financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Secaucus Board of Education was part of a broader, federal and state mandated “Single Audit” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Secaucus Board of Education’s CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Secaucus Board of Education’s MD&A can be found immediately following the report of the independent auditors.

1). REPORTING ENTITY AND ITS SERVICES: Secaucus Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB). All funds of the District are included in this report. The Secaucus 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 PK through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 2,270 students. The following details the changes in the student enrollment of the District over the last ten (10) years.

Fiscal Year	Student Count	Percent Change
2019-2020	2,270	(.09)
2018-2019	2,272	3.4
2017-2018	2,197	3.9
2016-2017	2,114	(0.3)
2015-2016	2,120	(3.0)
2014-2015	2,185	0.1
2013-2014	2,183	(.1)
2012-2013	2,185	1.8
2011-2012	2,146	(2.3)
2010-2011	2,196	2.5

2). ECONOMIC CONDITION AND OUTLOOK: The Town of Secaucus continues with a significant increase in residential construction. This is due to the continuation of the housing units being built in various parts of town. Current construction has yielded an additional 150 students and continues to rise. Future construction could continue to impact the student population. The additional rateable’s will continue to assist in stabilizing the tax rate. This in turn will provide revenues which will enable the Town of Secaucus to continue providing services that were the basis for Secaucus being considered a very good place to live in New Jersey. For all these reasons, Secaucus will continue to prosper economically, and its residents will continue to enjoy a high quality of life.

3). MAJOR INITIATIVES: The Secaucus School District has continued to strive toward the improvement of instruction in spite of the COVID-19 pandemic through implementation of high-quality professional development, expansion of our challenging writing initiative, and successful PreK-12 transition to full virtual instruction and vice versa when needed. Specific measures completed in the school year include:

- Offering our faculty and staff modified “Virtual Ed Camps”, presented by our highly trained in-house staff, focusing primarily on the proper use of various technology programs for virtual instruction and special education mandates
- Partnering with the Teachers College Reading and Writing Program for grades K-5 in both elementary schools
- The completion of a 1:1 technology initiative for students in grades 3-12.
- Successful transition to both hybrid and full virtual instruction for all students during the pandemic.

The following information provided is reflective of the continuing improvement of the educational program provided by the Secaucus Board of Education:

Class of 2021 comprised 151 students.  
Class of 2020 post graduation;

- 74% attended 4-year colleges
- 12% attended 2-year colleges
- 5% Trade School
- 5% Military
- 4% Workforce

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

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

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

5). BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for 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 a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

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

7). DEBT ADMINISTRATION: As of June 30, 2020, the District's outstanding debt issues included \$22,180,000 of general obligation and refunding bonds.

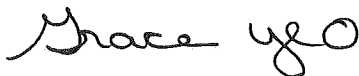
8). CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from 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.

9). 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.

10). OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch Vinci & Higgins, LLP was selected by the Secaucus Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the single audit requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements, the individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

11). ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Secaucus Board of Education 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. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Grace Yeo  
Business Administrator/Board Secretary

# Secaucus Public Schools 2019-2020 Organizational Chart

**Jennifer Montesano**  
Chief School Administrator

Ann Marie Grecco  
Administrative Asst.

Veronica Melendez  
Administrative Asst.

**Grace Yeo**  
Business Admin/Board  
Secretary

Judith Preinfalk  
Administrative Asst.

**Steven Viggiani**  
H.S. Principal

- Amanda Wargoeki  
Asst. Principal
- H.S. Guidance
- HS Teachers
- Secretarial, Custodians  
& Support Staff

**Christine Candela**  
M.S. Principal

- M.S. Guidance
- M.S. Teachers
- Secretarial, Custodians  
& Support Staff

**Robert Valente**  
Huber Street Principal

- Guidance
- Teachers
- Secretarial, Custodians  
& Support Staff

**Dr. Danielle Garzon**  
Clarendnon Principal

- Guidance
- Teachers
- Secretarial, Custodians  
& Support Staff

**Dr. Daniela Riser**  
Director  
Curriculum & Instruction

- Supervisor STEM
- Supervisor Humanities
- Supervisor Guidance
- Supervisor Elementary
- Supervisor Education Tech

- Alfonse J. Tobia  
Network Tech.
- Justin Estruch  
Network Tech.
- Mathew Miller  
Network Tech.

**Carriann Devito**  
Director  
Special Services

- Special Education Secretaries
- CST, Speech, SAC
- Special Education Teachers
- Special Education TA's & CA's

**Charles Voorhees**  
Director  
Athletics, PE & Health

- Physical Education Teachers
- School Nurses
- Athletic Trainer

**C. Michael Poindexter**  
Staff Accountant

- Eileen Losurdo  
Data Manager
- Deborah Bittiger  
Payroll Specialist
- Phyllis Pesci  
Purchasing Specialist
- Deborah Zapoluch  
Transportation Specialist
- Bus Drivers & Bus Aides

**Salvatore Cioffi**  
Buildings & Grounds  
Supv

- Lea Ann Nicolich  
Administrative Asst.
- Head Custodians
- Custodians

A

**Roster of Officials**  
**Secaucus Board of Education**  
**June 30, 2020**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Joan Cali, President	2021
Mary Eccles, Vice President	2021
Lance Bartletta	2020
Kathy McFarlane	2020
Jack McStowe	2022
Kathy O'Connell	2022
Ruby Pantoliano	2020
Jayesh Patel	2022
Barbara Strobert	2021

**SECAUCUS BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Lerch, Vinci, Higgins LLP  
17-17 Route 208  
Fair Lawn, New Jersey 07410

**Attorneys**

Fogarty & Hara  
21-00 Route 208 South  
Fair Lawn, NJ 07410

Wilentz Goldman & Spitzer  
90 Woodbridge Center Drive Suite 900 Box 10  
Woodbridge, New Jersey 07095-0958

**Official Depository**

TD Bank  
1262 Paterson Plank Road  
Secaucus, NJ 0709

**Consultant**

DiCara/Rubino Architects  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

**Construction Manager:**

Legacy Construction Management, Inc.  
435 Slopping Hill Terrace  
Brick, NJ 08723

**Benefit Advisors:**

Brown & Brown Benefit Advisors  
24 Arnett Ave. Ste. 110  
Lambertville, NJ 08530

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Secaucus Board of Education  
Secaucus, New Jersey

### **Report on the Financial Statements**

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 Secaucus Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

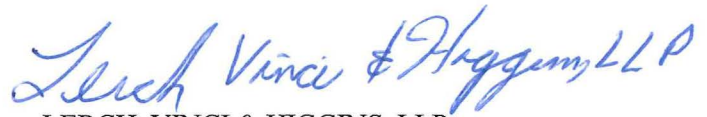
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Secaucus Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Secaucus Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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.

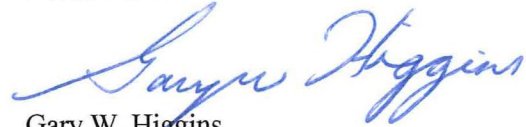
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2021 on our consideration of the Secaucus Board of Education'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 Secaucus Board of Education'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 Secaucus Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 25, 2021

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

The discussion and analysis of the Secaucus Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$19,178,931 (net position).
- General revenues accounted for \$38,215,799 in revenue or 76 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$12,124,266 or 24 percent of total revenues of \$50,340,065.
- Total net position of governmental activities amounted to \$18,260,870 as of June 30, 2020.
- The District had \$47,553,727 in expenses related to governmental activities; only \$11,253,575 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$38,215,799 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$44,438,036 in revenues and other financing sources and \$43,539,472 in expenditures. The General Fund's fund balance increased \$898,564 or 14 percent from the fiscal year ended June 30, 2019.

**Using the Comprehensive Annual Financial report (CAFR)**

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

The *Statement of Net position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Secaucus Board of Education, the General Fund is by far the most significant fund.

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Reporting the District as a Whole**

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2020?" The *Statement of Net position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program and technology program are reported as a business-type activity.

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. The Enterprise Fund includes the District's Food Service Fund and Technology Program Fund.

**Governmental Funds**

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

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The District as a Whole**

The *Statement of Net position* provides the perspectives of the District as a whole, showing assets and deferred outflows of resources and liabilities and deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

Table 1 provides a summary of the District's net position as of June 30, 2020 and 2019.

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>						
Current Assets	\$ 8,160,895	\$ 7,305,110	\$ 786,179	\$ 846,963	\$ 8,947,074	\$ 8,152,073
Capital Assets	<u>46,875,991</u>	<u>46,988,086</u>	<u>179,069</u>	<u>198,407</u>	<u>47,055,060</u>	<u>47,186,493</u>
<b>Total Assets</b>	<u>55,036,886</u>	<u>54,293,196</u>	<u>965,248</u>	<u>1,045,370</u>	<u>56,002,134</u>	<u>55,338,566</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	<u>1,189,715</u>	<u>2,056,637</u>	-	-	<u>1,189,715</u>	<u>2,056,637</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,189,715</u>	<u>2,056,637</u>	-	-	<u>1,189,715</u>	<u>2,056,637</u>
<b>Liabilities</b>						
Other Liabilities	922,903	638,480	46,898	16,306	969,801	654,786
Long-Term Liabilities	<u>33,122,207</u>	<u>35,395,911</u>	-	-	<u>33,122,207</u>	<u>35,395,911</u>
<b>Total Liabilities</b>	<u>34,045,110</u>	<u>36,034,391</u>	<u>46,898</u>	<u>16,306</u>	<u>34,092,008</u>	<u>36,050,697</u>
<b>Deferred Inflows of Resources</b>						
USDA Commodities			289	704	289	704
Deferred Amount on Net Pension Liability	<u>3,920,621</u>	<u>3,970,219</u>	-	-	<u>3,920,621</u>	<u>3,970,219</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,920,621</u>	<u>3,970,219</u>	<u>289</u>	<u>704</u>	<u>3,920,910</u>	<u>3,970,923</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	24,608,429	23,627,355	179,069	198,407	24,787,498	23,825,762
Restricted	6,434,525	5,336,500			6,434,525	5,336,500
Unrestricted	<u>(12,782,084)</u>	<u>(12,618,632)</u>	<u>738,992</u>	<u>829,953</u>	<u>(12,043,092)</u>	<u>(11,788,679)</u>
<b>Total Net Position</b>	<u>\$ 18,260,870</u>	<u>\$ 16,345,223</u>	<u>\$ 918,061</u>	<u>\$ 1,028,360</u>	<u>\$ 19,178,931</u>	<u>\$ 17,373,583</u>

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

The District's combined net position was \$19,178,931 and \$17,373,583 on June 30, 2020 and 2019, respectively. This was an increase of \$1,805,348 or 10 percent from the fiscal year ended June 30, 2019.

Table 2 shows changes in net position for the fiscal years ended June 30, 2020 and 2019.

**Table A-2**  
**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2020 and 2019**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 53,420	\$ 87,780	\$ 501,924	\$ 717,140	\$ 555,344	\$ 804,920
Grants and Contributions	11,200,155	12,407,342	368,767	430,679	11,568,922	12,838,021
Capital Grants and Contributions		58,545			-	58,545
General Revenues						
Property Taxes	37,602,443	36,915,403			37,602,443	36,915,403
State Aid	416,662	414,008			416,662	414,008
Other	196,694	211,492	-	-	196,694	211,492
<b>Total Revenues</b>	<u>49,469,374</u>	<u>50,094,570</u>	<u>870,691</u>	<u>1,147,819</u>	<u>50,340,065</u>	<u>51,242,389</u>
<b>Program Expenses</b>						
Instruction	29,637,155	30,078,032			29,637,155	30,078,032
Support Services						
Student and Instruction Related	4,764,119	4,877,420			4,764,119	4,877,420
General Administration	1,125,856	1,208,780			1,125,856	1,208,780
School Administration	2,529,611	2,815,991			2,529,611	2,815,991
Central Services	1,121,975	1,254,064			1,121,975	1,254,064
Plant Operations and Maintenance	5,928,702	6,035,771			5,928,702	6,035,771
Pupil Transportation	1,685,783	1,994,340			1,685,783	1,994,340
Interest on Debt	760,526	792,148			760,526	792,148
Food Service	-	-	980,990	1,170,158	980,990	1,170,158
<b>Total Expenses</b>	<u>47,553,727</u>	<u>49,056,546</u>	<u>980,990</u>	<u>1,170,158</u>	<u>48,534,717</u>	<u>50,226,704</u>
<b>Change in Net Position</b>	1,915,647	1,038,024	(110,299)	(22,339)	1,805,348	1,015,685
<b>Net Position, Beginning of Year</b>	<u>16,345,223</u>	<u>15,307,199</u>	<u>1,028,360</u>	<u>1,050,699</u>	<u>17,373,583</u>	<u>16,357,898</u>
<b>Net Position, End of Year</b>	<u>\$ 18,260,870</u>	<u>\$ 16,345,223</u>	<u>\$ 918,061</u>	<u>\$ 1,028,360</u>	<u>\$ 19,178,931</u>	<u>\$ 17,373,583</u>



**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Governmental Activities**

The District's total governmental activities revenues were \$49,469,374 and \$50,094,570 for the years ended June 30, 2020 and 2019, respectively. Property taxes made up 76 and 74 percent of revenues for governmental activities for the Secaucus Board of Education for fiscal years 2020 and 2019, respectively. Federal, state and local grants accounted for 23 and 25 percent of revenue for the fiscal years ended June 30, 2020 and 2019, respectively.

The total cost of all programs and services was \$47,553,727 and \$49,056,546 for the fiscal years ended June 30, 2020 and 2019, respectively. Instruction comprises 62 and 61 percent of governmental program expenses for years ended June 30, 2020 and 2019, respectively. Support services expenses make up 36 and 37 percent of governmental expenses for the fiscal years ended June 30, 2020 and 2019, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table A-3**  
**Total and Net Cost of Services**  
**for the Fiscal Years Ended June 30, 2020 and 2019**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction	\$ 29,637,155	\$ 30,078,032	\$ 20,980,831	\$ 20,648,784
Support Services				
Student and Instruction Related	4,764,119	4,877,420	3,753,350	3,771,901
General Administration, School Admin., Central Services	4,777,442	5,278,835	4,150,383	4,433,499
Plant Operations and Maintenance	5,928,702	6,035,771	5,736,153	5,751,133
Pupil Transportation	1,685,783	1,994,340	1,142,663	1,341,407
Interest on Debt	760,526	792,148	536,772	556,155
<b>Total</b>	<u>\$ 47,553,727</u>	<u>\$ 49,056,546</u>	<u>\$ 36,300,152</u>	<u>\$ 36,502,879</u>

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues of \$870,691 and \$1,147,819 and expenses of \$980,990 and \$1,170,158 in fiscal years ended June 30, 2020 and 2019, respectively. Of the revenues, \$501,924 and \$717,140 was charges for services paid by patrons for daily food service; \$368,767 and \$430,679 was from State and Federal reimbursements for the years ended June 30, 2020 and 2019, respectively.

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$47,454,165 and \$46,238,753 and expenditures were \$47,078,060 and \$46,136,514 for the fiscal years ended June 30, 2020 and 2019, respectively. The net change in the fund balance for the year was an increase of \$553,495 mainly as the result of the excess results of operations in the General Fund.

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 schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2020 and 2019.

<u>Revenues</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Local Sources	\$ 37,852,557	\$ 37,214,675	\$ 637,882	1.71%
State Sources	8,546,317	7,961,112	585,205	7.35%
Federal Sources	1,055,291	1,062,966	(7,675)	-0.72%
Total Governmental Fund Revenues	<u>\$ 47,454,165</u>	<u>\$ 46,238,753</u>	<u>\$ 1,215,412</u>	2.63%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2020 and 2019.

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Current Expense				
Instruction	\$ 27,894,457	\$ 27,520,853	\$ 373,604	1.36%
Support Services	15,143,444	15,848,762	(705,318)	-4.45%
Capital Outlay	1,683,586	499,827	1,183,759	236.83%
Debt Service				
Principal	1,578,180	1,457,283	120,897	8.30%
Interest	778,393	809,789	(31,396)	-3.88%
Total Expenditures	<u>\$ 47,078,060</u>	<u>\$ 46,136,514</u>	<u>\$ 941,546</u>	2.04%

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**General Fund Budgeting Highlights**

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

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of fiscal years 2020 and 2019, the District had \$46,875,991 and \$179,069 and \$46,988,086 and \$198,407 invested in land, buildings, furniture and equipment and vehicles and construction in progress for governmental activities and business type activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities decreased \$112,095 and capital assets of business type activities decreased \$19,338 as a result of depreciation exceeding capital asset additions from the fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020. Table A-4 and A-5 shows capital assets and the related depreciation for governmental activities and business type activities at June 30, 2020 and 2019, respectively.

