

# Carteret Board of Education

*Annual Comprehensive Financial Report  
For the Year Ended  
June 30, 2022*



# **Carteret Board of Education**

## **Borough of Carteret, New Jersey**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2022

Prepared by

Business Office

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## Introductory Section

**CARTERET BOARD OF EDUCATION**  
599 ROOSEVELT AVENUE  
CARTERET, NEW JERSEY 07008-2199

**Carmela Collazo**  
Business Administrator/Board Secretary



**Tel: (732) 541-8960**  
**Fax: (732) 541-2106**

March 21, 2023

Honorable President and  
Members of the Carteret Board of Education  
599 Roosevelt Ave.  
Carteret, NJ 07008

Dear President and Members of the Board of Education:

State Department of Education statutes require all school districts to prepare a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America 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 Annual Comprehensive Financial Report (ACFR) of the Carteret Board of Education for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the Carteret 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, the Carteret Board of Education has established a comprehensive internal control framework that are designed both to protect the school district's assets from loss, theft, or misuses and to compile sufficient reliable information for the preparation of the Carteret Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Carteret Board of Education's comprehensive framework of internal controls are 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.

PKF O'Connor Davies, LLP, a firm of licensed certified public accountants, have audited the Carteret Board of Education's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Carteret Board of Education for the fiscal year ended June 30, 2022, 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 Carteret Board of Education's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Carteret Board of Education was part of a broader, federally 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 controls 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 Carteret Board of Education's ACFR.

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 the MD&A and should be read in conjunction with it. The Carteret Board of Education's MD&A can be found immediately following the report of the independent auditors.

## **REPORT FORMAT**

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The purpose of each section of the ACFR is as follows:

- **Introductory Section** – This section includes this transmittal letter, the District's organization chart and a list of principal officials. This section is intended to familiarize the reader with the organizational structure of the District, the nature and scope of the services it provides, and the specifics of its legal operating environment. It is primarily designed for the taxpayer.
- **Financial Section** – This includes the independent auditors' report, the Management's Discussion and Analysis (MD&A), basic financial statements, supplemental information, and the combining and individual fund schedules. It is primarily designed for oversight and legislative bodies.

Generally Accepted Accounting Principles in the United States of America 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). The MD&A of the Carteret Public Schools can be found immediately following the report of the independent auditor.

- **Statistical Section** – This section includes selected financial and demographic information, generally presented on a multi-year basis. This section is intended to provide ACFR users with a broader and complete understanding of the school district and its financial affairs than are possible from the financial statements and supporting schedules included in the Financial Section. It is primarily designed for investors and creditors (similar to information contained in an Official Statement).
- **Single Audit Section** – The District is required to undergo an annual single audit in conformity with the provisions Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.



Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit Section of this report.

This section includes independent auditors' reports on compliance and internal control, schedules of expenditures of federal awards and state financial assistance, notes to the schedules of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and a summary schedule of prior year audit findings. Uniform Guidance and New Jersey OMB Circular 15-08 require this information.

## **REPORTING ENTITY AND ITS SERVICES**

The Carteret Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Board of Education and all its schools constitute the District's reporting entity.

### **Organization of the Board of Education**

The Board of Education is a Type II school district whose boundaries are coterminous with the Borough of Carteret in Middlesex County, New Jersey.

The Board of Education has nine (9) members that are elected for three (3) year overlapping terms. The members of the Board are residents of the Borough of Carteret and vote on all matters before the Board of Education.

On January 25, 2012, the Board of Education adopted a resolution to move the annual school election for school board members to November during the regular general election pursuant to Public Law 2011, Chapter 202. In the first week of January, following the annual school election the Board of Education will be organized. The above legislation provides that if a board of education's annual school election is moved to November, voter approval shall not be required for the board of education's base budget, which is a budget with a proposed tax levy that does not exceed its tax levy cap. This decision shall remain in effect for a minimum of four years pursuant to Section 1 of the said Public Law.

The Board holds a Regular Meeting once a month, with certain exceptions. These meetings dates are adopted at the Annual Reorganization Meeting.

The general mandatory powers and duties of the Board of Education are:

1. To adopt an official seal;
2. To enforce the rules of the State Board of Education
3. To make, amend and repeal rules, not inconsistent with applicable laws or with the rules of the State Board, for its own governance and the transaction of its business and for the governance and management of the public schools and public school property, and for the employment, regulations of conduct and discharge of its employees, subject where applicable to the provisions of Article 14, Civil Services of the Revised Statutes.
4. To perform all acts and do all things consistent with law and the rules of the State Board of Education necessary for the lawful and proper conduct, equipment and maintenance of the public schools.

The Board of Education provides a full range of educational services appropriate to grade levels Pre-K through 12 for residents of the Borough of Carteret. These include regular, vocational, as well as special

education for handicapped youngsters. The District also provides programs for the children requiring academic remediation and for children with limited English language proficiency.

## **ECONOMIC CONDITIONS AND OUTLOOK**

The financial condition of the District is linked to the status of the taxable ratables of the Borough of Carteret. The tax base is relatively stable. Elected municipal officials and the members of the Board of Education have both expressed strong concern for increased economic vitality within the Borough of Carteret, and development of budgets that reflect stability with preferably no increase in the local tax levy. The high tax burden and the need to attract tax ratables remain a challenge to the local elected officials.

The Mayor of the Borough of Carteret, together with Borough Council, is exploring the creation of an economic development authority that would be charged with stimulating growth and encouraging investment. Carteret currently has eighty businesses participating in the New Jersey Urban Enterprise Zone Program. The Mayor has proposed to develop the Borough's waterfront, which would increase the ratables by approximately one billion dollars. The Borough of Carteret has constructed a wellness center, which is managed by Robert Wood Johnson Hospital. An investment in the community is required to improve the quality of life for the citizenry. Quality of life factors include an improved life style, recreation, employment opportunities, commercial and industrial growth, and well-planned full municipal services to address the needs of its constituency.

The Borough of Carteret has approved and has commenced work on various developments to revitalize the local economy. The following future economic developments projects are planned:

- Ferry Service to NYC

Strengths of Carteret include a diverse population, abundant and eager workforce, and an accessible highway system. Carteret can serve as a spur to surrounding hub municipalities like Woodbridge, Elizabeth, Edison, and airport and seaport access within five (5) miles. A key factor involves the restoration of usable land for development.

The Borough of Carteret is designated an Urban Enterprise Zone that carries a reduced New Jersey sales tax rate as an incentive to economic growth. The New Jersey sales tax in an Urban Enterprise zone was and remains three and a half (3.5%) percent, as compared with a seven (7%) percent sales tax in other areas of the State.

The low tax base and the high local tax rate in the Borough of Carteret classifies the school district as a "B" district in the New Jersey Department of Education's district factor groupings (DFG). In 1980, the school district was given the ranking of "C." In 1990, the school ranking was given the ranking of "B." The School District Factor Grouping (DFG) is a system of ranking schools by socio-economic status. The DFG group designations are based on information from census data and include the following community data:

- \* Income;
- \* Poverty;
- \* Unemployment;
- \* Percent with no high school diploma;
- \* Percent with some college;
- \* Occupations; and
- \* Population density;

There are eight DFG groupings: A designates the lowest socio-economic level and includes B, CD, DE, FG, GH, J. and I The DFG groupings are valuable for comparison of districts with similar profiles for purposes of state aid and assessment information.

## **MAJOR INITIATIVES**

During the FY2022, the Carteret Board of Education has implemented the following to enhance the instructional programs and improvements to infrastructure:

### **Facilities**

The district is in the process of constructing a new Jr. High School for the 7<sup>th</sup> and 8<sup>th</sup> grades, which is scheduled to open in Fall 2023. As part of the Referendum project, renovations to the existing facilities are underway, including renovations to bathrooms, stairwells, HVAC systems and the High School auditorium.

Additionally, plans are underway to relocate the main entrance of Columbus School to Carteret Avenue and upgrade HVAC systems and ceilings in the Columbus gymnasium and High School gymnasium.

### **Meaningful and targeted professional development:**

- Mental Health & Wellness programs and strategies to support staff and students
- Social Emotional Learning training
- Coaching on best practices for the Reader's and Writer's Workshop classroom grades 1-8
- SIOP training-2 cohorts -24 staff
- ESL related professional development
- Understanding Biliteracy and ELL Learners
- STOP the Bleed training for staff and students
- Ready Math PD sessions
- Rutgers Math PD sessions (Productive Struggle)
- Co Teaching Training and Coaching at the HS

### **Partnerships with Colleges, Universities and trade schools:**

- College and Career opportunities / Dual enrollment programs - Kean Scholars
- Rutgers, Kean, Middlesex County College, Lincoln Tech

### **Curricular support and resources:**

- Classroom Libraries that reflect equity and diversity for grades 5-6
- Ellevations- Digital platform to assist in tracking ELL student programs, performance, services and general information
- Edario scheduling platform to assist with program offerings and placements
- Curriculum revisions to ensure alignment with revised DOE standards
- Combining RTI and IR&S and developing a Multi-Tiered System of Supports for Academics
- Documented Interventions through RTI Direct
- Preschool Disabled Program Expansion
- Autism Program Expansion

- Purchase of Istation, Taller and Literably in Spanish- These resources provide assessment, instructional tools and additional resources in Spanish Language Arts

### **Security Measures**

- Swipe Access Door Locks at CHS and CJHS
- Bleed Kits in every classroom

### **FINANCIAL ACCOUNTING AND REPORTING:**

The Carteret Board of Education continues to utilize the Systems 3000 software for financial accounting, payroll, and personnel since July 1, 2005. Beginning in Fiscal Year 2015, the parents were able to input the lunch applications on-line. The district has implemented point of sales (POS) system for the food service. Since the implementation of the POS System, the district has realized an increase in revenue. All maintenance and technology work orders are processed utilizing the School Dude software for Maintenance and Technology work-order system The Special Education Department utilizes IEP Direct special needs students' data base software. The Student Database software provider was changed from PowerSchool to Realtime.

### **INTERNAL ACCOUNTING CONTROLS:**

Management 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) in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of controls should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The District receives federal and state financial assistance, and 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 periodic evaluation by the management of the school district. The District has established policies and procedures to effectively implement and maintain an internal accounting control structure that safeguards the District's financial integrity. These policies and procedures are evaluated and revised on an on-going basis.

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

### **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, the Special Revenue, and the Debt Service Funds. 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 either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2022.

The New Jersey Department of Education has prescribed forms and formats for the presentation of the annual school budget. The Board of Education adheres to Department of Education requirements for budget development, presentation, and adoption.

### **PROPRIETARY FUND**

The Food Service Fund accounts for the operation of food service in all schools within the school district. The Enrichment Academy Fund accounts for the Before and After School program offered to the students of Carteret Public Schools.

### **DEBT ADMINISTRATION**

The Carteret Public Schools is authorized to issue debt based on the action of voters at authorized elections where a referendum is approved. Once the voters approve the referendum, the district is authorized to issue debt, with the payment of principal and interest becoming a part of the annual budget. The School Funding Reform Act of 2008 (SFRA) provides state aid to assist in the support of the district's debt obligation.

In prior fiscal years, the District completed capital construction programs financed through certificates of participation. The balance of the certificate of participation is \$4,295,000 as of June 30, 2022.

During the FY2020, the District issued \$36,999,995 of serial bonds to construct a new junior high school for grades 7 and 8; make all necessary onsite improvements and purchase the necessary equipment, furniture, apparatus and fixtures associated with the new junior high school; and undertake various interior renovations and capital improvements to Columbus Elementary School, Minue Elementary School, Nathan Hale Elementary School, Carteret Middle School and Carteret High School consisting of, as applicable, renovations to bathrooms, stair towers/handrails and the high school auditorium, and replacement of HVAC in the gym/auditorium at Minue Elementary School and Carteret Middle School, including all fixtures, furnishings, equipment and related work. The balance of the serial bonds payable is \$36,095,000 as of June 30, 2022.

### **CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statute as detailed in "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 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

### **RISK MANAGEMENT**

The Board of Education utilizes an insurance consultant to assist in the review and evaluation of its third party commercial insurances. 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. The statistical section of the ACFR includes a schedule that outlines the types and amounts of coverage.

**OTHER INFORMATION**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of PKF O’Connor Davies, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U. S. Uniform Guidance and State Treasury Circular OMB 15-08. The auditors’ report on the basic financial statements and combining an individual fund statements and schedules is included in the financial section of this report. The auditors’ reports related specifically to the single audit are included in the single audit section of this report.

**ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Carteret School Board for their concern in providing fiscal accountability to the citizens and taxpayers of Carteret and thereby contributing their full support to the development and maintenance of our financial operation. We also acknowledge the efforts of the Business Office staff without which this report could not have been completed.

Respectfully Submitted,

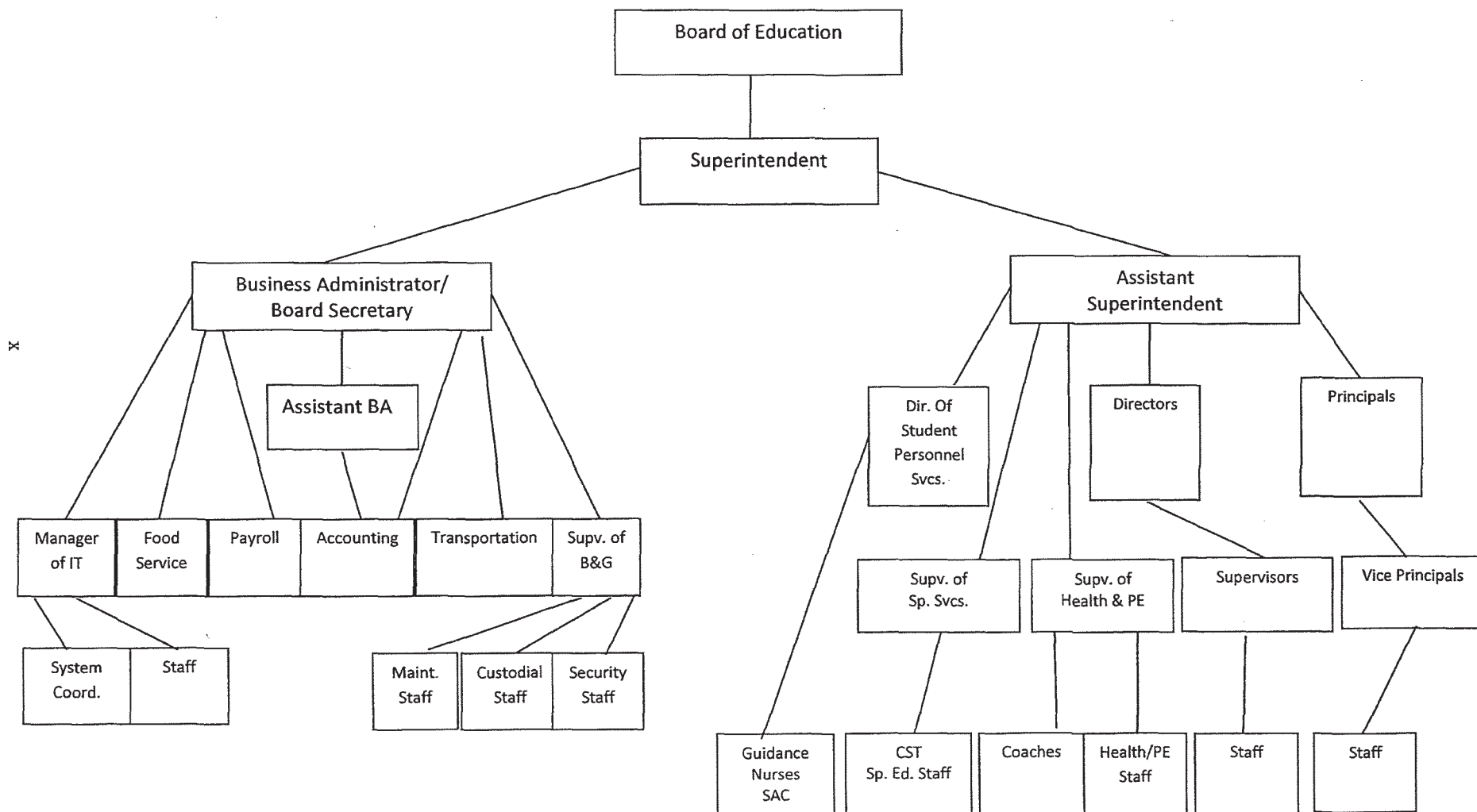


Rosa Diaz  
Superintendent of Schools



Carmela Collazo  
Business Administrator/Board Secretary

# CARTERET PUBLIC SCHOOLS TABLE OF ORGANIZATION



**CARTERET BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
AS OF JUNE 30, 2022**

Members of the Board of Education

Term Expires  
December 31,

Martin Murray, President	2023
James P. Hart III, Vice President	2023
Dennis Cherepski	2023
Patricia Golino	2025
Taqualla Lowman	2025
Jean Bellino	2024
Jasbir Judge	2024
Joseph Gasparro	2024
Tina Vallejos	2023