**Table A-4**  
**Capital Assets**  
**as of June 30, 2020 and 2019**  
**Governmental Activities**

	<u>2020</u>	<u>Total</u> <u>2019</u>
Land	\$ 533,623	\$ 533,623
Improvements Other Than Buildings	1,531,954	1,256,979
Construction in Progress		151,650
Buildings and Building Improvements	65,757,670	64,723,877
Machinery and Equipment	<u>5,948,604</u>	<u>5,422,136</u>
	73,771,851	72,088,265
Less Accumulated Depreciation	<u>26,895,860</u>	<u>25,100,179</u>
<b>Net</b>	<u>\$ 46,875,991</u>	<u>\$ 46,988,086</u>

**SECAUCUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Capital Assets (Continued)**

**Table A-5**  
**Capital Assets**  
**as of June 30, 2020 and 2019**  
**Business Type Activities**

	<u>2020</u>	<u>Total</u>	<u>2019</u>
Machinery and Equipment	\$ 434,863		\$ 427,844
Less Accumulated Depreciation	<u>255,794</u>		<u>229,437</u>
Net	<u>\$ 179,069</u>		<u>\$ 198,407</u>

Additional information about the District's capital assets can be found in Note 3 of this report.

**Long-Term Liabilities**

At June 30, 2020 and 2019, the District had \$33,122,207 and \$35,395,911 of long-term liabilities. Of this amount, \$1,072,718 and \$957,581 is for compensated absences; and \$22,180,000 and \$23,595,000 of bonds payable; \$508,097 and \$476,975 for capital leases payable; \$63,058 and \$79,970 for deferred pension obligations, and \$9,298,334 and \$10,286,385 for net pension liability, respectively.

Additional information about the District's Long-Term Debt can be found in Note 3 of this report.

**For the Future**

Secaucus Board of Education demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2019-2020 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no increases in state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

**Contacting the District's Financial Management**

This financial report is designed to provide the 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 questions about this report or need additional information, contact Grace Yeo, Business Administrator/Board Secretary at Secaucus Board of Education, 685 Fifth Street, Secaucus, New Jersey 07094.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECAUCUS BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,764,240	\$ 757,197	\$ 8,521,437
Receivables, Net	392,780	19,264	412,044
Due from Other Funds	3,875		3,875
Inventory		9,718	9,718
Capital Assets Not Being Depreciated	533,623		533,623
Capital Assets, Being Depreciated, net	<u>46,342,368</u>	<u>179,069</u>	<u>46,521,437</u>
Total Assets	<u>55,036,886</u>	<u>965,248</u>	<u>56,002,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	<u>1,189,715</u>	-	<u>1,189,715</u>
Total Deferred Outflows of Resources	<u>1,189,715</u>	-	<u>1,189,715</u>
Total Assets and Deferred Outflows of Resources	<u>56,226,601</u>	<u>965,248</u>	<u>57,191,849</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	580,293	14,992	595,285
Due to Other Funds	50,000		50,000
Accrued Interest Payable	277,378		277,378
Unearned Revenue	15,232	31,906	47,138
Noncurrent Liabilities			
Due Within One Year	1,728,841		1,728,841
Due Beyond One Year	<u>31,393,366</u>	-	<u>31,393,366</u>
Total Liabilities	<u>34,045,110</u>	<u>46,898</u>	<u>34,092,008</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
USDA Commodities		289	289
Deferred Amount on Net Pension Liability	<u>3,920,621</u>	-	<u>3,920,621</u>
Total Deferred Inflows of Resources	<u>3,920,621</u>	<u>289</u>	<u>3,920,910</u>
Total Liabilities and Deferred Inflows of Resources	<u>37,965,731</u>	<u>47,187</u>	<u>38,012,918</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	24,608,429	179,069	24,787,498
Restricted for			
Capital Projects	5,655,072		5,655,072
Maintenance	779,453		779,453
Unrestricted	<u>(12,782,084)</u>	<u>738,992</u>	<u>(12,043,092)</u>
Total Net Position	<u>\$ 18,260,870</u>	<u>\$ 918,061</u>	<u>\$ 19,178,931</u>

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

**SECAUCUS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 20,756,782	\$ 53,420	\$ 5,298,354		\$ (15,405,008)		\$ (15,405,008)
Special Education	6,900,384		2,856,937		(4,043,447)		(4,043,447)
Other Instruction	548,883		115,451		(433,432)		(433,432)
School Sponsored Activities and Athletics	1,378,398		332,078		(1,046,320)		(1,046,320)
Community Services	52,708		84		(52,624)		(52,624)
Support Services							
Student and Instruction Related Services	4,764,119		1,010,769		(3,753,350)		(3,753,350)
School Administration Services	2,529,611		486,446		(2,043,165)		(2,043,165)
General Administration Services	1,125,856		79,537		(1,046,319)		(1,046,319)
Plant Operations and Maintenance	5,928,702		192,549		(5,736,153)		(5,736,153)
Pupil Transportation	1,685,783		543,120		(1,142,663)		(1,142,663)
Central Services	1,121,975		61,076		(1,060,899)		(1,060,899)
Interest on Long Term Debt	760,526	-	223,754	-	(536,772)	-	(536,772)
Total Governmental Activities	<u>47,553,727</u>	<u>53,420</u>	<u>11,200,155</u>	<u>-</u>	<u>(36,300,152)</u>	<u>-</u>	<u>(36,300,152)</u>
<b>Business-Type Activities</b>							
Food Service	980,990	501,924	368,767	-	-	\$ (110,299)	(110,299)
Total Business-Type Activities	<u>980,990</u>	<u>501,924</u>	<u>368,767</u>	<u>-</u>	<u>-</u>	<u>(110,299)</u>	<u>(110,299)</u>
Total Primary Government	<u>\$ 48,534,717</u>	<u>\$ 555,344</u>	<u>\$ 11,568,922</u>	<u>\$ -</u>	<u>\$ (36,300,152)</u>	<u>\$ (110,299)</u>	<u>\$ (36,410,451)</u>

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Continued

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

**SECAUCUS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues			
Property Taxes Levied for General Purposes	\$ 36,067,984		\$ 36,067,984
Property Taxes Levied for Debt Service	1,534,459		1,534,459
State Aid Restricted for Debt Service	416,662		416,662
Miscellaneous Income	196,694	-	196,694
Total General Revenues	38,215,799	-	38,215,799
Change in Net Position	1,915,647	\$ (110,299)	1,805,348
Net Position, Beginning of Year	16,345,223	1,028,360	17,373,583
Net Position, End of Year	\$ 18,260,870	\$ 918,061	\$ 19,178,931



**FUND FINANCIAL STATEMENTS**

**SECAUCUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,723,390		\$ 40,850		\$ 7,764,240
Other Accounts Receivable	892	\$ 9,873			10,765
Due from Other Funds	214,862				214,862
Receivables from Other Governments	64,274	317,741	-	-	382,015
<b>Total Assets</b>	<u>\$ 8,003,418</u>	<u>\$ 327,614</u>	<u>\$ 40,850</u>	<u>\$ -</u>	<u>\$ 8,371,882</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 349,436	\$ 116,627			\$ 466,063
Accrued Salaries and Wages	114,230				114,230
Due to Other Funds	50,000	210,987			260,987
Unearned Revenue	15,232	-	-	-	15,232
<b>Total Liabilities</b>	<u>528,898</u>	<u>327,614</u>	<u>-</u>	<u>-</u>	<u>856,512</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Projects			\$ 40,850		40,850
Excess Surplus-Designated for Subsequent Year's Expenditures	100,000				100,000
Maintenance Reserve	779,453				779,453
Emergency Reserve	350,000				350,000
Capital Reserve	3,402,572				3,402,572
Capital Reserve-Designated for Subsequent Year's Expenditures	2,252,500				2,252,500
<b>Assigned</b>					
Year End Encumbrances	116,275				116,275
Designated for Subsequent Year's Expenditures	11,508				11,508
Unassigned	462,212	-	-	-	462,212
<b>Total Fund Balances</b>	<u>7,474,520</u>	<u>-</u>	<u>40,850</u>	<u>-</u>	<u>7,515,370</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,003,418</u>	<u>\$ 327,614</u>	<u>\$ 40,850</u>	<u>\$ -</u>	<u>\$ 8,371,882</u>
<b>Total Fund Balances-governmental Funds (Exhibit B-1)</b>					<b>\$ 7,515,370</b>
 Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$73,771,851 and the accumulated depreciation is \$26,895,860.					
					46,875,991
The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is:					
					(277,378)
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.					
			\$ 1,189,715		
			(3,920,621)		
					(2,730,906)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:					
			(22,180,000)		
			(508,097)		
			(63,058)		
			(9,298,334)		
			(1,072,718)		
					(33,122,207)
<b>Net position of governmental activities</b>					<u>\$ 18,260,870</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**SECAUCUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 36,067,984			\$ 1,534,459	\$ 37,602,443
Tuition	53,420				53,420
Rents and Royalties	46,715				46,715
Unrestricted Miscellaneous Revenues	149,979	-	-	-	149,979
Total - Local Sources	36,318,098	-	-	1,534,459	37,852,557
State Sources	7,905,901			640,416	8,546,317
Federal Sources	36,647	\$ 1,018,644	-	-	1,055,291
Total Revenues	44,260,646	1,018,644	-	2,174,875	47,454,165
<b>EXPENDITURES</b>					
Current					
Regular Instruction	19,048,277	337,482			19,385,759
Special Education Instruction	6,137,797	508,758			6,646,555
Other Instruction	518,215				518,215
School Sponsored Activities and Athletics	1,290,187				1,290,187
Community Services	53,741				53,741
Support Services					
Student and Instruction Related Services	4,335,993	172,404			4,508,397
School Administration Services	2,390,603				2,390,603
General Administration Services	1,109,385				1,109,385
Plant Operations and Maintenance	4,508,195				4,508,195
Pupil Transportation	1,532,970				1,532,970
Central Services	1,093,894				1,093,894
Debt Service					
Principal	163,180			1,415,000	1,578,180
Interest and Other Charges	18,518			759,875	778,393
Capital Outlay	1,338,517	-	\$ 345,069	-	1,683,586
Total Expenditures	43,539,472	1,018,644	345,069	2,174,875	47,078,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	721,174	-	(345,069)	-	376,105
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds (Non Budget)	177,390	-	-	-	177,390
Total Other Financing Sources and Uses	177,390	-	-	-	177,390
Net Change in Fund Balances	898,564	-	(345,069)	-	553,495
Fund Balance, Beginning of Year	6,575,956	-	385,919	-	6,961,875
Fund Balance, End of Year	\$ 7,474,520	\$ -	\$ 40,850	\$ -	\$ 7,515,370

**SECAUCUS BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 553,495

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 1,683,586	
Depreciation Expense	<u>(1,795,681)</u>	(112,095)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issued		
Capital Lease Proceeds		(177,390)
Principal Repayments		
Bond Principal	1,415,000	
Deferred Pension Obligation - Net	16,912	
Capital Lease Principal	<u>146,268</u>	1,578,180

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest		17,867
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In the statement of activities, certain operating expenses - compensated absences and other retirement programs - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

Decrease in Pension Expense	170,727	
Increase in Compensated Absences	<u>(115,137)</u>	<u>55,590</u>

Change in net position of governmental activities(Exhibit A-2) \$ 1,915,647

**SECAUCUS BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Food</b>	<b>Non Major</b>	<b>Totals</b>
	<b>Service Fund</b>	<b>Technology Program Fund</b>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 742,320	\$ 14,877	\$ 757,197
Intergovernmental Receivable			
State	194		194
Federal	19,070		19,070
Inventory	9,718	-	9,718
Total Current Assets	<u>771,302</u>	<u>14,877</u>	<u>786,179</u>
Capital Assets			
Machinery and Equipment	434,863		434,863
Less: Accumulated Depreciation	(255,794)	-	(255,794)
Total Capital Assets, Net of Accumulated Depreciation	<u>179,069</u>	<u>-</u>	<u>179,069</u>
Total Assets	<u>950,371</u>	<u>14,877</u>	<u>965,248</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	13,553	1,439	14,992
Unearned Revenue	31,906	-	31,906
Total Current Liabilities	<u>45,459</u>	<u>1,439</u>	<u>46,898</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
U.S.D.A Commodities	289	-	289
Total Deferred Inflows of Resources	<u>289</u>	<u>-</u>	<u>289</u>
Total Liabilities and Deferred Inflows of Resources	<u>45,748</u>	<u>1,439</u>	<u>47,187</u>
<b>NET POSITION</b>			
Investment in Capital Assets, Net of Related Debt	179,069	-	179,069
Unrestricted	725,554	13,438	738,992
Total Net Position	<u>\$ 904,623</u>	<u>\$ 13,438</u>	<u>\$ 918,061</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**SECAUCUS BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>Non Major Technology Program Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 246,812		\$ 246,812
Daily Sales - Non-Reimbursable Programs	217,903		217,903
Program Fees	-	\$ 37,209	37,209
Total Operating Revenues	<u>464,715</u>	<u>37,209</u>	<u>501,924</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	299,763		299,763
Cost of Sales - Non-Reimbursable Programs	174,365		174,365
Salaries and Employee Benefits	299,711		299,711
Other Purchased Professional Services	51,398	1,902	53,300
Management Fee	80,250		80,250
General Supplies	12,850	21,553	34,403
Miscellaneous Expenditures	12,525	316	12,841
Depreciation Expense	26,357	-	26,357
Total Operating Expenses	<u>957,219</u>	<u>23,771</u>	<u>980,990</u>
Operating Income (Loss)	<u>(492,504)</u>	<u>13,438</u>	<u>(479,066)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	7,386		7,386
Federal Sources			
National School Lunch Program	249,725		249,725
Food Distribution Program	40,808		40,808
National School Breakfast Program	70,848	-	70,848
Total Nonoperating Revenues	<u>368,767</u>	<u>-</u>	<u>368,767</u>
Net Income	<u>(123,737)</u>	<u>13,438</u>	<u>(110,299)</u>
Change in Net Position	(123,737)	13,438	(110,299)
Total Net Position, Beginning of Year	<u>1,028,360</u>	<u>-</u>	<u>1,028,360</u>
Total Net Position, End of Year	<u>\$ 904,623</u>	<u>\$ 13,438</u>	<u>\$ 918,061</u>

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

**SECAUCUS BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise Funds		
	Food Service Fund	Non Major Technology Program Fund	Totals
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 482,689	\$ 37,209	\$ 519,898
Cash Payments to Employees' Salaries and Benefits	(299,711)		(299,711)
Cash Payments to Suppliers for Goods and Services	(583,213)	(22,332)	(605,545)
Net Cash Provided (Used) for Operating Activities	(400,235)	14,877	(385,358)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	383,037	-	383,037
Net Cash Provided by Noncapital Financing Activities	383,037	-	383,037
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(7,019)	-	(7,019)
Net Cash Used for Noncapital Financing Activities	(7,019)	-	(7,019)
Net Increase (Decrease) in Cash and Cash Equivalents	(24,217)	14,877	(9,340)
Cash and Cash Equivalents, Beginning of Year	766,537	-	766,537
Cash and Cash Equivalents, End of Year	\$ 742,320	\$ 14,877	\$ 757,197
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ (492,504)	\$ 13,438	\$ (479,066)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities			
Depreciation	26,357		26,357
Non-Cash Federal Assistance - Food Distribution - National School Lunch Program	40,808		40,808
Change in Assets and Liabilities (Increase)/Decrease in Inventory	(4,049)		(4,049)
Increase/(Decrease) in Unearned Revenue	17,974		17,974
Increase/(Decrease) in Accounts Payable	11,179	1,439	12,618
Total Adjustments	92,269	1,439	93,708
Net Cash Used for Operating Activities	\$ (400,235)	\$ 14,877	\$ (385,358)
Non-Cash Financing Activities			
National School Lunch (Food Distribution Program)	\$ 40,393	\$ -	\$ 40,393

The Accompanying Notes to the Financial Statements are an Integral Part of this Statement

SECAUCUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 46,863	\$ 474	\$ 332,496
Due from Other Funds	<u>86,305</u>	<u>-</u>	<u>-</u>
Total Assets	<u>133,168</u>	<u>474</u>	<u>\$ 332,496</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 5,646
Accrued Salaries and Wages			910
Payable to State Government	100,247		
Due to Other Funds			40,180
Due to Student Groups	<u>-</u>	<u>-</u>	<u>285,760</u>
Total Liabilities	<u>100,247</u>	<u>-</u>	<u>\$ 332,496</u>
<b>NET POSITION</b>			
Reserved for Scholarships		<u>\$ 474</u>	
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 32,921</u>		



**SECAUCUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions		
Other		\$ 1,665
Board Contributions	\$ 50,000	
Employee Contributions	36,603	-
	<hr/>	<hr/>
Total Additions	86,603	1,665
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Scholarships Awarded		1,500
Unemployment Claims and Contributions	125,896	-
	<hr/>	<hr/>
Total Deductions	125,896	1,500
	<hr/>	<hr/>
Change in Net Position	(39,293)	165
Net Position, Beginning of the Year	72,214	309
	<hr/>	<hr/>
Net Position, End of the Year	<u>\$ 32,921</u>	<u>\$ 474</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Secaucus Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Secaucus Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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 or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds and its food service enterprise fund and to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *technology program fund* accounts for the activities of student purchased insurance on district issued computers.