Other Officials

Rosa Diaz, Superintendent of Schools

Carmela Collazo, Business Administrator/Board Secretary



**CARTERET BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS  
AS OF JUNE 30, 2022**

**AUDITORS**

PKF O'CONNOR DAVIES, LLP  
300 TICE BOULEVARD, SUITE 315  
WOODCLIFF LAKE, NEW JERSEY 07677

**ATTORNEYS**

DECOTIIS, FITZPATRICK & COLE LLP  
GLENPOINTE CENTRE WEST  
500 FRANK W. BURR BOULEVARD, SUITE 31  
TEANECK, NJ 07666

**OFFICIAL DEPOSITORIES**

INVESTORS BANK  
101 WOOD AVENUE SOUTH  
ISELIN, NJ 08830

UNITED ROOSEVELT SAVINGS BANK  
11-15 COOKE AVENUE  
CARTERET, NJ 07008

## Financial Section

## Independent Auditors' Report

Honorable President and Members  
of the Board of Trustees  
Carteret Board of Education  
Carteret, New Jersey  
County of Middlesex

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Carteret Board of Education (the "Board of Education"), as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Board of Education as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2022. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023 on our consideration of the 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 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 Board of Education's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
March 21, 2023



Gary W. Higgins, CPA  
Licensed Public School Accountant, No. CS00814

Required Supplementary Information – Part I

Management's Discussion and Analysis

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022**

This section of Carteret Board of Education annual financial report presents our discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2021-2022 fiscal years include the following:

- The General Fund fund balance on a GAAP basis at June 30, 2022 was \$10,961,259 which represents an increase of \$4,464,283 when compared with the beginning balance at July 1, 2021.
- The General Fund budgetary fund balance at June 30, 2022 was \$14,745,157 which represents an increase of \$4,182,293 when compared to the ending budgetary fund balance of \$10,562,864 at June 30, 2021. The difference in GAAP basis fund balance to budgetary fund balance is \$3,783,898, which represents the delay of the final 2021-2022 State aid payments, which were not realized as revenue in the GAAP basis financial statements.
- The General Fund unassigned (unreserved, undesignated) budgetary fund balance was \$3,095,996 at June 30, 2022. This represents an increase of \$583,857 when compared to the balance of \$2,512,139 as of June 30, 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

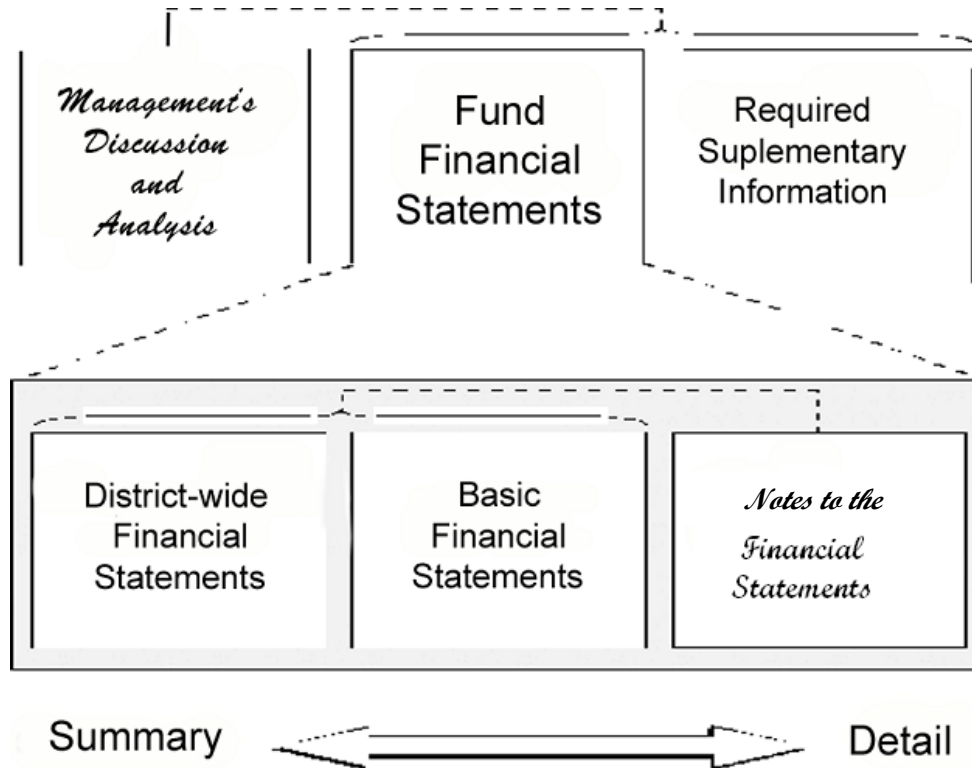
The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements including the notes to the financial statements. The basic financial statements include two kinds of statements that present different views of the Carteret Board of Education.



Carteret Board of Education  
Carteret, New Jersey

Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022

Figure A-1. Required Components of the Board's Annual Financial Report



- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Carteret Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Carteret Board of Education, reporting the Carteret Board of Education's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the Carteret Board of Education operates like businesses.

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

The basic financial statements include the notes that explain some of the information in the statements and provide data that are more detailed. Figure A-2 summarizes the major features of the Carteret Board of Education's financial statements, including the portion of the Carteret Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2</b>			
	District-wide Statements	<u>Fund Financial Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, food service, and enrichment academy	Activities the district operates similar to private businesses: Food service fund; Enrichment Academy
Required financial statements	Statements of net position  Statement of activities	Balance sheet  Statement of revenues expenditures and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in fund net position  Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, liabilities, deferred inflows/ outflows of resources, and both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**District-wide Statements**

The district-wide statements report information about the Carteret Board of Education as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Carteret Board of Education's net position and how they have changed. Net position – the difference between the district's assets and deferred outflows of resources versus liabilities and deferred inflows of resources – are one way to measure the Board's financial health or position.

- Over time, increase or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of school building and other facilities.

In the district-wide financial statements, the district's activities are shown in two categories:

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and plant operations. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The Board charges fees to customers to help it cover the costs of certain services it provides. The Board's Food Service Fund and Enrichment Academy Fund are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds – focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**Fund Financial Statements (Continued)**

The district has two types of funds:

- *Governmental funds*- Most of the Board's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the Board charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide business-type statements.

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE**

**Net Position.** The District's net position for governmental and business type activities were \$12,464,095 and \$4,483,204 on June 30, 2022 and 2021, respectively. (See Table A-1).

**Table A-1  
Statement of Net Position  
As of June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current and Other Assets	\$ 27,236,524	\$ 36,088,979
Capital Assets	44,330,857	29,509,698
<b>Total Assets</b>	<b>71,567,381</b>	<b>65,598,677</b>
Deferred Outflows of Resources	876,398	896,871
<b>Total Deferred Outflows of Resources</b>	<b>876,398</b>	<b>896,871</b>
<b>Liabilities</b>		
Non-Current Liabilities	51,897,769	55,389,944
Other Liabilities	3,385,369	1,986,869
<b>Total Liabilities</b>	<b>55,283,138</b>	<b>57,376,813</b>
Deferred Inflows of Resources	4,696,546	4,635,531
<b>Total Deferred Inflows of Resources</b>	<b>4,696,546</b>	<b>4,635,531</b>
Net Position:		
Net Investment in Capital Assets	15,178,310	14,006,386
Restricted	17,747,196	3,773,513
Unrestricted	(20,461,411)	(13,296,695)
<b>Total Net Position</b>	<b>\$ 12,464,095</b>	<b>\$ 4,483,204</b>

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE  
(Continued)**

Net position from current year operations for the fiscal year ended June 30, 2022 increased \$7,980,891.

The District's financial position is the product of these factors:

- Program revenues for Governmental Activities were \$28,725,089 for operating grants and contributions.
- Program revenues for business – type activities
  - ✓ Charges for services \$461,225.
  - ✓ Operating grants and contributions \$2,952,451.
- Combined general revenues for Governmental activities and Business-Type activities during the 2021-2022 school year were \$63,261,934.
- Expenditures were \$84,963,215 for Governmental activities and \$2,456,593 for business type activities.
- On the Statement of Activities, general revenues and beginning net position are adjusted by expenses net of program revenues to arrive at net position of \$12,464,095 at June 30, 2022.

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE  
(Continued)**

**Table A-2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Program revenues		
Charges for Services	\$ 795,456	\$ 235,283
Operating Grants and Contributions	31,343,309	33,497,529
General revenues		
Property Taxes	29,851,360	29,262,277
Federal and State Aid	33,256,278	27,939,447
Other	154,296	200,621
<b>Total Revenues</b>	<b><u>95,400,699</u></b>	<b><u>91,135,157</u></b>
<b>Expenses</b>		
Instruction		
Regular	36,938,917	40,488,877
Special Education	10,370,488	13,410,986
Other Instruction	3,731,982	3,802,158
School Sponsored Activities and Athletic Support Services	745,657	382,317
Support Services		
Student and Instruction Related Services	15,010,565	9,915,466
General Administration Services	1,715,148	1,416,925
School Administration Services	3,651,110	4,103,085
Plant Operations and Maintenance	6,072,987	6,028,833
Pupil Transportation	4,202,642	2,859,554
Central Services	1,392,128	1,536,247
Interest on Long-Term Debt	1,131,591	1,163,737
Food Service	2,276,634	1,237,519
Enrichment Academy	179,959	53,472
<b>Total Expenses</b>	<b><u>87,419,808</u></b>	<b><u>86,399,176</u></b>
<b>Change in Net Position</b>	7,980,891	4,735,981
<b>Net Position, Beginning of Year</b>	4,483,204	(252,777)
<b>Net Position, End of Year</b>	<b><u>\$12,464,095</u></b>	<b><u>\$ 4,483,204</u></b>

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE  
(Continued)**

**Changes in Net Position.** The district's total revenues were \$95,400,699 and \$91,135,157 in 2022 and 2021, respectively. Property taxes of \$29,851,360 and \$29,262,277 represented 31% and 32% of revenues for the years ended June 30, 2022 and 2021, respectively. The District's state and federal aid of \$64,599,587 and \$61,436,976 represented 68% and 67% of revenues for the years ended June 30, 2022 and 2021, respectively. Charges for services of \$461,225 and \$235,283 in 2022 and 2021, respectively, relate to the District's business type activities and represent approximately 0.5% and .3% of revenues for the years ended June 30, 2022 and 2021, respectively.

The smallest component of revenues is "Other Revenue." The largest source of "Other Revenue" is miscellaneous and interest income, with \$154,296 and \$200,621 earned in the fiscal years ended June 30, 2022 and 2021, respectively.

The Board's expenses for governmental activities are predominantly related to instruction and support services. Instruction totaled \$51,787,044 and \$58,084,338 which represented 61% and 68% of total governmental expenditures for the years ended June 30, 2022 and 2021, respectively. Student support services, exclusive of administration, totaled \$15,010,565 and \$9,915,466 (18% and 12%) of total expenditures for the years ended June 30, 2022 and 2021, respectively.

**Table A-3  
Total and Net Cost of Services of Governmental Activities  
For the Fiscal Years Ended June 30, 2022 and 2021**

<u>Functions/Programs</u>	<u>Source Exhibit</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Governmental Activities</b>					
Instruction					
Regular	A-2	36,938,917	40,488,877	(25,991,568)	(24,862,561)
Special Education	A-2	10,370,488	13,410,986	(2,619,120)	(5,773,839)
Other Instruction	A-2	3,731,982	3,802,158	(2,888,897)	(2,621,066)
School Sponsored Activities and Athletics	A-2	745,657	382,317	(580,442)	(200,507)
<b>Support Services</b>					
Student and Instruction Related Services	A-2	15,010,565	9,915,466	(10,198,494)	(6,845,988)
General Administration Services	A-2	1,715,148	1,416,925	(1,483,987)	(1,151,700)
School Administration Services	A-2	3,651,110	4,103,085	(2,862,576)	(2,819,013)
Plant Operations and Maintenance	A-2	6,072,987	6,028,833	(1,062,477)	(4,185,336)
Pupil Transportation	A-2	4,202,642	2,859,554	(4,110,877)	(2,299,937)
Central Services	A-2	1,392,128	1,536,247	(3,668,051)	(1,097,471)
Interest on Long-Term Debt	A-2	1,131,591	1,163,737	(771,637)	(1,044,105)
<b>Total Governmental Activities</b>		<b>\$ 84,963,215</b>	<b>\$ 85,108,185</b>	<b>\$ (56,238,126)</b>	<b>\$ (52,901,523)</b>

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the Carteret Board of Education is reflected in its governmental funds as well. The district completed the fiscal years ended June 30, 2022 and 2021 with its governmental funds reporting combined fund balance (GAAP Basis) of \$22,688,343 and \$33,239,721 as of June 30, 2022 and 2021, respectively. The reduction of \$10,551,378 is the net result of an excess in operations in the General Fund net of the expenditure of referendum proceeds in the Capital Projects Fund.

Revenues and other financing sources for the district's governmental funds were \$94,188,314 and \$81,742,048 for the fiscal years ended June 30, 2022 and 2021, respectively. Total expenditures were \$104,739,692 and \$85,445,441 for the fiscal years ended June 30, 2022 and 2021, respectively.

**GENERAL FUND**

The General Fund includes the primary operations of the district in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues and transfers for the fiscal years ended June 30, 2022 and 2021.

**Table A-4  
Summary of General Fund Revenues and Transfers  
For the Fiscal Years Ended June 30, 2022 and 2021**

<b>General Fund Revenues and Transfers</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Local Sources:</b>		
Local Tax Levy	\$ 27,988,313	\$ 27,711,201
Interest Income - Capital Projects Fund	16,806	87,045
Miscellaneous	108,935	113,296
Total Local Sources	<u>28,114,054</u>	<u>27,911,542</u>
<b>Intergovernmental</b>		
State Sources	55,667,928	45,945,622
Federal Sources	110,994	153,667
Total Intergovernmental Sources	<u>55,778,922</u>	<u>46,099,289</u>
<b>Transfers</b>		
Transfer in - Capital Projects Fund	28,169	87,045
Total Transfers	<u>28,169</u>	<u>87,045</u>
<b>Total Revenues and Transfers</b>	<b><u>\$ 83,921,145</u></b>	<b><u>\$ 74,097,876</u></b>



**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**GENERAL FUND (continued)**

Property taxes and state formula aid accounted for 99 percent of total revenues for both the 2022 and 2021 fiscal years. Interest income and miscellaneous revenues accounted for less than 1 percent of total revenues.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2022 and 2021.

**Table A-5  
Summary of General Fund Expenditures  
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Current</b>		
Regular Instruction	\$ 35,261,181	\$ 31,794,634
Special Education Instruction	9,797,425	11,277,559
Other Special Instruction	3,913,245	3,331,882
School Sponsored Activities and Athletics	778,884	244,151
<b>Support Services and Undistributed Costs:</b>		
Student and Instruction Related Services	12,050,423	8,254,903
School Administration Services	3,841,070	3,595,882
General Administration Services	1,754,263	1,315,559
Plant Operations and Maintenance	6,224,619	5,100,573
Pupil Transportation	4,164,199	2,849,394
Central Services	1,459,476	1,364,329
Capital Outlay	212,077	399,749
<b>Total Expenditures</b>	<b><u>\$ 79,456,862</u></b>	<b><u>\$ 69,528,615</u></b>

**General Fund Budgetary Highlights**

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

Over the course of both years, the Board revised the annual operating budgets several times. These budget amendments were related to:

- ✓ Reserved for Encumbrance— The roll over of prior year assigned for encumbrances increased the district-operating budget.

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**GENERAL FUND (continued)**

Actual expenditures (exclusive of on-behalf expenditures) were \$63,550,738 and \$57,132,050 the years ended June 30, 2022 and 2021, respectively. Revenues (exclusive of on-behalf revenues) and other financing sources were \$67,704,862 and \$61,614,266 for the fiscal years ended June 30, 2022 and 2021, respectively.

**DEBT ADMINISTRATION**

The amount of debt service expenditures were \$2,517,508 and \$1,486,128 for the fiscal years ended June 30, 2022 and 2021, respectively. Revenues include \$1,863,047 and \$1,551,076 from the property tax levies and miscellaneous revenue, and \$654,461 and \$217,512 coming from state aid for the fiscal years ended June 30, 2022 and 2021, respectively. Overall debt service increased as a result of the first installment paid on the 2020 bonds.

**BUSINESS-TYPE ENTERPRISE FUNDS**

The District's total business-type activities revenues were \$3,414,062 and \$1,526,430 for the years ended June 30, 2022 and 2021, respectively. Charges for services accounted for 14% and 9% of total revenue for the 2022 and 2021 years. Operating grants and contributions of \$2,952,451 and \$1,393,591 accounted for 86% and 91% of total revenue, for the fiscal years ended June 30, 2022 and 2021, respectively.

The total cost of all business-type activities programs and services was \$2,456,593 and \$1,290,991 for the fiscal years ended June 30, 2022 and 2021, respectively. The District's expenses are related to food service programs provided to all students and faculty and the operation of the program for enrichment academy for before and after school activities.

Total business-type activities revenues exceeded expenses during the year ended June 30, 2022 increasing net position by \$957,469 over the prior year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets – Governmental Activities**

As of June 30, 2022 and 2021, the district had invested \$67,337,575 and \$51,529,323, respectively, in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. (See Table A-6) More detailed information about capital assets can be found in Note 4 of the basic financial statements. Total depreciation expense for the fiscal years ended June 30, 2022 and 2021 was \$958,483 and \$953,939, respectively.