Additionally, the District reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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 when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. *Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. *Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. *Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**4. *Capital Assets***

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Improvements Other Than Buildings	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

**5. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

**6. *Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation, personal, and sick leave benefits. A long-term liability of accumulated vacation, personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.



SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. *Pensions*

In the district-wide financial statements and proprietary fund types in the fund financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8 *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types 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 proprietary fund type statement of net position.

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Capital Projects* – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements (Continued)

*Excess Surplus – Designated for Subsequent Year’s Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2).

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2).

*Capital Reserve - Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Year-End Encumbrances* – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

*Designated for Subsequent Year’s Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***10. Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

*Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

*Tuition Expenditures* - Tuition charges for the fiscal years 2018-2019 and 2019/2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the technology program enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 22, 2015, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$1,139,173. The increase was funded by additional state aid, additional grant awards and the reappropriation of prior year general fund encumbrances and the additional appropriation of the maintenance reserve.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**B. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 4,811,500
Increased by:	
Deposits Approved by Board Resolution	\$ 2,221,726
Unexpended Balances in District Budget	<u>146,996</u>
Total Increases	<u>2,368,722</u>
	7,180,222
Decreased by:	
Approved in District Budget	<u>1,525,150</u>
Balance, June 30, 2020	<u>\$ 5,655,072</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$2,252,500 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 525,000
Increased by:	
Deposits Approved by Board Resolution	\$ 500,000
Unexpended Balances in District Budget	<u>279,453</u>
Total Increases	<u>779,453</u>
	1,304,453
Decreased by:	
Approved by Board Resolution	<u>525,000</u>
Balance, June 30, 2020	<u>\$ 779,453</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,114,398.

**D. Emergency Reserve**

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district’s General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve (Continued)**

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 300,000
Increased by	
Deposits Approved by Board Resolution	<u>50,000</u>
Balance, June 30, 2020	<u>\$ 350,000</u>

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2020 is \$100,000. This amount was appropriated in the 2020/2021 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$8,901,270 and bank and brokerage firm balances of the Board’s deposits amounted to \$11,002,287. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

**Depository Account**

Insured	<u>\$ 11,002,287</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board’s bank balances were exposed to custodial credit risk.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2020, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**B. Receivables**

Receivables as of June 30, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 317,741	\$ 19,070	\$ 336,811
State	\$ 64,274		194	64,468
Other	892	9,873	-	10,765
Gross Receivables	65,166	327,614	19,264	412,044
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 65,166</u>	<u>\$ 327,614</u>	<u>\$ 19,264</u>	<u>\$ 412,044</u>



**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Prepaid Fees	\$ <u>15,232</u>
 Total Unearned Revenue for Governmental Funds	 \$ <u>15,232</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance, June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 533,623			\$ 533,623
Construction in Progress	<u>151,650</u>	-	\$ (151,650)	-
Total Capital Assets, Not Being Depreciated	<u>685,273</u>	<u>-</u>	<u>(151,650)</u>	<u>533,623</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	64,723,877	\$ 882,143	151,650	65,757,670
Improvements Other Than Buildings	1,256,979	274,975		1,531,954
Machinery and Equipment	<u>5,422,136</u>	<u>526,468</u>	-	<u>5,948,604</u>
Total Capital Assets Being Depreciated	<u>71,402,992</u>	<u>1,683,586</u>	<u>151,650</u>	<u>73,238,228</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(20,177,064)	(1,411,753)		(21,588,817)
Land Improvements	(909,177)	(34,972)		(944,149)
Machinery and Equipment	<u>(4,013,938)</u>	<u>(348,956)</u>	-	<u>(4,362,894)</u>
Total Accumulated Depreciation	<u>(25,100,179)</u>	<u>(1,795,681)</u>	<u>-</u>	<u>(26,895,860)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,302,813</u>	<u>(112,095)</u>	<u>151,650</u>	<u>46,342,368</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,988,086</u>	<u>\$ (112,095)</u>	<u>\$ -</u>	<u>\$ 46,875,991</u>

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2020</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 427,844	\$ 7,019	-	\$ 434,863
Total Capital Assets Being Depreciated	<u>427,844</u>	<u>7,019</u>	<u>-</u>	<u>434,863</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(229,437)	(26,357)	-	(255,794)
Total Accumulated Depreciation	<u>(229,437)</u>	<u>(26,357)</u>	<u>-</u>	<u>(255,794)</u>
Total Capital Assets, Being Depreciated, Net	<u>198,407</u>	<u>(19,338)</u>	<u>-</u>	<u>179,069</u>
Business-Type Activities Capital Assets, Net	<u>\$ 198,407</u>	<u>\$ (19,338)</u>	<u>\$ -</u>	<u>\$ 179,069</u>

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction	
Regular	\$ 53,247
Total Instruction	<u>53,247</u>
Support Services	
Student and Instruction Related Services	48,729
School Administrative Services	20,432
Plant Operations and Maintenance	1,471,566
Pupil Transportation	175,242
Central Services & Info. Technology	<u>26,465</u>
Total Support Services	<u>1,742,434</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,795,681</u>

**Business-Type Activities:**

Food Service Fund	\$ 26,357
Total Depreciation Expense-Business-Type Activities	<u>\$ 26,357</u>

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 210,987
General Fund	Agency Fund	3,875
Unemployment Compensation Trust	General Fund	50,000
Unemployment Compensation Trust	Agency Fund	<u>36,305</u>
 Total		 <u>\$ 301,167</u>

The above balances are the result of revenues earned received in one fund which are due to another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**F. Leases**

**Capital Leases**

The District is leasing Chromebook and phone system upgrades totaling \$701,025 under capital leases. The leases are for terms of 4 to 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 182,358
2022	182,358
2023	130,683
2024	41,427
2025	<u>5,581</u>
Total minimum lease payments	542,407
Less: amount representing interest	<u>(34,310)</u>
Present value of minimum lease payments	<u>\$ 508,097</u>

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2020 are comprised of the following issues:

\$2,910,000, 2009 Refunding Bonds, due in annual installments of \$270,000 through July 15, 2020, interest at 4.00%	\$ 270,000
\$27,400,000, 2014 School Bonds, due in annual installments of \$1,165,000 to \$1,870,000 through August 15, 2034, interest at 3.00% to 4.00%	<u>21,910,000</u>
Total	<u>\$22,180,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,435,000	\$ 714,400	\$ 2,149,400
2022	1,195,000	673,601	1,868,601
2023	1,220,000	637,375	1,857,375
2024	1,255,000	600,250	1,855,250
2025	1,290,000	562,075	1,852,075
2026-2030	7,140,000	2,184,288	9,324,288
2031-2035	<u>8,645,000</u>	<u>858,291</u>	<u>9,503,291</u>
	<u>\$ 22,180,000</u>	<u>\$ 6,230,280</u>	<u>\$ 28,410,280</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 217,518,238
Less: Net Debt	<u>22,180,000</u>
Remaining Borrowing Power	<u>\$ 195,338,238</u>

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2009/2010 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$139,317 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017), at June 30, 2020 is \$63,058.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending <u>June 30,</u>	<u>PERS</u>
2020	\$ 22,195
2019	22,017
2018	21,894

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance,</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 23,595,000		\$ 1,415,000	\$ 22,180,000	\$ 1,435,000
Net Pension Liability	10,286,385		988,051	9,298,334	
Capital Leases	476,975	\$ 177,390	146,268	508,097	164,315
Compensated Absences	957,581	115,137		1,072,718	107,272
Deferred Pension Obligation	79,970	5,283	22,195	63,058	22,254
	<u>35,395,911</u>	<u>297,810</u>	<u>2,571,514</u>	<u>33,122,207</u>	<u>1,728,841</u>
Governmental Activity Long-Term Liabilities	<u>\$ 35,395,911</u>	<u>\$ 297,810</u>	<u>\$ 2,571,514</u>	<u>\$ 33,122,207</u>	<u>\$ 1,728,841</u>

For the governmental activities, the liabilities for compensated absences, deferred pension obligations and net pension liability are generally liquidated by the general fund.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIF). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

SAIF provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the Group are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2020	\$ 50,000	\$ 36,603	\$ 125,896	\$ 32,921
2019	500	51,433	35,114	72,214
2018	47,000	61,298	121,850	55,395

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation except for the following:

John Doe v Secaucus Board of Education; Docket Nos. HUD-L-4790-19, -80-20, -1653-20, -2457-20, -2458-20, -2460-20, -2469-20, -2844-20, -2849-20

The Board and one of its Principals are defendants in nine (9) cases, filed between December 2019 and August 2020. All nine (9) plaintiffs allege that when they were students in the District in the 1980s or 1990s, they were sexually abused by a teacher. These cases are in the early stages of discovery so it is difficult to assess the Board's potential liability and each case presents a different set of facts upon which liability may be based.

While we intend to aggressively defend the Board and its Principal in these actions, there is the potential for substantial liability in these cases due to the present lack of liability insurance coverage for all of the time periods covered by the Complaints. At the present time the Board has secured partial coverage in 4 of the 9 cases. The Board is continuing its efforts to secure additional coverage for all periods of liability. However, if the Board is not successful and there is a damage award for any uninsured period, the damages must be paid by the Board.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees’ Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers’ Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.



**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2020.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 501,961	\$ 3,378,650	\$ 25,262
2019	519,649	2,962,514	23,713
2018	492,157	2,234,392	20,064

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,922, \$1,643 and \$5,307, respectively for PERS and the State contributed \$3,412, \$4,074 and \$4,457, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,248,217 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$9,298,334 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District’s proportionate share was .05160 percent, which was a decrease of .00064 percent from its proportionate share measured as of June 30, 2018 of .05224 percent.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$331,232 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 166,893	\$ 41,076
Changes of Assumptions	928,473	3,227,422
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		146,778
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>94,349</u>	<u>505,345</u>
Total	<u>\$ 1,189,715</u>	<u>\$ 3,920,621</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ (347,472)
2022	(1,029,809)
2023	(905,497)
2024	(406,508)
2025	(41,620)
Thereafter	<u>-</u>
	<u>\$ (2,730,906)</u>

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

***Sensitivity of Net Pension Liability***

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,745,307</u>	<u>\$ 9,298,334</u>	<u>\$ 7,236,413</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District’s net pension liability at June 30, 2019 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,340,717 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$90,547,224. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .14754 percent, which was a decrease of .00059 percent from its proportionate share measured as of June 30, 2018 of .14813 percent.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

*Sensitivity of Net Pension Liability*

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 106,775,218</u>	<u>\$ 90,547,224</u>	<u>\$ 77,083,113</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>364,943</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$1,253,417, \$1,343,791 and \$1,443,146, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,306,559. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$54,213,118. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .12992 percent, which was an increase of .00204 percent from its proportionate share measured as of June 30, 2018 of .12788 percent.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.



**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate 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.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>58,966,397</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,126,199
Interest on the Total OPEB Liability	2,333,333
Differences Between Expected and Actual Experience	(8,406,283)
Changes of Assumptions	808,322
Gross Benefit Payments	(1,664,181)
Contributions from the Member	<u>49,331</u>
<b>Net Changes</b>	<b>\$ <u>(4,753,279)</u></b>
Balance, June 30, 2019 Measurement Date	\$ <u><u>54,213,118</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**SECAUCUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 64,047,116	\$ 54,213,118	\$ 46,401,529

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 44,669,193	\$ 54,213,118	\$ 66,847,315

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue 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 Secaucus Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>			<u>Actual</u>	<u>Variance Final To Actual</u>
	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>		
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 36,067,984		\$ 36,067,984	\$ 36,067,984	
Tuition from Individuals	82,500		82,500	53,420	\$ (29,080)
Rents and Royalties	70,000		70,000	46,715	(23,285)
Interest Earned on Capital Reserve Funds	1,076		1,076		(1,076)
Interest Earned on Current Expense Emergency Reserve	125		125		(125)
Interest Earned on Maintenance Reserve	100		100		(100)
Unrestricted Miscellaneous Revenue	60,000		60,000	149,979	89,979
State Sources					
Extraordinary Aid	135,000		135,000	245,752	110,752
Additional Non Public Transportation Aid				2,863	2,863
Categorical Special Education Aid	1,119,390		1,119,390	1,119,390	
Categorical Security Aid	191,170		191,170	191,170	
Categorical Transportation Aid	546,399		546,399	546,399	
On-behalf TPAF Non-Contributory Insurance Contribution (Nonbudgeted)				59,492	59,492
On-behalf TPAF Long Term Disability Insurance Contribution (Nonbudgeted)				3,412	3,412
On-behalf TPAF Normal Cost and Accrued Liability Contribution (Nonbudgeted)				3,319,158	3,319,158
On-Behalf TPAF Post Retirement Medical Benefit Contribution (Nonbudgeted)				1,253,417	1,253,417
Reimbursed TPAF Soc. Sec. Contr. (Nonbudgeted)				1,248,217	1,248,217
Federal Sources					
Medical Assistance Program (SEMI)	66,953	-	66,953	36,647	(30,306)
<b>Total Revenues</b>	<u>38,340,697</u>	<u>-</u>	<u>38,340,697</u>	<u>44,344,015</u>	<u>6,003,318</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	254,169	\$ 13,335	267,504	267,504	-
Kindergarten	594,044	(15,504)	578,540	578,115	425
Grades 1-5	4,329,834	136,905	4,466,739	4,462,174	4,565
Grades 6-8	2,600,273	(16,930)	2,583,343	2,583,331	12
Grades 9-12	3,662,456	46,353	3,708,809	3,697,916	10,893
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	(6,985)	18,015	17,912	103
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		3,930	3,930	3,928	2
Purchased Professional/Educational Services	409,800	(26,389)	383,411	312,243	71,168
Other Purchased Services	50,800	-	50,800	49,370	1,430
General Supplies	459,639	(9,489)	450,150	351,507	98,643
Supplies Acquired Under Capital Lease (Non Budget)				177,390	(177,390)
Textbooks	43,500	(24,100)	19,400	9,913	9,487
Other Objects	-	6,113	6,113	6,107	6
<b>Total Regular Programs</b>	<u>12,429,515</u>	<u>107,239</u>	<u>12,536,754</u>	<u>12,517,410</u>	<u>19,344</u>

SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted		Actual	Variance Final To Actual	
	Original Budget	Adjustments			Final Budget
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 427,622	\$ 52	\$ 427,674	\$ 425,173	\$ 2,501
Other Salaries for Instruction	345,680	(1,061)	344,619	343,915	704
General Supplies	9,000	-	9,000	1,919	7,081
Total Learning and/or Language Disabilities	<u>782,302</u>	<u>(1,009)</u>	<u>781,293</u>	<u>771,007</u>	<u>10,286</u>
Multiple Disabilities					
Salaries of Teachers	143,997	245	144,242	144,242	-
Purchased Professional/Educational Services	207,000	-	207,000	134,141	72,859
Other Purchased Services	-	50	50	36	14
General Supplies	5,500	(50)	5,450	1,456	3,994
Total Multiple Disabilities	<u>356,497</u>	<u>245</u>	<u>356,742</u>	<u>279,875</u>	<u>76,867</u>
Resource Room/Resource Center					
Salaries of Teachers	1,448,621	76,187	1,524,808	1,524,697	111
Other Salaries for Instruction	108,040	2,040	110,080	109,089	991
Purchased Professional/Educational Services	400,000	-	400,000	308,212	91,788
General Supplies	6,800	-	6,800	3,409	3,391
Total Resource Room/Resource Center	<u>1,963,461</u>	<u>78,227</u>	<u>2,041,688</u>	<u>1,945,407</u>	<u>96,281</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	129,094	63,554	192,648	192,633	15
Total Preschool Disabilities - Part Time	<u>129,094</u>	<u>63,554</u>	<u>192,648</u>	<u>192,633</u>	<u>15</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	130,376	(62,579)	67,797	67,797	-
Other Salaries for Instruction	140,510	(3,094)	137,416	137,034	382
General Supplies	7,294	-	7,294	200	7,094
Total Preschool Disabilities - Full Time	<u>278,180</u>	<u>(65,673)</u>	<u>212,507</u>	<u>205,031</u>	<u>7,476</u>



**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Final To Actual</u>	
	<u>Original Budget</u>	<u>Adjustments</u>			<u>Final Budget</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education (Continued)					
Home Instruction:					
Salaries of Teachers	\$ 37,000	\$ (16,140)	\$ 20,860	\$ 5,672	\$ 15,188
Total Home Instruction	<u>37,000</u>	<u>(16,140)</u>	<u>20,860</u>	<u>5,672</u>	<u>15,188</u>
Total Special Education	<u>3,546,534</u>	<u>59,204</u>	<u>3,605,738</u>	<u>3,399,625</u>	<u>206,113</u>
Basic Skills/Remedial					
Salaries of Teachers	172,171	(110,194)	61,977	61,977	-
General Supplies	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,185</u>	<u>315</u>
Total Basic Skills/Remedial	<u>173,671</u>	<u>(110,194)</u>	<u>63,477</u>	<u>63,162</u>	<u>315</u>
Bilingual Education					
Salaries of Teachers	208,968	(1,149)	207,819	207,817	2
General Supplies	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>711</u>	<u>989</u>
Total Bilingual Education	<u>210,668</u>	<u>(1,149)</u>	<u>209,519</u>	<u>208,528</u>	<u>991</u>
School Sponsored Co-Curricular Activities					
Salaries	270,000	-	270,000	230,326	39,674
Supplies and Materials	<u>11,000</u>	<u>1,935</u>	<u>12,935</u>	<u>7,201</u>	<u>5,734</u>
Total School Sponsored Co-Curricular Activities	<u>281,000</u>	<u>1,935</u>	<u>282,935</u>	<u>237,527</u>	<u>45,408</u>
School Sponsored Athletics					
Salaries	508,688	(45)	508,643	451,484	57,159
Purchased Services	87,000	(9,088)	77,912	76,207	1,705
Supplies and Materials	74,000	8,462	82,462	76,772	5,690
Other Objects	<u>10,000</u>	<u>7,450</u>	<u>17,450</u>	<u>16,815</u>	<u>635</u>
Total School Sponsored Athletics	<u>679,688</u>	<u>6,779</u>	<u>686,467</u>	<u>621,278</u>	<u>65,189</u>
Other Instructional Programs					
Salaries	94,216	-	94,216	94,216	-
Supplies and Materials	3,000	(1,440)	1,560	894	666
Other Objects	<u>-</u>	<u>1,440</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Total Other Instructional Programs	<u>97,216</u>	<u>-</u>	<u>97,216</u>	<u>96,550</u>	<u>666</u>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Final To Actual</u>	
	<u>Original Budget</u>	<u>Adjustments</u>			<u>Final Budget</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Community Services Programs/Operations Salaries	\$ 35,000	1,967	\$ 36,967	\$ 36,965	\$ 2
Total Community Services Programs/Operations	<u>35,000</u>	<u>1,967</u>	<u>36,967</u>	<u>36,965</u>	<u>2</u>
Total - Instruction	<u>17,453,292</u>	<u>\$ 65,781</u>	<u>17,519,073</u>	<u>17,181,045</u>	<u>338,028</u>
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition to CSSD & Reg Day Schools	315,000	85,000	400,000	356,330	43,670
Tuition to Private Schools for the Disabled Within the State	734,435	43,000	777,435	734,149	43,286
Tuition - State Facilities	57,943	-	57,943	57,943	-
Tuition - Other	<u>308,000</u>	<u>(128,000)</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Total Undistributed Expenditures - Instruction	<u>1,415,378</u>	<u>-</u>	<u>1,415,378</u>	<u>1,148,422</u>	<u>266,956</u>
<b>Health Services</b>					
Salaries	343,681	9,423	353,104	353,104	
Purchased Professional and Technical Services	58,000	(2,000)	56,000	43,500	12,500
Supplies and Materials	<u>21,942</u>	<u>600</u>	<u>22,542</u>	<u>16,104</u>	<u>6,438</u>
Total Health Services	<u>423,623</u>	<u>8,023</u>	<u>431,646</u>	<u>412,708</u>	<u>18,938</u>
<b>Speech, OT, PT &amp; Related Services</b>					
Salaries	221,464	2,077	223,541	223,539	2
Purchased Professional- Educational Services	133,000	18,000	151,000	140,586	10,414
Supplies and Materials	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>874</u>	<u>2,126</u>
Total Speech, OT, PT & Related Services	<u>357,464</u>	<u>20,077</u>	<u>377,541</u>	<u>364,999</u>	<u>12,542</u>
<b>Other Support Services - Students - Extra Services</b>					
Purchased Professional - Educational Services	<u>313,000</u>	<u>(20,000)</u>	<u>293,000</u>	<u>222,477</u>	<u>70,523</u>
Total Other Support Services - Students - Extra Serv.	<u>313,000</u>	<u>(20,000)</u>	<u>293,000</u>	<u>222,477</u>	<u>70,523</u>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Final To Actual</u>	
	<u>Original Budget</u>	<u>Adjustments</u>			<u>Final Budget</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Guidance</b>					
Salaries of Other Prof. Staff	\$ 592,273	\$ 39,274	\$ 631,547	\$ 631,266	\$ 281
Salaries of Secretarial and Clerical Assistants	178,116	1	178,117	176,192	1,925
Purchased Professional - Educational Services	7,000	-	7,000	4,264	2,736
Other Purchased Prof. and Technical Services	3,700	-	3,700	2,769	931
Supplies and Materials	12,735	(325)	12,410	6,466	5,944
Other Objects	200	455	655	655	-
<b>Total Guidance</b>	<u>794,024</u>	<u>39,405</u>	<u>833,429</u>	<u>821,612</u>	<u>11,817</u>
<b>Child Study Teams</b>					
Salaries of Other Professional Staff	852,965	(68,410)	784,555	772,172	12,383
Salaries of Secretarial and Clerical Assistants	107,792	-	107,792	107,792	-
Purchased Professional - Educational Services	18,000	-	18,000	7,440	10,560
Other Purchased Prof. and Technical Services	10,000	5,000	15,000	11,125	3,875
Other Purchased Services	9,000	300	9,300	7,747	1,553
Supplies and Materials	10,000	(696)	9,304	5,310	3,994
Other Objects	1,500	554	2,054	2,050	4
<b>Total Child Study Teams</b>	<u>1,009,257</u>	<u>(63,252)</u>	<u>946,005</u>	<u>913,636</u>	<u>32,369</u>
<b>Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	64,000	(1,408)	62,592	51,698	10,894
Salaries of Secretarial and Clerical Assistants	37,530	(193)	37,337	37,336	1
Purchased Professional-Educational Services	22,500	-	22,500	1,595	20,905
Other Purchased Services	41,600	(16,651)	24,949	3,657	21,292
Supplies and Materials	10,000	7,151	17,151	9,642	7,509
<b>Total Improvement of Instructional Services</b>	<u>175,630</u>	<u>(11,101)</u>	<u>164,529</u>	<u>103,928</u>	<u>60,601</u>
<b>Educational Media Services/School Library</b>					
Salaries	217,494	(59,555)	157,939	153,058	4,881
Other Purchased Services	4,000	-	4,000	2,685	1,315
Supplies and Materials	7,000	-	7,000	1,697	5,303
<b>Total Educational Media Services/School Library</b>	<u>228,494</u>	<u>(59,555)</u>	<u>168,939</u>	<u>157,440</u>	<u>11,499</u>

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>			<u>Actual</u>	<u>Variance Final To Actual</u>
	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>		
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 12,000	\$ (10,540)	\$ 1,460		\$ 1,460
Purchased Professional - Educational Services	3,000	-	3,000		3,000
Other Purchased Prof. and Technical Services	2,500	-	2,500		2,500
Other Purchased Services	23,400	-	23,400	\$ 2,174	21,226
<b>Total Instructional Staff Training Services</b>	<b>40,900</b>	<b>(10,540)</b>	<b>30,360</b>	<b>2,174</b>	<b>28,186</b>
Support Services General Administration					
Salaries	368,848	21,552	390,400	348,058	42,342
Legal Services	110,000	24,177	134,177	119,046	15,131
Audit Fees	40,000	5,140	45,140	45,138	2
Architectural/Engineering Services	20,000	30,000	50,000	27,431	22,569
Other Purchased Professional Services	50,000	-	50,000	44,628	5,372
Communications/Telephone	176,250	(28,852)	147,398	121,969	25,429
BOE Other Purchased Services	6,500	25	6,525	6,515	10
Miscellaneous Purchased Services	138,920	1,523	140,443	131,103	9,340
General Supplies	3,500	1,212	4,712	1,527	3,185
BOE In-House Training/Meeting Supplies	4,000	(25)	3,975	1,740	2,235
Judgements Against the School District		28,323	28,323	25,688	2,635
Miscellaneous Expenditures	8,600	-	8,600	7,331	1,269
BOE Membership Due and Fees	18,000	-	18,000	15,070	2,930
<b>Total Support Services General Administration</b>	<b>944,618</b>	<b>83,075</b>	<b>1,027,693</b>	<b>895,244</b>	<b>132,449</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	616,500	1,850	618,350	618,350	
Salaries of Other Professional Staff	530,488	(5,527)	524,961	516,429	8,532
Salaries of Secretarial and Clerical Assistants	324,729	49,267	373,996	372,568	1,428
Other Purchased Services	32,500	-	32,500	26,180	6,320
Supplies and Materials	89,713	(950)	88,763	51,307	37,456
Other Objects	12,640	350	12,990	5,875	7,115
<b>Total Support Services School Administration</b>	<b>1,606,570</b>	<b>44,990</b>	<b>1,651,560</b>	<b>1,590,709</b>	<b>60,851</b>
Central Services					
Salaries	449,848	5,216	455,064	455,063	1
Miscellaneous Purchased Services	136,950	8,719	145,669	54,776	90,893
Supplies and Materials	20,000	-	20,000	8,209	11,791
Miscellaneous Expenditures	2,000	-	2,000	1,000	1,000
<b>Total Central Services</b>	<b>608,798</b>	<b>13,935</b>	<b>622,733</b>	<b>519,048</b>	<b>103,685</b>

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>			<u>Actual</u>	<u>Variance Final To Actual</u>
	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>		
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Admin. Info. Technology</b>					
Salaries	\$ 183,647	\$ 12,732	\$ 196,379	\$ 196,369	\$ 10
Other Purchased Services	114,220	(3,246)	110,974	109,452	1,522
Supplies and Materials	40,500	3,246	43,746	43,732	14
<b>Total Admin. Info. Technology</b>	<b>338,367</b>	<b>12,732</b>	<b>351,099</b>	<b>349,553</b>	<b>1,546</b>
<b>Required Maintenance for School Facilities</b>					
Salaries	155,000	(13,000)	142,000	141,177	823
Cleaning, Repairs & Maintenance Service	249,500	272,222	521,722	461,286	60,436
Lead Testing of Drinking Water	2,500	-	2,500	2,500	-
General Supplies	49,500	36,293	85,793	84,629	1,164
Other Objects	1,500	281,415	282,915	3,455	279,460
<b>Total Required Maintenance for School Facilities</b>	<b>458,000</b>	<b>576,930</b>	<b>1,034,930</b>	<b>690,547</b>	<b>344,383</b>
<b>Custodial Services</b>					
Salaries	1,497,005	39,976	1,536,981	1,498,490	38,491
Cleaning, Repairs & Maintenance Service	59,000	-	59,000	54,274	4,726
Rental of Land & Buildings Other Than Leases	110,000	(7,332)	102,668	73,703	28,965
Other Purchased Property Services	42,700	-	42,700	32,486	10,214
Insurance	170,160	11,332	181,492	181,492	-
Miscellaneous Purchased Services	1,500	-	1,500	19	1,481
General Supplies	102,000	(10,548)	91,452	82,925	8,527
Energy (Natural Gas)	175,000	12,420	187,420	145,652	41,768
Energy (Electricity)	630,000	(12,420)	617,580	505,828	111,752
Other Objects	9,500	(1,200)	8,300	7,151	1,149
<b>Total Custodial Services</b>	<b>2,796,865</b>	<b>32,228</b>	<b>2,829,093</b>	<b>2,582,020</b>	<b>247,073</b>
<b>Security</b>					
Salaries	220,000	(14,627)	205,373	186,993	18,380
Purchased Professional and Technical Services	200,000	-	200,000	200,000	-
General Supplies	20,000	-	20,000	19,627	373
<b>Total Security</b>	<b>440,000</b>	<b>(14,627)</b>	<b>425,373</b>	<b>406,620</b>	<b>18,753</b>
<b>Student Transportation Services</b>					
Salaries of Non-Instructional Aides	339,733	(32,594)	307,139	224,556	82,583
Salaries for Pupil Transportation (Between Home and School) - Regular	230,542	(10,432)	220,110	173,855	46,255
Salaries for Pupil Transportation (Between Home and School) - Special Ed	365,948	23,953	389,901	372,371	17,530
Salaries for Pupil Transportation (Other than Between Home and School) -	70,000	(5,000)	65,000	31,639	33,361
Cleaning, Repair and Maintenance Svcs.	119,000	19,500	138,500	101,355	37,145
Contracted Services (Between Home and School) - Vendors	164,000	(10,900)	153,100	107,643	45,457
Contracted Services (Spec Ed)-ESC & CTSA	42,000	25,100	67,100	67,100	-
Miscellaneous Purchased Services	17,500	(17,500)	-	-	-
General Supplies	2,500	(350)	2,150	432	1,718
Transportation Supplies	122,300	(3,650)	118,650	82,113	36,537
Other Objects	15,500	(1,000)	14,500	7,737	6,763
<b>Total Student Transportation Services</b>	<b>1,489,023</b>	<b>(12,873)</b>	<b>1,476,150</b>	<b>1,168,801</b>	<b>307,349</b>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Final To Actual</u>	
	<u>Original Budget</u>	<u>Adjustments</u>			<u>Final Budget</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits-Employee Benefits					
Social Security Contributions	\$ 560,180	\$ (8,532)	\$ 551,648	\$ 502,487	\$ 49,161
Other Retirement Contributions - PERS	567,880	(19,955)	547,925	526,078	21,847
Other Retirement Contributions - Regular	32,500	-	32,500	25,262	7,238
Unemployment Compensation	50,000	-	50,000	50,000	-
Worker's Compensation	463,220	(5,523)	457,697	419,712	37,985
Health Benefits	5,286,590	(103,490)	5,183,100	4,584,449	598,651
Other Employee Benefits	405,000	91,230	496,230	457,436	38,794
<b>Total Regular Programs-Instr. - Employee Benefits</b>	<u>7,365,370</u>	<u>(46,270)</u>	<u>7,319,100</u>	<u>6,565,424</u>	<u>753,676</u>
On-behalf TPAF Non-Contributory Insurance Contribution (Nonbudgeted)				59,492	(59,492)
On-behalf TPAF Long Term Disability Insurance Contribution (Nonbudgeted)				3,412	(3,412)
On-behalf TPAF Normal Cost and Accrued Liability Contribution (Nonbudgeted)				3,319,158	(3,319,158)
On-Behalf TPAF Post Retirement Medical Benefit Contribution (Nonbudgeted)				1,253,417	(1,253,417)
Reimbursed TPAF Soc. Sec. Contr. (Nonbudgeted)	-	-	-	1,248,217	(1,248,217)
<b>Total Undistributed Expenditures</b>	<u>20,805,381</u>	<u>593,177</u>	<u>21,398,558</u>	<u>24,799,058</u>	<u>(3,400,500)</u>
<b>Total Expenditures - Current Expenditures</b>	<u>38,258,673</u>	<u>658,958</u>	<u>38,917,631</u>	<u>41,980,103</u>	<u>(3,062,472)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Undistributed Expenditures					
Admin Info Technology		75,000	75,000	74,788	212
Care and Upkeep of Grounds		32,828	32,828	26,807	6,021
Custodial Services		6,947	6,947	6,946	1
School Buses - Regular		109,028	109,028	109,028	-
School Buses - Special	-	166,122	166,122	166,118	4
<b>Total Equipment</b>	<u>-</u>	<u>389,925</u>	<u>389,925</u>	<u>383,687</u>	<u>6,238</u>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted		Actual	Variance Final To Actual
	Original Budget	Adjustments		
EXPENDITURES				
CURRENT EXPENDITURES (Continued)				
Facilities Acquisition and Construction Services				
Construction Services		\$ 1,135,000	\$ 1,135,000	\$ 954,830
Assessment for Debt Service on SDA	\$ 55,872	-	55,872	55,872
Total Facilities Acquisition and Constr. Services	55,872	1,135,000	1,190,872	1,010,702
Interest Deposit to Capital Reserve	1,076	-	1,076	-
Interest Earned on Current Expense Emergency Reserve	125	-	125	-
Interest Earned on Maintenance Reserve	100	-	100	-
Total Capital Outlay	57,173	1,524,925	1,582,098	1,394,389
Transfer of Funds to Charter Schools	224,851	-	224,851	164,980
Total Expenditures	38,540,697	2,183,883	40,724,580	43,539,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(2,183,883)	(2,383,883)	804,543
Other Financing Sources(Uses)				
Capital Lease Proceeds (Non Budget)			177,390	(177,390)
Capital Reserve-Transfer to Capital Projects	(1,525,150)	1,525,150	-	-
Total Other Financing Sources (Uses)	(1,525,150)	1,525,150	-	177,390
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,725,150)	(658,733)	(2,383,883)	981,933
Fund Balances, Beginning of Year	6,893,558	-	6,893,558	6,893,558
Fund Balances, End of Year	\$ 5,168,408	\$ (658,733)	\$ 4,509,675	\$ 7,875,491