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Table A-6  
Capital Assets - Governmental Activities  
as of June 30, 2022 and 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Land	\$ 384,459	\$ 384,459
Land Improvements	393,249	393,249
Buildings and Building Improvements	38,638,776	37,424,380
Construction in Progress	25,098,741	10,739,606
Machinery and Equipment	2,822,350	2,587,629
<b>Total</b>	<b>67,337,575</b>	<b>51,529,323</b>
Less: Accumulated Depreciation	23,344,646	22,386,163
<b>Total</b>	<b>\$ 43,992,929</b>	<b>\$ 29,143,160</b>

**Capital Assets – Business-type Activities**

The District as of June 30, 2022 and 2021 had \$1,086,324 and \$1,065,865 invested in building improvements and machinery and equipment for its Food Service Fund. Depreciation was \$49,069 and \$35,804 for the fiscal years ended June 30, 2022 and 2021, respectively.

**Table A-7  
Capital Assets - Business-Type Activities  
as of June 30, 2022 and 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
Building Improvements	\$ 10,269	\$ 10,269
Machinery and Equipment	1,076,055	1,055,596
	1,086,324	1,065,865
Less: Accumulated Depreciation	748,396	699,327
<b>Total Net</b>	<b>\$ 337,928</b>	<b>\$ 366,538</b>

**Long-term Liabilities**

At year-end, the District had \$36,095,000 and \$36,999,995 at June 30, 2022 and 2021, respectively, in general obligation bonds, respectively. The bonds were comprised of one issuance which was the 2020 school bonds at June 30, 2022 and 2021.

In addition, the District had \$4,295,000 and \$4,775,000 at June 30, 2022 and 2021, respectively, in certificates of participation for various school improvements. These agreements were funded by the issuance of certificates of participation ("COPS") which have been refunded as discussed in Note 4 to the basic financial statements.

**Carteret Board of Education  
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

The District also had \$4,869,219 and \$4,504,373 at June 30, 2022 and 2021, respectively, as a liability for compensated absences. This liability represents the district's contractual obligation to compensate employees for accumulated unused sick leave and severance pay upon retirement.

The District had \$6,638,550 and \$9,112,984 at June 30, 2022 and 2021, respectively, in net pension liability regarding the Public Employees' Retirement System. The District is not liable to fund this liability.

More detailed information about the district's long-term liabilities is presented in Note 4 to the basic financial statements.

**Table A-8  
Long Term Debt Liabilities  
as of June 30, 2022 and 2021**

<b>Governmental Activities</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Bonds Payable	\$ 36,095,000	\$ 36,999,995
Certificates of Participation	4,295,000	4,775,000
Net Pension Liability	6,638,550	9,112,984
Compensated Absences	4,869,219	4,504,373
<b>Total</b>	<b><u>\$ 51,897,769</u></b>	<b><u>\$ 55,392,352</u></b>

**FOR THE FUTURE**

The Carteret Board of Education is in sound financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District and the increased reliance on property taxes.

In conclusion, the District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenge of the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Carteret Board of Education, 599 Roosevelt Avenue, Carteret, New Jersey 07008.

Contact:

Carmela Collazo, School Business Administrator/Board Secretary  
Telephone: 732-541-8960 ext. 6005  
Fax: 732-541-2106  
Email: [ccollazo@carteretschools.org](mailto:ccollazo@carteretschools.org)

## Basic Financial Statements

## Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2022.

## Carteret Board of Education

## Statement of Net Position

June 30, 2022

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 20,378,474	\$ 1,852,232	\$ 22,230,706
Accounts receivable	4,714,563	239,929	4,954,492
Internal balances	(188,966)	188,966	-
Inventories		51,326	51,326
Capital assets - non-depreciable	25,483,200		25,483,200
Capital assets - depreciable, net	18,509,729	337,928	18,847,657
Total assets	<u>68,897,000</u>	<u>2,670,381</u>	<u>71,567,381</u>
<b>Deferred Outflows of Resources</b>			
Pension deferrals	876,398		876,398
Total assets and deferred outflows of resources	<u>69,773,398</u>	<u>2,670,381</u>	<u>72,443,779</u>
<b>Liabilities</b>			
Accounts payable	1,574,638	89	1,574,727
Payable to other governments	285,065		285,065
Payroll deductions and withholdings payable	399,372		399,372
Unearned revenue	638,421	22,828	661,249
Accrued interest payable	464,956		464,956
Net pension liability	6,638,550		6,638,550
Current portion of long-term obligations	1,881,912		1,881,912
Noncurrent portion of long-term obligations	43,377,307		43,377,307
Total liabilities	<u>55,260,221</u>	<u>22,917</u>	<u>55,283,138</u>
<b>Deferred Inflows of Resources</b>			
Pension deferrals	4,696,546		4,696,546
<b>Net Position</b>			
Net investment in capital assets	14,840,382	337,928	15,178,310
Restricted for:			
Capital projects	11,237,453		11,237,453
Debt service	291,930		291,930
Capital reserve	5,236,880		5,236,880
Emergency reserve	500,000		500,000
Unemployment compensation	283,232		283,232
Student activities and scholarships	197,701		197,701
Unrestricted (deficit)	(22,770,947)	2,309,536	(20,461,411)
Total net position	<u>\$ 9,816,631</u>	<u>\$ 2,647,464</u>	<u>\$ 12,464,095</u>

See accompanying notes to the basic financial statements .

Carteret Board of Education

Statement of Activities

Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities</b>						
<b>Instruction:</b>						
Regular	\$ 36,938,917		\$ 10,947,349	\$ (25,991,568)		\$ (25,991,568)
Special education	10,370,488		7,751,368	(2,619,120)		(2,619,120)
Other special instruction	3,731,982		843,085	(2,888,897)		(2,888,897)
School-sponsored activities and athletics	745,657		165,215	(580,442)		(580,442)
<b>Support services:</b>						
Student and instruction related services	15,010,565	\$ 334,231	4,477,840	(10,198,494)		(10,198,494)
General administration services	1,715,148		231,161	(1,483,987)		(1,483,987)
School administration services	3,651,110		788,534	(2,862,576)		(2,862,576)
Central services	1,392,128		329,651	(1,062,477)		(1,062,477)
Plant operations and maintenance	6,072,987		1,962,110	(4,110,877)		(4,110,877)
Pupil transportation	4,202,642		534,591	(3,668,051)		(3,668,051)
Interest on long-term debt	1,131,591		359,954	(771,637)		(771,637)
Total governmental activities	<u>84,963,215</u>	<u>334,231</u>	<u>28,390,858</u>	<u>(56,238,126)</u>		<u>(56,238,126)</u>
<b>Business-type activities</b>						
Food service	2,276,634	48,613	2,952,451		\$ 724,430	724,430
Enrichment academy	179,959	412,612			232,653	232,653
Total business-type activities	<u>2,456,593</u>	<u>461,225</u>	<u>2,952,451</u>		<u>957,083</u>	<u>957,083</u>
Total primary government	<u>\$ 87,419,808</u>	<u>\$ 795,456</u>	<u>\$ 31,343,309</u>	<u>(56,238,126)</u>	<u>957,083</u>	<u>(55,281,043)</u>
<b>General revenues:</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes				27,988,313		27,988,313
Property taxes, levied for debt service				1,863,047		1,863,047
State and federal sources - unrestricted				32,961,771		32,961,771
State and federal sources - restricted				294,507		294,507
Other revenue				153,910	386	154,296
Total general revenues				<u>63,261,548</u>	<u>386</u>	<u>63,261,934</u>
Change in net position				<u>7,023,422</u>	<u>957,469</u>	<u>7,980,891</u>
Net position—beginning of year				2,793,209	1,689,995	4,483,204
Net position-end of year				<u>\$ 9,816,631</u>	<u>\$ 2,647,464</u>	<u>\$ 12,464,095</u>

See accompanying notes to the basic financial statements .



## Fund Financial Statements

## Governmental Funds

**Carteret Board of Education  
Governmental Funds**

**Balance Sheet**

June 30, 2022

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Funds	
<b>Assets</b>					
Cash and cash equivalents	\$ 8,623,221	\$ 197,701	\$ 11,265,622	\$ 291,930	\$ 20,378,474
Accounts receivable:					
Federal		3,408,578			3,408,578
State	1,264,779		41,190		1,305,969
Interfund	1,957,101	41,190			1,998,291
Other	16				16
Total assets	<u>\$ 11,845,117</u>	<u>\$ 3,647,469</u>	<u>\$ 11,306,812</u>	<u>\$ 291,930</u>	<u>\$ 27,091,328</u>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$ 214,863	\$ 678,007			\$ 892,870
Intergovernmental payables:					
State	79,006	206,059			285,065
Interfunds payable	190,617	1,927,281	\$ 69,359		2,187,257
Unearned revenue		638,421			638,421
Payroll deductions and withholdings payable	399,372				399,372
Total liabilities	<u>883,858</u>	<u>3,449,768</u>	<u>69,359</u>		<u>4,402,985</u>
Fund balances:					
Restricted for:					
Capital reserve	3,826,852				3,826,852
Capital reserve - Designated for subsequent year's expenditures	1,410,028				1,410,028
Emergency reserve	500,000				500,000
Unemployment reserve	283,232				283,232
Student activities and scholarships		197,701			197,701
Capital projects			11,237,453		11,237,453
Debt service				\$ 291,930	291,930
Committed to:					
Year end encumbrances	1,375,453				1,375,453
Assigned to:					
Year end encumbrances	1,753,596				1,753,596
Designated for Subsequent Year's Expenditures	2,500,000				2,500,000
Unassigned (deficit)	(687,902)				(687,902)
Total fund balances	<u>10,961,259</u>	<u>197,701</u>	<u>11,237,453</u>	<u>291,930</u>	<u>22,688,343</u>
Total liabilities and fund balances	<u>\$ 11,845,117</u>	<u>\$ 3,647,469</u>	<u>\$ 11,306,812</u>	<u>\$ 291,930</u>	
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 \$67,337,575 and the accumulated depreciation is \$23,344,646.					43,992,929
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					(464,956)
Long-term liabilities, including bonds payable, certificates of participation payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2).					(45,259,219)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.					(3,820,148)
Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					(681,768)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.					(6,638,550)
Net position of governmental activities					<u>\$ 9,816,631</u>

*See accompanying notes to the basic financial statements .*

**Carteret Board of Education**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2022**

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local sources:					
Local tax levy	\$ 27,988,313			\$ 1,863,047	\$ 29,851,360
Interest on investments	16,806				16,806
Miscellaneous unrestricted	108,342	\$ 334,231	\$ 28,169		470,742
Other restricted miscellaneous	593				593
Total revenues—local sources	<u>28,114,054</u>	<u>334,231</u>	<u>28,169</u>	<u>1,863,047</u>	<u>30,339,501</u>
State sources	55,667,928	2,480,892		654,461	58,803,281
Federal sources	110,994	4,906,369			5,017,363
Total revenues	<u>83,892,976</u>	<u>7,721,492</u>	<u>28,169</u>	<u>2,517,508</u>	<u>94,160,145</u>
Expenditures:					
Current:					
Regular instruction	35,261,181	3,247,749			38,508,930
Special education instruction	9,797,425	982,949			10,780,374
Other instruction	3,913,245				3,913,245
School-sponsored activities and athletics	778,884				778,884
Undistributed - current:					
Student and instruction related services	11,713,319	2,897,431			14,610,750
General administration	1,754,263				1,754,263
School administration	3,841,070				3,841,070
Central services	1,459,476				1,459,476
Plant operations and maintenance	6,224,619				6,224,619
Pupil transportation	4,164,199				4,164,199
Transfer to charter schools	216,701				216,701
Debt Service:					
Principal				1,384,995	1,384,995
Interest				1,132,513	1,132,513
Capital outlay	212,077	586,088	15,022,936		15,821,101
Special schools	120,403				120,403
Total expenditures	<u>79,456,862</u>	<u>7,714,217</u>	<u>15,022,936</u>	<u>2,517,508</u>	<u>104,711,523</u>
Excess of revenues over expenditures	4,436,114	7,275	(14,994,767)	-	(10,551,378)
Other financing sources (uses):					
Transfers in	28,169				28,169
Transfers out			(28,169)		(28,169)
Total other financing sources (uses)	<u>28,169</u>	<u>-</u>	<u>(28,169)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,464,283	7,275	(15,022,936)	-	(10,551,378)
Fund balances (deficit), July 1,	6,496,976	190,426	26,260,389	291,930	33,239,721
Fund balances (deficit), June 30	<u>\$ 10,961,259</u>	<u>\$ 197,701</u>	<u>\$ 11,237,453</u>	<u>\$ 291,930</u>	<u>\$ 22,688,343</u>

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

*See accompanying notes to the basic financial statements .*

Carteret Board of Education  
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2022

<b>Total net change in fund balances - governmental funds (B-2)</b>	<b>\$ (10,551,378)</b>
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets exceeded depreciation in the period (see Note 2).	
	14,849,769
The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position (see Note 2).	
	1,384,995
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (see Note 2).	
	<u>1,340,036</u>
 <b>Change in net position of governmental activities (A-2)</b>	 <b><u><u>\$ 7,023,422</u></u></b>

*See accompanying notes to the basic financial statements .*

## Proprietary Funds

Carteret Board of Education  
Proprietary Funds

Statement of Net Position

June 30, 2022

	<b>Business-Type Activities</b>		
	<b>Major Enterprise Funds</b>		
	<u>Food Service</u>	<u>Enrichment Academy</u>	<u>Total Enterprise</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,042,317	\$ 809,915	\$ 1,852,232
Accounts receivable:			
Federal	235,665		235,665
State	4,264		4,264
Interfund receivable	190,617		190,617
Inventories	51,326		51,326
Total current assets	<u>1,524,189</u>	<u>809,915</u>	<u>2,334,104</u>
Capital assets:			
Building Improvements	10,269		10,269
Equipment	1,076,055		1,076,055
Accumulated depreciation	(748,396)		(748,396)
Total capital assets	<u>337,928</u>	<u>-</u>	<u>337,928</u>
Total assets	<u>1,862,117</u>	<u>809,915</u>	<u>2,672,032</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	89		89
Interfund payable	-	1,651	1,651
Unearned revenue	22,828		22,828
Total current liabilities	<u>22,917</u>	<u>1,651</u>	<u>24,568</u>
<b>Net position</b>			
Investment in capital assets	337,928	-	337,928
Unrestricted	1,501,272	808,264	2,309,536
Total net position	<u>\$ 1,839,200</u>	<u>\$ 808,264</u>	<u>\$ 2,647,464</u>

*See accompanying notes to the basic financial statements .*

Carteret Board of Education  
Proprietary Funds

Statement of Revenues, Expenses and  
Changes in Net Position

Year ended June 30, 2022

	<b>Business-Type Activities Major Enterprise Funds</b>		
	<b>Food Service</b>	<b>Enrichment Academy</b>	<b>Total Enterprise</b>
Operating revenues:			
Daily sales non-reimbursable programs	\$ 48,613		\$ 48,613
Program fees		\$ 412,612	
Total operating revenues	<u>48,613</u>	<u>412,612</u>	<u>461,225</u>
Operating expenses:			
Cost of sales - reimbursable programs	767,902		767,902
Cost of sales - non-reimbursable programs	384,479		384,479
Salaries and employee benefits	835,859	165,660	1,001,519
Other purchased services	116,931		116,931
Insurance	99,382		99,382
Supplies and materials	22,906	12,859	35,765
Depreciation	49,069		49,069
Other	106	1,440	1,546
Total operating expenses	<u>2,276,634</u>	<u>179,959</u>	<u>2,456,593</u>
Operating (loss)/income	<u>(2,228,021)</u>	<u>232,653</u>	<u>(1,995,368)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	44,346		44,346
Federal sources:			
School breakfast program	653,064		653,064
National school lunch program	1,912,929		1,912,929
Fresh fruit and vegetable program	10,187		10,187
Emergency operational cost program	188,819		188,819
P-EBT Administrative Cost Reimbursements	6,198		6,198
Food donation program	136,908		136,908
Interest income	202	184	386
Total nonoperating revenues	<u>2,952,653</u>	<u>184</u>	<u>2,952,837</u>
Change in net position	724,632	232,837	957,469
Total net position, beginning of year	1,114,568	575,427	1,689,995
Total net position, end of year	<u>\$ 1,839,200</u>	<u>\$ 808,264</u>	<u>\$ 2,647,464</u>

*See accompanying notes to the basic financial statements .*



Carteret Board of Education  
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2022

**Business-Type Activities  
Major Enterprise Funds**

	<u>Food Service</u>	<u>Enrichment Academy</u>	<u>Total Enterprise</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 55,337	\$ 412,612	\$ 467,949
Payments to employees	(835,859)	(165,660)	(1,001,519)
Payments to suppliers	(1,377,739)	(14,299)	(1,392,038)
Net cash (used in)/provided by operating activities	<u>(2,158,261)</u>	<u>232,653</u>	<u>(1,925,608)</u>
<b>Cash flows from non-capital financing activities</b>			
Cash received from state and federal sources	2,934,746		2,934,746
Receipt of interfund	55,962		55,962
Net cash provided by non-capital financing activities	<u>2,990,708</u>	<u>-</u>	<u>2,990,708</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(20,459)	-	(20,459)
Net cash (used in) capital and related financing activities	<u>(20,459)</u>	<u>-</u>	<u>(20,459)</u>
<b>Cash flows from investing activities</b>			
Interest on deposits	202	184	386
Net cash provided by investing activities	<u>202</u>	<u>184</u>	<u>386</u>
Net increase in cash and cash equivalents	812,190	232,837	1,045,027
Cash and cash equivalents, beginning of year	230,127	577,078	807,205
Cash and cash equivalents, end of year	<u>\$ 1,042,317</u>	<u>\$ 809,915</u>	<u>\$ 1,852,232</u>
<b>Reconciliation of operating income/(loss) to net cash (used in)/provided by operating activities</b>			
Operating income/(loss)	\$ (2,228,021)	\$ 232,653	\$ (1,995,368)
Adjustments to reconcile operating (loss)/income to net cash (used in)/provided by operating activities:			
Depreciation	49,069		49,069
Change in assets and liabilities:			
Decrease in inventories	13,878		13,878
Increase in unearned revenue	6,724		6,724
Increase in accounts payable	89		89
Net cash (used in)/provided by operating activities	<u>\$ (2,158,261)</u>	<u>\$ 232,653</u>	<u>\$ (1,925,608)</u>

**Non-cash non-capital financing activities:**

The District received \$130,996 of food commodities from the U.S. Department of Agriculture and expended \$136,908 of food commodities for the year ended June 30, 2022.