**Recapitulation**

## Restricted:

Capital Reserve	\$ 3,402,572
Capital Reserve - Designated for Subsequent Year's Expenditures	2,252,500
Maintenance Reserve	779,453
Emergency Reserve	350,000
Excess Surplus - Designated for Subsequent Year's Expenditures	100,000

## Assigned:

Year End Encumbrances	116,275
Designated for Subsequent Year's Expenditures	11,508
Unassigned	863,183

Total Fund Balance 7,875,491

**Reconciliation to Governmental Funds Statements (GAAP)**

Less : Last State Aid Payments not Recognized on  
GAAP Basis (400,971)

Fund Balance per Governmental Fund \$ 7,474,520

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 1,049,833	\$ 480,440	\$ 1,530,273	\$ 1,015,078	\$ (515,195)
Total Revenues	<u>1,049,833</u>	<u>480,440</u>	<u>1,530,273</u>	<u>1,015,078</u>	<u>(515,195)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	120,418	126,178	246,596	225,596	21,000
Other Purchased Services	472,564	152,448	625,012	504,513	120,499
General Supplies	265,628	48,636	314,264	108,554	205,710
Other Objects	-	6,361	6,361	6,361	-
Total Instruction	<u>858,610</u>	<u>333,623</u>	<u>1,192,233</u>	<u>845,024</u>	<u>347,209</u>
Support Services					
Salaries of Teachers		22,781	22,781	16,302	6,479
Salaries of Other Professional Staff	13,650	9,645	23,295	23,295	-
Purchased Professional Educational Services	40,000	52,579	92,579	40,805	51,774
Other Purchased Professional Services		2,000	2,000	-	2,000
Employee Benefits	36,000	53,747	89,747	89,580	167
General Supplies	26,123	81,415	107,538	-	107,538
Other Objects	-	100	100	72	28
Total Support Services	<u>115,773</u>	<u>222,267</u>	<u>338,040</u>	<u>170,054</u>	<u>167,986</u>
Facilities Acquisition and Construction Svs					
Instructional Equipment	35,450	(35,450)	-	-	-
Noninstructional Equipment	40,000	(40,000)	-	-	-
Total Facilities Acquisition and Const Svs	<u>75,450</u>	<u>(75,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,049,833</u>	<u>480,440</u>	<u>1,530,273</u>	<u>1,015,078</u>	<u>515,195</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-1 and C-2)	\$ 44,344,015	\$ 1,015,078
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2019 Encumbrances, Net		3,566
June 30, 2020 Encumbrances		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2018-2019)	317,602	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2019-2020)	<u>(400,971)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 44,260,646</u>	<u>\$ 1,018,644</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 43,539,472	\$ 1,015,078
Differences - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
June 30, 2019 Encumbrances		3,566
June 30, 2020 Encumbrances	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 43,539,472</u>	<u>\$ 1,018,644</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**  
**AND**  
**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Seven Fiscal Years \***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	<u>0.05160%</u>	<u>0.05224%</u>	<u>0.05313%</u>	<u>0.05575%</u>	<u>0.05432%</u>	<u>0.05372%</u>	<u>0.05384%</u>
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 9,298,334</u>	<u>\$ 10,286,385</u>	<u>\$ 12,366,917</u>	<u>\$ 16,510,250</u>	<u>\$ 12,194,135</u>	<u>\$ 10,057,446</u>	<u>\$ 10,289,706</u>
District's Covered Payroll	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>	<u>\$ 3,617,264</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	259%	284%	336%	448%	324%	274%	284%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

\* 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 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 501,961	\$ 519,649	\$ 492,157	\$ 495,236	\$ 467,021	\$ 464,094	\$ 426,440
Contributions in Relation to the Contractually Required Contributions	<u>501,961</u>	<u>519,649</u>	<u>492,157</u>	<u>495,236</u>	<u>467,021</u>	<u>464,094</u>	<u>426,440</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 3,636,286</u>	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>
Contributions as a Percentage of Covered Payroll	13.80%	14.47%	13.57%	13.44%	12.67%	12.32%	11.62%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND  
Last Seven Fiscal Years \***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
Total	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
District's Covered Payroll	<u>\$ 17,259,881</u>	<u>\$ 15,964,944</u>	<u>\$ 15,521,054</u>	<u>\$ 15,167,830</u>	<u>\$ 14,823,127</u>	<u>\$ 14,925,265</u>	<u>\$ 14,492,650</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

\* 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 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Three Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,126,199	\$ 2,443,853	\$ 2,923,049
Interest on the Total OPEB Liability	2,333,333	2,516,410	2,179,386
Differences Between Expected and Actual Experience	(8,406,283)	(6,306,297)	
Changes of Assumptions	808,322	(6,766,689)	(9,063,233)
Gross Benefit Payments	(1,664,181)	(1,576,740)	(1,663,310)
Contribution from the Member	<u>49,331</u>	<u>54,495</u>	<u>61,247</u>
<b>Net Change in Total OPEB Liability</b>	<b>(4,753,279)</b>	<b>(9,634,968)</b>	<b>(5,562,861)</b>
<b>Total OPEB Liability - Beginning</b>	<b><u>58,966,397</u></b>	<b><u>68,601,365</u></b>	<b><u>74,164,226</u></b>
<b>Total OPEB Liability - Ending</b>	<b><u>\$ 54,213,118</u></b>	<b><u>\$ 58,966,397</u></b>	<b><u>\$ 68,601,365</u></b>
District's Proportionate Share	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
Total OPEB Liability - Ending	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
<b>Covered Payroll</b>	<b><u>\$ 20,851,626</u></b>	<b><u>\$ 19,591,516</u></b>	<b><u>\$ 19,205,530</u></b>
<b>District's Proportionate Share of the OPEB Liability as a Percentage of Covered Payroll:</b>	0.00%	0.00%	0.00%

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

\*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 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**SPECIAL REVENUE FUND**

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>NCLB</u>					<u>I.D.E.A. B-Basic Regular</u>	<u>I.D.E.A. Preschool</u>	<u>Totals</u>
	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>			
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 405,209	\$ 64,245	\$ 3,894	\$ 5,256	\$ 27,716	\$ 504,408	\$ 4,350	\$ 1,015,078
Total Revenues	<u>\$ 405,209</u>	<u>\$ 64,245</u>	<u>\$ 3,894</u>	<u>\$ 5,256</u>	<u>\$ 27,716</u>	<u>\$ 504,408</u>	<u>\$ 4,350</u>	<u>\$ 1,015,078</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers	\$ 225,596							\$ 225,596
Other Purchased Services						\$ 504,408	\$ 105	504,513
General Supplies	67,597	\$ 7,175	\$ 3,340	\$ 4,979	\$ 21,218		4,245	108,554
Other Objects	3,361	-	-	-	3,000	-	-	6,361
Total Instruction	<u>296,554</u>	<u>7,175</u>	<u>3,340</u>	<u>4,979</u>	<u>24,218</u>	<u>504,408</u>	<u>4,350</u>	<u>845,024</u>
Support Services								
Salaries of Teachers		14,300	212	200	1,590			16,302
Salaries of Other Professional Staff	20,248	2,563			484			23,295
Purchased Professional Educational Services		39,285	270		1,250			40,805
Other Purchased Prof. Services								-
Employee Benefits	88,407	922		77	174			89,580
General Supplies								-
Other Objects	-	-	72	-	-	-	-	72
Total Support Services	<u>108,655</u>	<u>57,070</u>	<u>554</u>	<u>277</u>	<u>3,498</u>	<u>-</u>	<u>-</u>	<u>170,054</u>
Facilities Acquisition and Construction Svs								
Instructional Equipment								-
Noninstructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 405,209</u>	<u>\$ 64,245</u>	<u>\$ 3,894</u>	<u>\$ 5,256</u>	<u>\$ 27,716</u>	<u>\$ 504,408</u>	<u>\$ 4,350</u>	<u>\$ 1,015,078</u>

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Expenditures to Date</u>			<u>Unexpended Balance</u>
	<u>Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	
12/10/2013 Referendum - Middle School Renovations and Expansion Project	<u>\$ 27,400,000</u>	<u>\$ 27,014,081</u>	<u>\$ 345,069</u>	<u>\$ 40,850</u>
	<u>\$ 27,400,000</u>	<u>\$ 27,014,081</u>	<u>\$ 345,069</u>	<u>\$ 40,850</u>
<b><u>Recapitulation of Balance</u></b>				
Restricted for Capital Projects:				
Available for Capital Projects				<u>40,850</u>
Total Fund Balance - Restricted For Capital Projects				<u>\$ 40,850</u>

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Expenditures and Other Financing Uses**

Construction Services	\$	320,828
Other Objects		24,241
Total Expenditures and Other Financing Uses		345,069
Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources		(345,069)
Fund Balance, Beginning of Year		385,919
Fund Balance, End of Year	\$	40,850
<b><u>Reconciliation to GAAP Basis</u></b>		
Fund Balance, June 30, 2020 - Budgetary Basis	\$	40,850
Fund Balance, June 30, 2020 - GAAP Basis	\$	40,850

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
12/10/2013 REFERENDUM - MIDDLE SCHOOL RENOVATIONS AND EXPANSION PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 27,400,000	-	\$27,400,000	\$27,400,000
Total Revenues	<u>27,400,000</u>	<u>-</u>	<u>27,400,000</u>	<u>27,400,000</u>
 <b>Expenditures and Other Financing Uses</b>				
Legal	108,774		108,774	129,063
Purchased Professional and Technical Services	2,351,676		2,351,676	3,010,871
Construction Services	23,337,216	\$ 320,828	23,658,044	21,708,135
Equipment	896,562		896,562	606,000
Other Objects	319,853	24,241	344,094	1,945,931
Total Expenditures	<u>27,014,081</u>	<u>345,069</u>	<u>27,359,150</u>	<u>27,400,000</u>
Excess of Revenue Over Expenditures	<u>\$ 385,919</u>	<u>\$ (345,069)</u>	<u>\$ 40,850</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	4730-050-13-1000
Grant Date	N/A
Bond Authorization (Referendum) Date	12/10/2013
Bonds Authorized	\$ 27,400,000
Bonds Issued	\$ 27,400,000
Original Authorized Cost	\$ 27,400,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 27,400,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2017/2018



**ENTERPRISE FUNDS**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**SECAUCUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 285,760	\$ 46,736	\$ 332,496
Total Assets	<u>\$ 285,760</u>	<u>\$ 46,736</u>	<u>\$ 332,496</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 5,646	\$ 5,646
Accrued Salaries and Wages		910	910
Due to Other Funds		40,180	40,180
Due to Student Groups	\$ 285,760	<u>-</u>	<u>285,760</u>
Total Liabilities	<u>\$ 285,760</u>	<u>\$ 46,736</u>	<u>\$ 332,496</u>

**FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**SECAUCUS BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Clarendon	\$ 11,484	\$ 17,588	\$ 11,919	\$ 17,153
Huber School	14,243	19,731	21,030	12,944
<b>JUNIOR HIGH SCHOOL</b>				
Middle School	52,191	41,948	45,734	48,405
<b>HIGH SCHOOL</b>				
High School Activity	166,210	248,648	232,338	182,520
High School Athletic	<u>6,330</u>	<u>58,584</u>	<u>40,176</u>	<u>24,738</u>
Total All Schools	<u>\$ 250,458</u>	<u>\$ 386,499</u>	<u>\$ 351,197</u>	<u>\$ 285,760</u>

**SECAUCUS BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 70,216	\$ 27,461,227	\$ 27,484,707	\$ 46,736
Total Assets	<u>\$ 70,216</u>	<u>\$ 27,461,227</u>	<u>\$ 27,484,707</u>	<u>\$ 46,736</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 36,305	\$ 3,875		\$ 40,180
Payroll Deductions and Withholdings	33,001	13,006,141	13,033,496	5,646
Accrued Salaries and Wages	<u>910</u>	<u>14,451,211</u>	<u>14,451,211</u>	<u>910</u>
Total Liabilities	<u>\$ 70,216</u>	<u>\$ 27,461,227</u>	<u>\$ 27,484,707</u>	<u>\$ 46,736</u>

**LONG-TERM DEBT**

**SECAUCUS BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
Refunding Bonds	5/27/2009	\$ 2,910,000	7/15/2020	\$ 270,000	4.00%	\$ 545,000	\$ 275,000	\$ 270,000
School Bonds Series 2014	7/16/2014	27,400,000	8/15/2020	1,165,000	3.00%			
			8/15/2021	1,195,000	3.00%			
			8/15/2022	1,220,000	3.00%			
			8/15/2023	1,255,000	3.00%			
			8/15/2024	1,290,000	3.00%			
			8/15/2025	1,330,000	3.00%			
			8/15/2026	1,375,000	3.00%			
			8/15/2027	1,425,000	3.125%			
			8/15/2028	1,475,000	3.125%			
			8/15/2029	1,535,000	3.250%			
			8/15/2030	1,595,000	3.375%			
			8/15/2031	1,660,000	3.500%			
			8/15/2032	1,725,000	3.625%			
			8/15/2033	1,795,000	4.000%			
			8/15/2034	1,870,000	4.000%			
						<u>23,050,000</u>	<u>1,140,000</u>	<u>21,910,000</u>
						<u>\$ 23,595,000</u>	<u>\$ 1,415,000</u>	<u>\$ 22,180,000</u>

**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Interest Rate Payable</b>		<b>Amount of Original Issue</b>	<b>Balance, July 1, 2019</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance, June 30, 2020</b>
Acer Chromebooks	4.35	%	74,340	\$ 54,552		\$ 17,416	\$ 37,136
Acer Chromebooks	4.28		69,500	60,110		16,669	43,441
Acer Chromebooks	4.51		228,145	210,663		54,049	156,614
VoIP Phone System	3.96		151,650	151,650		23,238	128,412
Acer Chromebooks	3.57		177,390	-	\$ 177,390	34,896	142,494
				<u>\$ 476,975</u>	<u>\$ 177,390</u>	<u>\$ 146,268</u>	<u>\$ 508,097</u>



**SECAUCUS BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,534,459		\$ 1,534,459	\$ 1,534,459	
State Sources					
Debt Service Aid Type II	640,416	-	640,416	640,416	-
Total Revenues	<u>2,174,875</u>	<u>-</u>	<u>2,174,875</u>	<u>2,174,875</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest on Bonds	759,875		759,875	759,875	
Redemption of Principal	1,415,000	-	1,415,000	1,415,000	-
Total Expenditures	<u>2,174,875</u>	<u>-</u>	<u>2,174,875</u>	<u>2,174,875</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Secaucus Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

**SECAUCUS BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Deb	\$ 14,762,168	\$ 15,097,529	\$ 15,980,330	\$ 14,720,735	\$ 18,324,882	\$ 20,860,209	\$ 22,249,472	\$ 23,569,792	\$ 23,627,355	\$ 24,608,429
Restricted	73,028	699,334	620,909	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,434,525
Unrestricted	<u>(1,027,289)</u>	<u>(875,430)</u>	<u>(695,185)</u>	<u>(10,872,549)</u>	<u>(9,889,492)</u>	<u>(10,389,772)</u>	<u>(12,124,730)</u>	<u>(12,612,423)</u>	<u>(12,618,632)</u>	<u>(12,782,084)</u>
<b>Total Governmental Activities Net Position</b>	<b>\$ 13,807,907</b>	<b>\$ 14,921,433</b>	<b>\$ 15,906,054</b>	<b>\$ 7,731,050</b>	<b>\$ 9,316,675</b>	<b>\$ 12,421,365</b>	<b>\$ 13,166,487</b>	<b>\$ 15,307,199</b>	<b>\$ 16,345,223</b>	<b>\$ 18,260,870</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Deb	\$ 72,385	\$ 57,908	\$ 43,431	\$ 28,954	\$ 28,276	\$ 36,209	\$ 32,804	\$ 193,493	\$ 198,407	\$ 179,069
Unrestricted	<u>181,306</u>	<u>293,315</u>	<u>442,657</u>	<u>565,638</u>	<u>679,034</u>	<u>818,123</u>	<u>944,824</u>	<u>857,206</u>	<u>829,953</u>	<u>738,992</u>
<b>Total Business-Type Activities Net Position</b>	<b>\$ 253,691</b>	<b>\$ 351,223</b>	<b>\$ 486,088</b>	<b>\$ 594,592</b>	<b>\$ 707,310</b>	<b>\$ 854,332</b>	<b>\$ 977,628</b>	<b>\$ 1,050,699</b>	<b>\$ 1,028,360</b>	<b>\$ 918,061</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Deb	\$ 14,834,553	\$ 15,155,437	\$ 16,023,761	\$ 14,749,689	\$ 18,353,158	\$ 20,896,418	\$ 22,282,276	\$ 23,763,285	\$ 23,825,762	\$ 24,787,498
Restricted	73,028	699,334	620,909	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,434,525
Unrestricted	<u>(845,983)</u>	<u>(582,115)</u>	<u>(252,528)</u>	<u>(10,306,911)</u>	<u>(9,210,458)</u>	<u>(9,571,649)</u>	<u>(11,179,906)</u>	<u>(11,755,217)</u>	<u>(11,788,679)</u>	<u>(12,043,092)</u>
<b>Total District Net Position</b>	<b>\$ 14,061,598</b>	<b>\$ 15,272,656</b>	<b>\$ 16,392,142</b>	<b>\$ 8,325,642</b>	<b>\$ 10,023,985</b>	<b>\$ 13,275,697</b>	<b>\$ 14,144,115</b>	<b>\$ 16,357,898</b>	<b>\$ 17,373,583</b>	<b>\$ 19,178,931</b>

Note 1 - Net position at June 30, 2014 is restated to reflect the implementation of GASB 68, "Accounting and Financial Reporting for Pensions".

SECAUCUS BOARD OF EDUCATION  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 14,999,035	\$ 17,473,247	\$ 18,455,000	\$ 17,287,422	\$ 17,891,698	\$ 18,631,672	\$ 21,972,466	\$ 22,669,639	\$ 21,507,249	\$ 20,756,782
Special Education	3,712,888	2,860,092	3,146,845	3,077,142	5,299,019	5,636,227	5,873,674	6,058,490	6,686,059	6,900,384
Other Special Instruction			290,070	262,571						
Other Instruction	225,880	200,960	1,212,538	1,166,714	438,715	585,582	546,407	462,428	434,110	548,883
School Sponsored Activities And Athletics	1,031,952	1,076,225			1,345,392	1,406,365	1,554,978	1,579,347	1,398,894	1,378,398
Community Services	58,372				42,123	40,068	44,379	49,365	51,720	52,708
<b>Support Services:</b>										
Tuition		299,726	192,571	394,392						
Student & Instruction Related Services	3,629,009	3,852,337	3,652,990	3,622,645	4,394,143	4,600,464	5,129,110	5,246,723	4,877,420	4,764,119
School Administration Services	2,443,713	2,007,116	1,783,165	1,250,439	2,429,217	2,789,015	2,974,427	2,866,244	2,815,991	2,529,611
General Administrative Services	1,133,855	1,324,622	1,807,722	1,906,545	1,905,038	1,046,506	1,210,746	1,277,129	1,208,780	1,125,856
Business-Central Services	1,416,831	702,578	587,510	735,185	1,221,673	1,267,410	1,430,431	1,434,535	1,254,064	1,121,975
Administration of Information Technology		342,923	450,274	442,727						
Plant Operations And Maintenance	4,671,900	3,620,091	3,493,530	4,072,940	4,802,450	5,135,538	6,377,866	6,150,870	6,035,771	5,928,702
Pupil Transportation	1,745,170	1,597,291	1,202,110	1,364,581	1,756,128	1,640,332	1,939,996	1,924,270	1,994,340	1,685,783
Transfer to Charter School		45,420	40,985	53,088						
Interest On Long-Term Debt	456,488	453,858	195,837	-	965,431	948,658	896,480	832,525	792,148	760,526
<b>Total Governmental Activities Expenses</b>	<b>35,525,093</b>	<b>35,856,486</b>	<b>36,311,147</b>	<b>35,696,391</b>	<b>41,591,027</b>	<b>43,727,837</b>	<b>49,950,960</b>	<b>50,551,565</b>	<b>49,056,546</b>	<b>47,553,727</b>
<b>Business-Type Activities:</b>										
Enterprise Fund	1,661,422	847,236	1,716,826	1,712,055	938,181	896,165	967,022	1,062,094	1,170,158	980,990
<b>Total Business-Type Activities</b>	<b>1,661,422</b>	<b>847,236</b>	<b>1,716,826</b>	<b>1,712,055</b>	<b>938,181</b>	<b>896,165</b>	<b>967,022</b>	<b>1,062,094</b>	<b>1,170,158</b>	<b>980,990</b>
<b>Total District Expenses</b>	<b>\$ 37,186,515</b>	<b>\$ 36,703,722</b>	<b>\$ 38,227,973</b>	<b>\$ 37,408,446</b>	<b>\$ 42,529,208</b>	<b>\$ 44,624,002</b>	<b>\$ 50,917,982</b>	<b>\$ 51,613,659</b>	<b>\$ 50,226,704</b>	<b>\$ 48,534,717</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular					\$ 3,200	\$ 9,050		\$ 124,950	\$ 87,780	\$ 53,420
Plant Operations and Maintenance										
Special Schools and Programs										
Transportation	61,748				33,850		13,782			-
Operating Grants And Contributions	3,451,205	3,407,310	3,875,799	3,913,673	8,395,904	10,318,266	13,579,378	14,501,964	12,407,342	11,200,155
Capital Grants And Contributions	-	-	-	-	-	-	-	-	58,545	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,512,953</b>	<b>3,407,310</b>	<b>3,875,799</b>	<b>3,913,673</b>	<b>8,432,954</b>	<b>10,327,316</b>	<b>13,593,160</b>	<b>14,626,914</b>	<b>12,553,667</b>	<b>11,253,575</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 672,715	\$ 642,920	\$ 618,136	\$ 621,045	\$ 646,804	\$ 648,083	\$ 685,843	\$ 722,056	\$ 717,140	\$ 501,924
Operating Grants And Contributions	312,078	286,053	315,849	356,729	404,095	395,104	404,475	413,109	430,679	368,767
<b>Total Business Type Activities Program Revenues</b>	<b>984,793</b>	<b>928,973</b>	<b>933,985</b>	<b>977,774</b>	<b>1,050,899</b>	<b>1,043,187</b>	<b>1,090,318</b>	<b>1,135,165</b>	<b>1,147,819</b>	<b>870,691</b>
<b>Total District Program Revenues</b>	<b>\$ 4,497,746</b>	<b>\$ 4,336,283</b>	<b>\$ 4,809,784</b>	<b>\$ 4,891,447</b>	<b>\$ 9,483,853</b>	<b>\$ 11,370,503</b>	<b>\$ 14,683,478</b>	<b>\$ 15,762,079</b>	<b>\$ 13,701,486</b>	<b>\$ 12,124,266</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (32,012,140)	\$ (32,449,176)	\$ (32,635,348)	\$ (31,782,718)	\$ (33,158,073)	\$ (33,400,521)	\$ (36,357,800)	\$ (35,924,651)	\$ (36,502,879)	\$ (36,300,152)
Business-Type Activities	(676,629)	81,737	(782,841)	(734,281)	112,718	147,022	123,296	73,071	(22,339)	(110,299)
<b>Total District-Wide Net Expense</b>	<b>\$ (32,688,769)</b>	<b>\$ (32,367,439)</b>	<b>\$ (33,418,189)</b>	<b>\$ (32,516,999)</b>	<b>\$ (33,045,355)</b>	<b>\$ (33,253,499)</b>	<b>\$ (36,234,504)</b>	<b>\$ (35,851,580)</b>	<b>\$ (36,525,218)</b>	<b>\$ (36,410,451)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 31,066,874	\$ 31,015,985	\$ 31,506,805	\$ 32,311,941	\$ 32,748,152	\$ 33,321,245	\$ 33,987,669	\$ 34,667,422	\$ 35,360,770	\$ 36,067,984
Taxes Levied For Debt Service	1,287,318	1,217,257	1,265,839	1,276,826	1,877,925	2,368,408	2,413,708	2,526,693	1,554,633	1,534,459
Federal and State Aid - Restricted						573,563	465,009	472,476	409,149	416,662
Federal and State Aid - Unrestricted		1,140,697	1,153,722	1,153,386	39,072	42,688	62,119	64,682	4,859	-
Investment Earnings	9,660				41,595	37,644				-
Miscellaneous Income	124,611	188,763	624,363	637,242	36,954	161,663	174,417	334,090	211,492	196,694
Transfers	(759,350)	-	(930,760)	(884,624)	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>31,729,113</b>	<b>33,562,702</b>	<b>33,619,969</b>	<b>34,494,771</b>	<b>34,743,698</b>	<b>36,505,211</b>	<b>37,102,922</b>	<b>38,065,363</b>	<b>37,540,903</b>	<b>38,215,799</b>
<b>Business-Type Activities:</b>										
Transfers	759,350	-	913,486	842,784	-	-	-	-	-	-
Miscellaneous Income	-	15,795	4,219	-	42,688	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>759,350</b>	<b>15,795</b>	<b>917,705</b>	<b>842,784</b>	<b>42,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 32,488,463</b>	<b>\$ 33,578,497</b>	<b>\$ 34,537,674</b>	<b>\$ 35,337,555</b>	<b>\$ 34,786,386</b>	<b>\$ 36,505,211</b>	<b>\$ 37,102,922</b>	<b>\$ 38,065,363</b>	<b>\$ 37,540,903</b>	<b>\$ 38,215,799</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (283,027)	\$ 1,113,526	\$ 984,621	\$ 2,712,053	\$ 1,585,625	\$ 3,104,690	\$ 745,122	\$ 2,140,712	\$ 1,038,024	\$ 1,915,647
Business-Type Activities	82,721	97,532	134,864	108,503	155,406	147,022	123,296	73,071	(22,339)	(110,299)
<b>Total District</b>	<b>\$ (200,306)</b>	<b>\$ 1,211,058</b>	<b>\$ 1,119,485</b>	<b>\$ 2,820,556</b>	<b>\$ 1,741,031</b>	<b>\$ 3,251,712</b>	<b>\$ 868,418</b>	<b>\$ 2,213,783</b>	<b>\$ 1,015,685</b>	<b>\$ 1,805,348</b>

**SECAUCUS BOARD OF EDUCATION**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ 350,517	\$ 628,426	\$ 686,816	\$ 1,761,756						
Unreserved	539,980	718,175	771,330	766,083						
Restricted					\$ 1,548,141	\$ 2,604,017	\$ 3,841,745	\$ 5,099,830	\$ 5,936,500	\$ 6,884,525
Committed					302,900	387,343	133,001			-
Assigned					796,128	488,021	377,484	285,887	133,733	127,783
Unassigned	-	-	-	-	470,999	478,988	492,560	512,886	505,723	462,212
<b>Total General Fund</b>	<b>\$ 890,497</b>	<b>\$ 1,346,601</b>	<b>\$ 1,458,146</b>	<b>\$ 2,527,839</b>	<b>\$ 3,118,168</b>	<b>\$ 3,958,369</b>	<b>\$ 4,844,790</b>	<b>\$ 5,898,603</b>	<b>\$ 6,575,956</b>	<b>\$ 7,474,520</b>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 232,988	\$ 70,909	\$ 61,183	\$ 2,121,108	\$ 23,794,552	\$ 6,309,981	\$ 962,971	\$ 437,398	\$ 385,919	\$ 40,850
<b>Total All Other Governmental Funds</b>	<b>\$ 232,988</b>	<b>\$ 70,909</b>	<b>\$ 61,183</b>	<b>\$ 2,121,108</b>	<b>\$ 23,794,552</b>	<b>\$ 6,309,981</b>	<b>\$ 962,971</b>	<b>\$ 437,398</b>	<b>\$ 385,919</b>	<b>\$ 40,850</b>