*See accompanying notes to the basic financial statements .*

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Carteret 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 Carteret Board of Education this includes general operations, food service, enrichment academy 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**

During fiscal year 2022, the District adopted the following GASB statement:

- The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021. Management has appropriately implemented this Statement and the impact on the financial statements was deemed not material.
- The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

- The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has not determined the impact of the Statement on the financial statements.
- The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

**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. Currently, the District has no fiduciary funds.

**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. 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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**Fund Financial Statements**

Separate fund financial statements are provided for governmental and proprietary activities. 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 and the food service and enrichment academy enterprise funds 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, student activity funds derived from athletic events or other activities of pupil organizations.

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 funds which are 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.

The *enrichment academy* accounts for the activities of the District's after school activities, which provides extra-curricular activities for students as well as child care.

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".

**Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2022 through March 21, 2023, the date the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**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. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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.

Property taxes, 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.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**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.

Major outlays for capital assets and improvements are capitalized as projects are 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>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

***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 assets that applies to future periods 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 qualifies for reporting in this category. The 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category are 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.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits and severance pay. A long-term liability of accumulated sick leave, severance pay 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.

***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.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**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. Differences are reported as deferred outflows of resources. Bond discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

**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 Reserve** – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3).

**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 2021/2022 District budget certified for taxes.

**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 3).



CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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)*

Unemployment Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method). (See Note 5).

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Student Activities and Scholarships – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities and scholarships.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees 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.

**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 2022/2023 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 (special revenue, 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.

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 Board of Trustees 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 school district’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 (Continued)**

resolution) to remove or revise the limitation.

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 revenues 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.

**3. Tuition Revenues and Expenditures**

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 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 the enrichment academy enterprise fund are charges to customers for sales and services. Operating expenses for 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.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(45,259,219) difference are as follows:

Bonds Payable	\$ (36,095,000)
Certificates of Participation Payable	(4,295,000)
Compensated Absences	<u>(4,869,219)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (45,259,219)</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$14,849,769 difference are as follows:

Capital Outlay	\$15,808,252
Depreciation Expense	<u>(958,483)</u>
Net Adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$14,849,769</u>

Another element of that reconciliation states that “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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,384,995 difference are as follows:

Principal Repayments:	
Bonds Payable	\$ 904,995
Certificates of Participation	<u>480,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,384,995</u>



**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 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, 2022 is as follows:

Balance, July 1, 2021	\$ 3,008,518
Increased by	
Unspent Withdrawal 2021-2022	301,000
Deposits Approved by Board Resolution	<u>3,527,362</u>
	3,828,362
Withdrawals	
Approved in District Budget	<u>1,600,000</u>
Balance, June 30, 2022	<u>\$ 5,236,880</u>

Of the \$5,236,880 capital reserve balance at June 30, 2022, \$1,410,028 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. 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.

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	<u>\$ 500,000</u>
Balance, June 30, 2022	<u>\$ 500,000</u>

**NOTE 4 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, 2022, the book value of the Board's deposits were \$22,230,706 and bank and brokerage firm balances of the Board's deposits amounted to \$28,933,911. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

FDIC	\$ 500,000
GUDPA	26,410,691
Uninsured	<u>761,610</u>
	<u>\$ 28,933,911</u>

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

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.

**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, 2022, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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 concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**B. Receivables**

Receivables as of June 30, 2022 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 3,408,578		\$ 235,665	\$ 3,644,243
State	\$ 1,264,779		\$ 41,190	4,264	1,310,233
Other	16				16
Gross Receivables	1,264,795	3,408,578	41,190	239,929	4,954,492
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 1,264,795</u>	<u>\$ 3,408,578</u>	<u>\$ 41,190</u>	<u>\$ 239,929</u>	<u>\$ 4,954,492</u>

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 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:

	<b><u>Unearned</u></b>
Special Revenue Fund	
Unencumbered grant draw downs	\$ 230,627
Grant drawdowns year end encumbrances	<u>407,794</u>
Total Unearned Revenue for Governmental Funds	<u><u>\$ 638,421</u></u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance, July 1, 2021</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance, June 30, 2022</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 384,459			\$ 384,459
Construction in Progress	<u>10,739,606</u>	<u>\$15,356,135</u>	<u>\$(997,000)</u>	<u>25,098,741</u>
Total capital assets, not being depreciated	<u>11,124,065</u>	<u>15,356,135</u>	<u>(997,000)</u>	<u>25,483,200</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	37,424,380	217,396	\$ 997,000	38,638,776
Land Improvements	393,249			393,249
Machinery and equipment	<u>2,587,629</u>	<u>234,721</u>		<u>2,822,350</u>
Total capital assets being depreciated	<u>40,405,258</u>	<u>452,117</u>	<u>997,000</u>	<u>41,854,375</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(19,883,230)	(878,532)		(20,761,762)
Land Improvements	(282,569)	(7,537)		(290,106)
Machinery and equipment	<u>(2,220,364)</u>	<u>(72,414)</u>		<u>(2,292,778)</u>
Total accumulated depreciation	<u>(22,386,163)</u>	<u>(958,483)</u>	<u>-</u>	<u>(23,344,646)</u>
Total capital assets, being depreciated, net	<u>18,019,095</u>	<u>(506,366)</u>	<u>997,000</u>	<u>18,509,729</u>
Governmental Activities Capital Assets, Net	<u><u>\$29,143,160</u></u>	<u><u>\$14,849,769</u></u>	<u><u>\$ -</u></u>	<u><u>\$43,992,929</u></u>



**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, July 1, 2021	Increases	Decreases	Balance, June 30, 2022
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Building Improvements	\$ 10,269	\$ -		\$ 10,269
Machinery and equipment	1,055,596	20,459		1,076,055
Total capital assets being depreciated	<u>1,065,865</u>	<u>20,459</u>	<u>-</u>	<u>1,086,324</u>
Less accumulated depreciation for:				
Building Improvements	(257)	(513)		(770)
Machinery and equipment	(699,070)	(48,556)		(747,626)
Total accumulated depreciation	<u>(699,327)</u>	<u>(49,069)</u>	<u>-</u>	<u>(748,396)</u>
Total capital assets, being depreciated, net	<u>366,538</u>	<u>(28,610)</u>	<u>-</u>	<u>337,928</u>
Business-Type Activities Capital Assets, Net	<u>\$ 366,538</u>	<u>\$ (28,610)</u>	<u>\$ -</u>	<u>\$ 337,928</u>

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

**Governmental Activities:**

Instruction	
Regular instruction	\$ 427,335
Special education	119,630
Other special instruction	43,425
School-sponsored activities and athletics	8,643
Total Instruction	<u>599,033</u>

Support Services

Student and instruction related services	165,878
General administrative services	19,467
School administrative services	42,624
Central services	16,196
Plant operations and maintenance	69,075
Pupil transportation	46,210
Total Support Services	<u>359,450</u>

Total Depreciation Expense - Governmental Activities \$ 958,483

**Business-Type Activities:**

Food Service Fund	\$ 49,069
Total Depreciation Expense-Business-Type Activities	<u>\$ 49,069</u>

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

The composition of interfund balances as of June 30, 2022, is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,957,101	\$ 190,617
Special Revenue Fund	41,190	1,927,281
Capital Projects Fund		69,359
Enterprise Fund - Food service	190,617	
Enterprise Fund - Enrichment Academy		1,651
	<u>\$ 2,188,908</u>	<u>\$ 2,188,908</u>

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

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

	<u>Transfer In</u>	
	<u>General Fund</u>	<u>Total</u>
<u>Transfer Out:</u>		
Capital Projects Fund	<u>\$ 28,169</u>	<u>\$ 28,169</u>
 Total Transfers Out	 <u>\$ 28,169</u>	 <u>\$ 28,169</u>

The above transfer is the result of interest earned in the Capital Projects Fund that has been directed to the General Fund.