**SECAUCUS BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 32,354,192	\$ 32,233,242	\$ 32,772,644	\$ 33,588,767	\$ 34,626,077	\$ 35,689,653	\$ 36,401,377	\$ 37,194,115	\$ 36,915,403	\$ 37,602,443
Other Local Governmental Units-Restricted	61,748	99,017	72,228	1,375	3,200	9,050				
Tuition Charges		3,750	4,125	4,125				124,950	87,780	53,420
Interest Earnings	9,660									
Rents and Royalties						65,041	51,681	72,203	66,514	46,715
Restricted Revenue from Intermediate Sources				83,385	33,850	13,442	13,782			-
Miscellaneous	135,275	83,995	548,010	548,357	175,718	120,824	122,736	261,887	144,978	149,979
State Sources	2,342,386	3,605,257	4,318,938	4,268,224	4,088,104	5,728,295	6,054,287	6,858,840	7,961,112	8,546,317
Federal Sources	1,098,155	942,750	720,436	798,836	896,511	861,490	905,861	786,495	1,062,966	1,055,291
<b>Total Revenue</b>	<b>36,001,416</b>	<b>36,970,011</b>	<b>38,436,381</b>	<b>39,293,069</b>	<b>39,823,460</b>	<b>42,487,795</b>	<b>43,549,724</b>	<b>45,298,490</b>	<b>46,238,753</b>	<b>47,454,165</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	14,959,930	11,739,981	11,949,947	12,044,626	15,709,509	15,933,860	17,195,586	18,253,198	19,499,704	19,385,759
Special Education Instruction	3,767,137	2,034,889	2,094,337	2,183,184	4,889,398	5,101,040	4,987,977	5,277,013	6,302,599	6,646,555
Other Special Instruction		860,547	188,751	180,019						
Other Instruction	255,637	139,781	979,481	958,536	393,617	508,514	437,645	384,912	399,678	518,215
School Sponsored Activities and Athletics	1,031,952				1,189,777	1,209,951	1,218,386	1,279,193	1,268,059	1,290,187
Community Services	58,372				41,525	38,301	38,042	43,562	50,813	53,741
<b>Support Services:</b>										
Tuition		299,726	192,571	394,392						
Student and Inst. Related Services	3,627,745	3,096,463	2,938,415	3,000,150	3,986,083	4,062,874	4,184,282	4,394,443	4,524,357	4,508,397
General Administration Services	1,134,521	1,059,166	1,660,104	884,507	968,588	993,383	1,093,413	1,171,126	1,172,461	1,109,385
School Administration Services	2,435,106	1,486,017	1,169,597	1,615,653	2,194,588	2,439,118	2,356,554	2,340,776	2,570,976	2,390,603
Central Services		561,780	467,521	131,002						
Administration of Information Technology		274,201	398,242	363,731						
Plant Operations And Maintenance	3,880,866	2,894,619	3,013,492	3,346,203	3,970,609	4,209,721	4,630,399	4,378,138	4,572,205	4,508,195
Pupil Transportation	1,613,561	1,277,191	1,135,591	1,121,098	1,620,705	1,492,560	1,557,112	1,587,676	1,817,242	1,532,970
Business/Central Services	1,171,496			473,003	1,164,975	1,195,051	1,216,041	1,247,351	1,191,521	1,093,894
Employee Benefits		8,565,134	9,127,227	9,077,269						
Transfer to Charter School		45,420	40,985	53,088						
Capital Outlay	1,373,014	405,837	781,705	1,175,539	3,290,438	18,221,641	5,697,524	1,223,759	499,827	1,683,586
Principal	1,570,615	985,000	1,070,000	1,115,000	1,936,598	2,744,828	2,477,761	2,329,472	1,457,283	1,578,180
Payments to Refunding Escrow Agent										
Cost of Issuance of Refunding Bonds										
Interest and Other Charges	408,347	264,020	195,837	161,826	674,370	981,323	919,391	859,631	809,789	778,393
<b>Total Expenditures</b>	<b>37,288,299</b>	<b>35,989,772</b>	<b>37,403,803</b>	<b>38,278,826</b>	<b>42,030,780</b>	<b>59,132,165</b>	<b>48,010,313</b>	<b>44,770,250</b>	<b>46,136,514</b>	<b>47,078,060</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(1,286,883)	980,239	1,032,578	1,014,243	(2,207,320)	(16,644,370)	(4,460,589)	528,240	102,239	376,105
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds	1,670,000								523,635	177,390
Premium on Note										
Premium on Refunding Bonds										
Payment to Refunding Escrow Agent										
Refunding Bond Proceeds										
Refunding of Unfunded Pension Liability										
Bond Proceeds				3,000,000	27,400,000					
State Grants Receivable Cancelled	(286,127)		(17,273)	(41,840)						
Transfers to Cover Deficit - Food Service	(759,350)	(686,215)		(842,784)						
Transfers In	303	113,881			2	257	150,533			-
Transfers Out	(303)	(113,881)	(913,486)	-	(2)	(257)	(150,533)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>624,523</b>	<b>(686,215)</b>	<b>(930,759)</b>	<b>2,115,376</b>	<b>27,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>523,635</b>	<b>177,390</b>
<b>Net Change in Fund Balances</b>	<b>\$ (662,360)</b>	<b>\$ 294,024</b>	<b>\$ 101,819</b>	<b>\$ 3,129,619</b>	<b>\$ 25,192,680</b>	<b>\$ (16,644,370)</b>	<b>\$ (4,460,589)</b>	<b>\$ 528,240</b>	<b>\$ 625,874</b>	<b>\$ 553,495</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.51%	3.51%	3.46%	3.44%	6.74%	9.11%	8.03%	7.32%	4.97%	4.79%

\* Noncapital expenditures are total expenditures less capital outlay.

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND REVENUE  
OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Interlocal Agreements</u>	<u>Tuition</u>	<u>Interest Earned on Investments</u>	<u>Miscellaneous</u>	<u>Sale of Assets</u>	<u>Total</u>
2011	\$ 61,748		\$ 9,357	\$ 124,611		\$ 195,716
2012	99,017	\$ 3,750		74,890		177,657
2013	66,756	4,125	1,597	52,928		125,406
2014	31,862	4,125	1,393	412,448		449,828
2015	33,850	3,200	41,593	36,954		115,597
2016	13,442	9,050	37,130	145,918	\$ 2,560	208,100
2017	13,782	8,122	17,765	148,530		188,199
2018	4,200	124,950	29,317	298,473	2,100	459,040
2019		87,780	51,713	159,779		299,272
2020		53,420	100,628	96,066		250,114

Source: District Records

**SECAUCUS BOARD OF EDUCATION**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2011	\$ 70,381,700	\$ 826,938,200			\$ 770,934,475	\$ 846,900,400	\$ 16,861,200	\$ 2,532,015,975	\$ 3,588,479	\$ 2,535,252,214	\$ 5,377,088,565	\$ 1.27
2012	62,246,400	827,075,000			794,806,875	813,653,800	16,861,200	2,514,643,275	3,588,107	2,518,231,382	4,852,769,008	1.29
2013	62,317,200	816,160,000			819,622,775	807,360,900	41,712,200	2,547,173,075	3,185,224	2,550,358,299	4,955,875,892	1.30
2014	65,552,700	809,674,400			780,089,475	826,429,600	54,043,000	2,535,789,175	2,903,044	2,538,692,219	4,789,253,168	1.34
2015	60,295,500	867,609,000			799,892,975	869,802,300	54,043,000	2,651,642,775	3,339,721	2,654,982,496	4,402,341,949	1.41
2016	60,427,100	865,092,000			797,560,475	867,274,300	56,537,100	2,646,890,975	3,293,675	2,650,184,650	4,577,186,263	1.36
2017	60,578,100	829,147,250			892,345,175	906,471,500	65,058,400	2,753,600,425	3,232,106	2,756,832,531	4,832,900,084	1.30
2018	59,458,100	833,569,750			903,258,175	906,966,800	65,058,400	2,768,311,225	3,258,237	2,771,569,462	4,898,813,081	1.34
2019	52,745,100	838,410,850			922,260,875	939,627,600	64,763,400	2,817,807,825	3,336,160	2,821,143,985	5,472,494,946	1.32
2020	52,417,300	845,440,750			919,485,575	936,428,450	63,663,400	2,817,435,475	3,352,759	2,820,788,234	5,550,541,721	1.35

Source: County Abstract of Ratables

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



**SECAUCUS BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County</u>
2011	\$ 3.65	\$ 1.27	\$ 1.41	\$ 0.97
2012	3.69	1.29	1.40	1.00
2013	3.76	1.30	1.40	1.06
2014	3.77	1.34	1.40	1.03
2015	3.70	1.41	1.39	0.90
2016	3.71	1.36	1.43	0.92
2017	3.61	1.30	1.44	0.87
2018	3.61	1.34	1.48	0.79
2019	3.71	1.32	1.56	0.83
2020	3.74	1.35	1.64	0.75

Source: Tax Duplicate, Township of Secaucus

**SECAUCUS BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Fraternity Meadows LLC	\$ 85,159,400	3.02%	Hartz Mountain Development Corp	\$ 284,286,700	11.21%
Hancock S REIT SECA Corp	63,251,200	2.24%	First Penn Bank	71,982,600	2.84%
800 Secaucus LLC % Hartz	53,746,700	1.91%	Hartz c/o Urban Pole	57,184,600	2.26%
755 Secaucus LLC % Hartz	52,695,800	1.87%	500 Plaza Drive Corp	48,407,600	1.91%
300-400 Park Plaza Dr. Inc	44,856,600	1.59%	Hartz C/O Matsushita	45,000,000	1.77%
NY2 Hartz Way LLC % Equinix	38,021,400	1.35%	300-400 Park Plaza Drive Inc	42,363,100	1.67%
50 Meadowland Parkway LLC	35,985,800	1.28%	Hartz c/o Poole	42,337,900	1.67%
Fraternity Meadows LLC	33,793,600	1.20%	Fraternity Meadows LLC	39,583,400	1.56%
REEP RTL Mill NJ LLC	33,158,200	1.18%	Hartz c/o Gucci	35,694,100	1.41%
BT NewYo LLC	31,781,500	1.13%	700 Secaucus Road	35,548,900	1.40%
	<u>\$ 472,450,200</u>	<u>16.75%</u>		<u>\$ 702,388,900</u>	<u>27.70%</u>

Source: Municipal Tax Assessor

**SECAUCUS BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 32,293,717	\$ 32,293,717	100.00%	N/A
2012	32,502,943	32,502,943	100.00%	N/A
2013	33,180,707	33,180,707	100.00%	N/A
2014	34,107,422	34,107,422	100.00%	N/A
2015	34,626,077	34,626,075	99.99%	\$ 2
2016	35,689,653	35,689,653	100.00%	N/A
2017	36,401,377	36,401,377	100.00%	N/A
2018	37,194,115	37,194,115	100.00%	N/A
2019	36,915,403	36,915,403	100.00%	N/A
2020	37,602,443	37,602,443	100.00%	N/A

**SECAUCUS BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Total District	Population (1)	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases				
2011	\$ 8,534,000		\$ 2,914,438	\$ 670,818	\$ 12,119,256	16,693	\$ 726
2012	7,745,000		2,211,566		9,956,566	16,917	589
2013	6,675,000		2,153,763		8,828,763	18,000	490
2014	5,560,000		1,453,838	3,000,000	10,013,838	18,089	554
2015	31,810,000		688,492		32,498,492	18,154	1,790
2016	29,585,000		168,664		29,753,664	18,824	1,581
2017	27,305,000				27,305,000	19,558	1,396
2018	24,990,000				24,990,000	19,690	1,269
2019	23,595,000		476,975		24,071,975	20,626	1,167
2020	22,180,000		508,097		22,688,097	21,893	1,036

Source: District records

(1) Estimated

**SECAUCUS BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2011	\$ 8,534,000		\$ 8,534,000	0.34%	\$ 511
2012	7,745,000		7,745,000	0.31%	458
2013	6,675,000		6,675,000	0.26%	371
2014	5,560,000		5,560,000	0.22%	307
2015	31,810,000		31,810,000	1.20%	1,752
2016	29,585,000		29,585,000	1.12%	1,572
2017	27,305,000		27,305,000	0.99%	1,396
2018	24,990,000		24,990,000	0.90%	1,269
2019	23,595,000		23,595,000	0.84%	1,144
2020	22,180,000		22,180,000	0.79%	1,013

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**SECAUCUS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2019  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Secaucus Board of Education	\$ 22,180,000	\$ 22,180,000	
Town of Secaucus	<u>52,904,485</u>	<u>686,663</u>	<u>\$ 52,217,822</u>
	<u>\$ 75,084,485</u>	<u>\$ 22,866,663</u>	52,217,822
 Overlapping Debt Apportioned to the Municipality:			
Hudson County:			
County of Hudson (2)			<u>53,684,498</u>
 Total Direct and Overlapping Debt			<u>\$ 105,902,320</u>

Source:

- (1) 2019 Annual Debt Statement of the Town of Secaucus
- (2) Hudson County Treasurer's Office

**SECAUCUS BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2020**

Equalized Valuation Basis	
2019	\$ 5,514,301,027
2018	5,961,049,149
2017	4,838,517,703
	<u>\$ 16,313,867,879</u>
 Average Equalized Valuation Of Taxable Property	 <u>\$ 5,437,955,960</u>
 Debt Limit (4% of Average Equalization	 217,518,238
Total Net Debt Applicable to Limit	<u>22,180,000</u>
Legal Debt Margin	<u>\$ 195,338,238</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 220,139,675	\$ 215,153,842	\$ 200,286,295	\$ 193,011,901	\$ 186,236,835	\$ 179,928,993	\$ 177,785,822	\$ 184,473,973	\$ 205,510,487	\$ 217,518,238
Total Net Debt Applicable To Limit	<u>8,534,000</u>	<u>7,745,000</u>	<u>6,675,000</u>	<u>5,560,000</u>	<u>31,810,000</u>	<u>29,585,000</u>	<u>27,305,000</u>	<u>24,990,000</u>	<u>23,595,000</u>	<u>22,180,000</u>
Legal Debt Margin	<u>\$ 211,605,675</u>	<u>\$ 207,408,842</u>	<u>\$ 193,611,295</u>	<u>\$ 187,451,901</u>	<u>\$ 154,426,835</u>	<u>\$ 150,343,993</u>	<u>\$ 150,480,822</u>	<u>\$ 159,483,973</u>	<u>\$ 181,915,487</u>	<u>\$ 195,338,238</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.88%	3.60%	3.33%	2.88%	17.08%	16.44%	15.36%	13.55%	11.48%	10.20%

Source: Annual Debt Statements

**SECAUCUS BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (A)</u>	<u>School District Population (1)</u>
2011	N/A	\$ 46,273	16,693
2012	N/A	48,103	16,917
2013	N/A	49,075	18,000
2014	7.3	52,819	18,089
2015	4.6	56,450	18,154
2016	4.3	58,466	18,824
2017	3.8	62,461	19,558
2018	3.4	65,139	19,690
2019	2.8	N/A	20,626
2020	N/A	N/A	21,893

(A) Represents the County of Hudson

(1) Estimated

Source: State of New Jersey Dept. of Labor  
United States Bureau of Census



SECAUCUS BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

SECAUCUS BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	132	138	137	141	138	141	150	151	155	155
Special Education	29	37	37	37	39	37	41	42	47	47
Other Instruction	3	3	3	3	4	3	3	3	3	3
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	29	38	38	33	33	33	33	33	30	31
General Administration	6	7	7	9	8	8	6	6	6	6
School Administrative Services	10	12	13	16	16	16	16	16	18	18
Central Services	5	4	4	3	5	5	5	5	6	6
Administrative Information Technology	2	1	1	1	1	1	1			
Plant Operations And Maintenance	22	22	21	27	27	21	21	22	32	32
Pupil Transportation	30	30	30	30	30	30	30	30	30	32
Total	<u>268</u>	<u>292</u>	<u>291</u>	<u>300</u>	<u>301</u>	<u>295</u>	<u>306</u>	<u>308</u>	<u>327</u>	<u>330</u>

Source: District Personnel Records

SECAUCUS BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Pupil/Teacher Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	2,196	\$ 33,936,323	\$ 15,454	-3.93%	N/A	15:6	14:00	19:8	2,182	2,059	1.11%	94.36%
2012	2,165	32,780,508	15,141	-2.02%	N/A	10:5	22:2	19:8	2,148	2,041	-1.56%	95.02%
2013	2,185	35,356,260	16,181	6.87%	N/A	N/A	N/A	N/A	2,123	2,069	-1.16%	97.46%
2014	2,181	35,826,462	16,427	1.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,189	36,129,374	16,505	0.48%	N/A	N/A	N/A	N/A	2,181	2,076	N/A	95.19%
2016	2,114	37,184,373	17,590	6.57%	N/A	N/A	N/A	N/A	2,110	2,017	-3.26%	95.59%
2017	2,113	38,915,437	18,417	4.70%	N/A	N/A	N/A	N/A	2,109	2,012	-0.05%	95.40%
2018	2,197	40,357,388	18,369	-0.26%	N/A	N/A	N/A	N/A	2,171	2,076	2.94%	95.62%
2019	2,272	43,369,615	19,089	3.92%	N/A	N/A	N/A	N/A	2,272	2,257	4.65%	99.34%
2020	2,270	43,037,901	18,959	-0.68%	N/A	N/A	N/A	N/A	2,270	2,183	-0.09%	96.17%

Sources: District records

N/A - Not Available

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

**SECAUCUS BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Clarendon School										
Square Feet	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	705	619	650	641	579	448	448	456	479	472
Huber School										
Square Feet	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	583	637	648	640	694	600	593	622	655	660
 <b><u>High School / Middle School</u></b>										
Square Feet	159,070	159,070	159,070	159,070	159,070	159,070	213,695	213,695	213,695	213,695
Capacity (students)	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Enrollment	908	889	887	892	916	1,066	1,072	1,119	1,138	1,138

Number of Schools at June 30, 2020

Elementary = 2 Clarendon/Huber Street

Middle School / High School = 1

Other = 2 Pre K and Board Office

Source: District Records

**SECAUCUS BOARD OF EDUCATION  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

Undistributed Expenditures-Required  
 Required Maintenance For School Facilities  
 11-000-261-xxx

<u>School Facility</u>	<u>Project #</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Clarendon School	N/A	\$ 105,413	\$ 161,691	\$ 307,899	\$ 230,684	\$ 133,113	\$ 218,018	\$ 181,614	\$ 177,298	\$ 171,623	\$ 190,177
Huber School	N/A	87,425	239,581	170,010	129,114	74,504	122,026	101,651	95,312	92,261	102,235
High School / Middle School	N/A	<u>157,220</u>	<u>294,575</u>	<u>434,797</u>	<u>502,818</u>	<u>290,144</u>	<u>475,210</u>	<u>395,862</u>	<u>371,174</u>	<u>359,292</u>	<u>398,135</u>
Total School Facilities		350,058	695,847	912,706	862,616	497,761	815,254	679,127	643,784	623,176	690,547
Other Facilities	N/A	<u>9,714</u>	<u>22,224</u>	<u>21,632</u>	<u>9,495</u>	<u>5,479</u>	<u>8,974</u>	<u>7,476</u>	-	-	-
Grand Total		<u>\$ 359,772</u>	<u>\$ 718,071</u>	<u>\$ 934,338</u>	<u>\$ 872,111</u>	<u>\$ 503,240</u>	<u>\$ 824,228</u>	<u>\$ 686,603</u>	<u>\$ 643,784</u>	<u>\$ 623,176</u>	<u>\$ 690,547</u>

**SECAUCUS BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2020**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF)		
Property - Blanket Property	\$ 500,000,000	\$ 2,500 Per Claim
Comprehensive General Liability - Per Occurrence	5,000,000	
Flood - Per Member	25,000,000	1,000
Business Automobile - Per Occurrence	5,000,000	1,000
Boiler and Machinery	Included in Blanket Buildings and Contents	
Excess Liability	10,000,000	
Public Officials - Selective Insurance Co.		
Treasurer	300,000	
Board Secretary	250,000	
All Risk (subject to certain exclusions) including equipment breakdowns, demolition and increased cost of construction, EDP equipment, extra expenses and newly acquired equipment		
<b>Sub-Limits:</b>		
Newly Acquired Property	\$ 25,000,000	
Builder's Risk	25,000,000	
Demolition and Increased Cost of Construction	25,000,000	
Flood (Zone A or V)	25,000,000	
Flood (Other Zones)	10,000,000	
Earthquakes	25,000,000	
Boiler and Machinery	100,000,000	
Terrorism	100,000,000	
Unnamed Locations	25,000,000	
Accounts Receivable	2,500,000	
Fine Arts	2,500,000	
Trees/Shrubs/Plants (Unscheduled)	1,000,000	
Windstorm	200,000,000	
Blanket Dishonesty Bond (includes Faithful Performance Elected Officials); Per Loss	500,000	1,000
Computer Fraud: Per Loss	50,000	1,000
Forgery and Alteration: Per Loss	50,000	1,000
School Leaders Professional Liability - Each Claim	5,000,000	10,000
Workers' Compensation and Employers Liability:		
Workers Compensation	Statutory Limits	
Employers Liability	5,000,000	

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Secaucus Board of Education  
Secaucus, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Secaucus Board of Education's basic financial statements and have issued our report thereon dated January 25, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Secaucus Board of Education'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 Secaucus Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Secaucus Board of Education's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

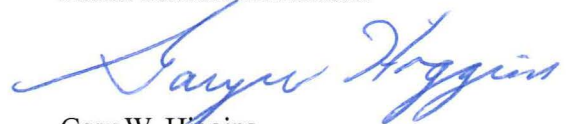
Additionally, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Secaucus Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 25, 2021.

### **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 Secaucus Board of Education’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 Secaucus Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 25, 2021



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Secaucus Board of Education  
Secaucus, New Jersey

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

We have audited the Secaucus Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Secaucus Board of Education's major federal and state programs for the fiscal year ended June 30, 2020. The Secaucus Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Secaucus Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Secaucus Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Secaucus Board of Education's compliance.

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

In our opinion, the Secaucus Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

**Report on Internal Control Over Compliance**

Management of the Secaucus Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Secaucus Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Secaucus Board of Education's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

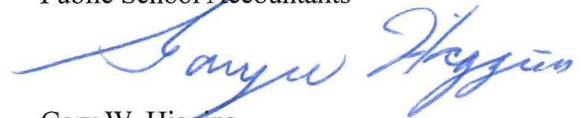
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 25, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 25, 2021

SECAUCUS BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	Grant Period	Award Amount	Balance, July 1, 2019	Unearned Revenue Carryover	Accounts Receivable Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Adjustments (A)	June 30, 2020			MEMO GAAP Receivable
													(Account Receivable)	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Agriculture</b>																
<b>Passed-Through State Department of Education</b>																
Enterprise Fund:																
National School Lunch Program	10.555		N/A													*
Cash Assistance		201NJ304N1099		07/01/19-6/30/20	\$ 249,725				\$ 237,423	\$ 249,725			\$ (12,302)			* \$ (12,302)
Cash Assistance		191NJ304N1099		07/01/18-6/30/19	298,356	\$ (56,821)			56,821							*
Non-Cash Assistance (Food Distribution)		201NJ304N1099		07/01/19-6/30/20	40,393				40,393	40,104			\$ 289			*
Non-Cash Assistance (Food Distribution)		191NJ304N1099		07/01/18-6/30/19	46,937	704				704						*
School Breakfast Program	10.553	201NJ304N1099	N/A	07/01/19-6/30/20	70,848				64,080	70,848			(6,768)			* (6,768)
School Breakfast Program	10.553	191NJ304N1099	N/A	07/01/18-6/30/19	76,278	(15,699)			15,699							* -
Child Nutrition Cluster						(71,816)			414,416	361,381			(19,070)	289		* (19,070)
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education</b>																
Special Revenue Fund:																
ESEA																
Title I	84.010	S010A190030	ESEA473020	07/01/19-9/30/20	404,960		\$ 251	\$ (229,895)	463,145	405,209			(171,710)	2		* (171,708)
Title I, Carryover	84.010	S010A180030	ESEA473019	07/01/18-6/30/19	433,750	(229,644)	(251)	229,895								*
Title II - Part A	84.367A	S367A190029	ESEA473020	07/01/19-9/30/20	51,254		58,324	(80,090)	25,660	64,245		\$ 14	(105,684)	45,347		* (60,337)
Title II - Part A, Carryover	84.367A	S367A180029	ESEA473019	07/01/18-6/30/19	71,691	(21,766)	(58,324)	80,090								*
Title III	84.365	S365A190030	ESEA473020	07/01/19-9/30/20	10,622		3,900	(15,606)	11,706	3,894			(14,522)	10,628		* (3,894)
Title III- Carryover	84.365	S365A180030	ESEA473019	07/01/18-6/30/19	13,216	(11,706)	(3,900)	15,606								*
Title III-Immigrant	84.365	S365A190030	ESEA473020	07/01/19-9/30/20	10,000		1,330	(14,234)	14,242	5,256		15	(9,992)	6,089		* (3,903)
Title III-Immigrant, Carryover	84.365	S365A180030	ESEA473019	07/01/18-6/30/19	10,062	(12,904)	(1,330)	14,234								*
Title IV	84.424	S424A190031	ESEA473020	07/01/19-9/30/20	24,222		10,571	(15,954)	5,382	27,716		19	(34,794)	7,096		* (27,698)
Title IV, Carryover	84.424	S424A180031	ESEA473019	07/01/18-6/30/19	24,408	(5,383)	(10,571)	15,954								*
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	325,577								(325,577)	325,577		* -
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	FT473020	07/01/19-9/30/20	445,893		177,509	(243,347)	524,395	504,408			(164,845)	118,994		* (45,851)
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	FT473019	07/01/18-6/30/19	422,912	(65,838)	(177,509)	243,347								*
I.D.E.A. Part B, Preschool	84.173	H173A190114	FT473020	07/01/19-9/30/20	4,906		27,153	(27,153)		4,350			(32,059)	27,709		* (4,350)
I.D.E.A. Part B, Preschool, Carryover	84.173	H173A180114	PS473019	07/01/18-6/30/19	13,848		(27,153)	27,153								*
Special Education Cluster (IDEA)										508,758						*
Total Special Revenue Fund						(347,241)			1,044,530	1,015,078		48	(859,183)	541,442		* (317,741)
<b>U.S. Department of Education</b>																
<b>Passed-Through State Department of Education</b>																
General Fund:																
Medicaid Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	07/01/19-6/30/20	36,647				36,647	36,647						* -
Total General Fund									36,647	36,647						* -
Total Federal Financial Awards						\$ (419,057)	\$ -	\$ -	\$ 1,495,593	\$ 1,413,106	\$ -	\$ 48	\$ (878,253)	\$ 541,731	\$ -	* \$ (336,811)

(A) Represents cancelled prior year encumbrances and accounts payable

**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2020			MEMO		
				(Accts. Rec.)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures	
<b>State Department of Education</b>															
<b>General Fund</b>															
Special Education Aid	20-495-034-5120-089	07/01/2019-6/30/2020	\$ 1,119,390												
Special Education Aid	19-495-034-5120-089	07/01/2018-6/30/2019	905,004	\$ (62,442)						\$ (93,567)				\$ 1,119,390	
Security Aid	20-495-034-5120-084	07/01/2019-6/30/2020	191,170				191,170				(15,980)			191,170	
Security Aid	19-495-034-5120-084	07/01/2018-6/30/2019	191,170	(13,190)			13,190								
Subtotal State Aid Public Cluster							1,310,560								
Transportation Aid	20-495-034-5120-014	07/01/2019-6/30/2020	546,399				500,727				(45,672)			546,399	
Transportation Aid	19-495-034-5120-014	07/01/2018-6/30/2019	546,399	(37,699)			37,699								
Non-Public Transportation Reimb.	20-495-034-5120-014	07/01/2019-6/30/2020	2,863					2,863			(2,863)		\$ (2,863)	2,863	
Non-Public Transportation Reimb.	19-495-034-5120-014	07/01/2018-6/30/2019	27,840	(27,840)			27,840								
Subtotal Transportation Aid Cluster							549,262								
Extraordinary Aid	20-495-034-5120-044	07/01/2019-6/30/2020	245,752					245,752			(245,752)			245,752	
Extraordinary Aid	19-495-034-5120-044	07/01/2018-6/30/2019	204,271	(204,271)			204,271								
T.P.A.F. NCGI	20-495-034-5094-004	07/01/2019-6/30/2020	59,492				59,492	59,492						59,492	
T.P.A.F. LTDI	20-495-034-5094-004	07/01/2019-6/30/2020	3,412				3,412	3,412						3,412	
T.P.A.F. Post Retirement Medical	20-495-034-5094-001	07/01/2019-6/30/2020	1,253,417				1,253,417	1,253,417						1,253,417	
T.P.A.F. Normal Cost & Accrued Liab	20-495-034-5094-002	07/01/2019-6/30/2020	3,319,158				3,319,158	3,319,158						3,319,158	
Reimbursed T.P.A.F. Social Security Aid	20-495-034-5094-003	07/01/2019-6/30/2020	1,248,217				1,186,806	1,248,217			(61,411)		(61,411)	1,248,217	
Reimbursed T.P.A.F. Social Security Aid	19-495-034-5094-003	07/01/2018-6/30/2019	1,222,037	(60,011)			60,011								
Total General Fund				(405,453)			7,929,478	7,989,270			(465,245)			(64,274)	7,989,270
<b>Debt Service Fund</b>															
School Construction Debt Service Aid	20-495-034-5120-075	07/01/2019-6/30/2020	640,416				640,416	640,416						640,416	
Total Debt Service Fund							640,416	640,416						640,416	
<b>State Department of Agriculture</b>															
<b>Enterprise Fund</b>															
National School Lunch (State Share)	20-100-010-3350-023	07/01/2019-6/30/2020	7,386				7,192	7,386			(194)		(194)	7,386	
National School Lunch (State Share)	19-100-010-3350-023	07/01/2018-6/30/2019	9,140	(1,822)			1,822								
Total Enterprise Fund				(1,822)			9,014	7,386			(194)			(194)	7,386
State Financial Assistance Subject to Single Audit Determination				\$ (407,275)	\$ -	\$ 8,578,908	\$ 8,637,072	\$ -	\$ -	\$ (465,439)	\$ -	\$ -	\$ (64,468)	\$ 8,637,072	
<b>State Financial Assistance Not Subject to Single Audit</b>															
<b>General Fund</b>															
T.P.A.F. NCGI	20-495-034-5094-004	07/01/2019-6/30/2020					(59,492)	(59,492)						(59,492)	
T.P.A.F. LTDI	20-495-034-5094-004	07/01/2019-6/30/2020					(3,412)	(3,412)						(3,412)	
T.P.A.F. Post Retirement Medical	20-495-034-5094-001	07/01/2019-6/30/2020					(1,253,417)	(1,253,417)						(1,253,417)	
T.P.A.F. Normal Cost & Accrued Liab	20-495-034-5094-002	07/01/2019-6/30/2020					(3,319,158)	(3,319,158)						(3,319,158)	
Total State Financial Assistance for Major Program Determination				\$ (407,275)	\$ -	\$ 3,943,429	\$ 4,001,593	\$ -	\$ -	\$ (465,439)	\$ -	\$ -	\$ (64,468)	\$ 4,001,593	

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**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Secaucus Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is 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 (U.S. 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 the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$83,369 for the general fund and an increase of \$3,566 for the special revenue fund. See the Notes 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. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 36,647	\$ 7,905,901	\$ 7,942,548
Special Revenue Fund	1,018,644		1,018,644
Debt Service Fund		640,416	640,416
Food Service Fund	<u>361,381</u>	<u>7,386</u>	<u>368,767</u>
Total Awards Financial Assistance	<u>\$ 1,416,672</u>	<u>\$ 8,553,703</u>	<u>\$ 9,970,375</u>

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,248,217 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$3,378,650, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,253,417 and TPAF Long-Term Disability Insurance in the amount of \$3,412 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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



**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified not considered to be material weakness(es)?   X   yes        none reported

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards Section**

Internal Control over major programs:

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

2) Significant deficiencies identified not considered to be material weakness(es)?        yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 .510(a) of U.S. Uniform Guidance?        yes   X   no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A190100</u>	<u>IDEA - Basic</u>
<u>84.173</u>	<u>H173A190114</u>	<u>IDEA - Preschool</u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>

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

Auditee qualified as low-risk auditee?   X   yes        no



**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2020-001:**

Our audit of the District's capital assets revealed the capital assets report provided for audit did not accurately reflect all current year additions.

**Criteria or specific requirement:**

Generally Accepted Accounting Principles.

**Condition:**

The District's capital assets report provided for audit did not accurately record all additions for the fiscal year ended June 30, 2020.

**Context:**

- Capital asset additions in the General Fund in the amount of \$411,141 per the District's accounting records were not added to the capital assets report.
- Encumbrances payable at June 30, 2020 in the amount of \$46,858 were added to the capital asset report in error.
- The prior year construction in progress balance of \$151,650 was not added to the capital assets report.
- Two (2) capital asset additions in the Food Service Enterprise Fund totaling \$7,019 were not recorded in the capital assets report.

**Effect:**

The District capital asset records may not agree with actual values of District owned assets.

**Cause:**

All capital assets acquired during the year were not identified and recorded in the District's capital assets accounting records.

**Recommendation:**

All current year additions be properly reflected in the District's capital assets report.

**View of Responsible Officials and Planned Corrective Action:**

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE.

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

**SECAUCUS BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.