**F. Refunding Certificates of 2015**

The Board of Education adopted a resolution on August 27, 2014 for the purpose of issuing Refunding Certificates of Participation (the Refunding Certificates) in order to currently refund all of the outstanding Certificates of Participation dated January 15, 2006 (the Prior Certificate) which were issued to finance building improvements.

On April 30, 2015 the Board of Education issued \$7,455,000 Refunding Certificates and the proceeds of the Refunding Certificates were deposited into an escrow fund, and together with other available funds, will be used to pay all principal and interest on the Prior Certificates.

Under the Refunding Certificates, the Board is required to pay Basic Rent due on January 15 commencing January 15, 2016. Basic Rent is composed of an interest component and a principal component. The Refunding

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Refunding Certificates of 2015 (Continued)**

Certificates carry interest rates in the range of 1.25% to 4.00%; and mature on January 15, 2030. Payments of the principal and interest on the Refunding Certificates are insured by National Public Finance Guarantee. Bank of New York Mellon has been appointed to serve as a trustee in the agreement.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 495,000	\$ 116,812	\$ 611,812
2024	500,000	105,675	605,675
2025	510,000	93,800	603,800
2026	530,000	81,050	611,050
2027	540,000	67,800	607,800
2028-2030	<u>1,720,000</u>	<u>104,250</u>	<u>1,824,250</u>
Total	<u>\$ 4,295,000</u>	<u>\$ 569,387</u>	<u>\$ 4,864,387</u>

**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 refund certain pension obligations 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, 2022 is comprised of the following issue:

\$36,999,995, Series 2020 School Bonds, due in annual installments of \$900,000 to \$1,800,000 through February 1, 2050, interest at 2.00% to 3.00%	<u>\$36,095,000</u>
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**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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,	Serial Bonds		Total
	Principal	Interest	
2023	\$ 900,000	\$ 987,400	\$ 1,887,400
2024	900,000	969,400	1,869,400
2025	900,000	951,400	1,851,400
2026	905,000	933,400	1,838,400
2027	925,000	915,300	1,840,300
2028-2032	5,015,000	4,289,200	9,304,200
2033-2037	5,870,000	3,642,300	9,512,300
2038-2042	6,970,000	2,697,700	9,667,700
2043-2047	8,310,000	1,576,200	9,886,200
2048-2050	5,400,000	324,000	5,724,000
Total	<u>\$ 36,095,000</u>	<u>\$ 17,286,300</u>	<u>\$ 53,381,300</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Certificates of Participation Payable	\$ 4,775,000		\$ (480,000)	\$ 4,295,000	\$ 495,000
Bonds Payable	36,999,995		(904,995)	36,095,000	900,000
Net Pension Liability	9,112,984		(2,474,434)	6,638,550	
Compensated Absences	4,504,373	\$ 364,846	-	4,869,219	486,922
Governmental Activity Long-term Liabilities	<u>\$55,392,352</u>	<u>\$ 364,846</u>	<u>\$ (3,859,429)</u>	<u>\$51,897,769</u>	<u>\$ 1,881,922</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund. The bonds payable are liquidated by the debt service fund.

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 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 Annual Comprehensive Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG) (the “Group”). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

The relationship between the Board and the 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.

NJSIG 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 restricted fund balance for unemployment compensation claims in the General Fund for the current and previous year:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Ending</u> <u>Balance</u>
2022	\$ 282,639	\$ 593	\$ 283,232
2021	281,976	663	282,639

**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. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 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, 2022, 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.

**Unemployment Claims** – During fiscal year 2021 and 2022, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year cannot be reasonably estimated at this time. Additionally, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2022, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

**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 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, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**NOTE 6 PENSION PLANS**

**Description of Systems**

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

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System**

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60 and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60<sup>th</sup> of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

**Funding Policy**

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

During the year ended June 30, 2022, the State of New Jersey contributed \$13,647,134 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,258,990 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2022, 2021 and 2020 were \$656,271, \$611,327, and \$557,255, respectively.

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

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

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

Public Employees' Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$6,638,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2021, the District's proportion was 0.0560380760 percent, which was an increase of 0.0001555179 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized full accrual pension (benefit) of (\$1,047,688) in the government-wide financial statements. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 104,698	\$ 47,524
Changes of assumptions	34,574	2,363,367
Net difference between projected and actual earnings on pension plan investments		1,748,769
Changes in proportion and differences between district contributions and proportionate share of contributions	55,358	536,886
District contributions subsequent to the measurement date	681,768	
	<u>\$ 876,398</u>	<u>\$ 4,696,546</u>

\$681,768 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

<b>Year ended June 30:</b>	
2023	\$ (1,799,406)
2024	(1,308,361)
2025	(816,499)
2026	(577,895)
2027	245
	<u>\$ (4,501,916)</u>

*Actuarial Assumptions*

The total collective pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

	<u>June 30, 2021</u>
Inflation	
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%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*Mortality Rates*

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

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

June 30, 2021		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6 PENSION PLANS (Continued)**

	<b>At 1% Decrease (6.00%)</b>	<b>At Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
District's proportionate share of the net pension liability	<u>\$ 9,040,359</u>	<u>\$ 6,638,550</u>	<u>\$ 4,600,275</u>

*Pension Plan Fiduciary Net Position*

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

*Additional Information*

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 1,164,738,169
Deferred inflows of resources	\$ 8,339,123,762
Net pension liability	\$ 11,972,782,878
District's proportion	0.0560380760%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2021 is \$(1,599,674,464).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

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

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2022 was \$126,652,171. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State's

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

proportionate share of the TPAF net pension liability associated with the District was 0.2634460190 percent, which was a increase of 0.0089908235 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$11,058,949 for contributions incurred by the State.

*Actuarial assumptions*

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2021
Inflation	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55 - 4.45%
	based on years
	of service
Thereafter	2.75 - 5.65%
	based on years
	of service
Investment rate of return	7.00%

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

June 30, 2021		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
State's proportionate share of the net pension liability	<u>\$ 149,850,674</u>	<u>\$ 126,652,171</u>	<u>\$ 107,166,886</u>

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 PENSION PLANS (Continued)**

*Pension plan fiduciary net position*

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

**Additional Information**

Collective balances of the Local Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$	6,356,228,800
Deferred inflows of resources	\$	27,175,330,929
Net pension liability	\$	48,075,188,642
State's proportionate share associated with the District		0.2634460190%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2021 is \$1,159,039,411.

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

**NOTE 7 POST-RETIREMENT BENEFITS**

*General Information about the OPEB Plan*

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

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

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 7 POST-RETIREMENT BENEFITS (Continued)**

universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

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

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

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

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,850,970 for this special funding situation.

The State’s contributions to the SHBP Fund for TPAF retirees’ post-retirement medical benefits on behalf of the District for the years ended June 30, 2022, 2021 and 2020 were \$2,583,817, \$2,445,577, and \$2,107,626, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State’s proportionate share of the OPEB liability associated with the District as of June 30, 2021 was \$133,289,357. Additional information can be obtained from the State of New Jersey’s annual comprehensive financial report.

**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 7 POST-RETIREMENT BENEFITS (Continued)**

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

*Actuarial assumptions and other inputs*

The total non-employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Inflation rate	2.50%	2.50%
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	2.75 - 5.65%	3.00 - 7.00%
	based on years of service	based on years of service

*Mortality Rates*

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

*Discount Rate*

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**CARTERET BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 7 POST-RETIREMENT BENEFITS (Continued)**

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2021 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	<b>At 1% Decrease (1.16%)</b>	<b>At Current Discount Rate (2.16%)</b>	<b>At 1% Increase (3.16%)</b>
Net OPEB Liability (Allocable to the District and Responsibility of the State)	<u>\$ 159,659,725</u>	<u>\$ 133,289,357</u>	<u>\$ 112,524,275</u>

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<b>At 1% Decrease</b>	<b>At Healthcare Cost Trent Rate</b>	<b>At 1% Increase</b>
Net OPEB Liability (Allocable to the District and Responsibility of the State)	<u>\$ 107,898,168</u>	<u>\$ 133,289,357</u>	<u>\$ 167,387,848</u>

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 7 POST-RETIREMENT BENEFITS (Continued)**

*Changes in the Total Non-employer OPEB Liability*

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

Beginning Total OPEB Liability, June 30, 2021	\$ 148,863,077
Changes for the year:	
Service Cost	7,063,198
Interest	3,457,666
Differences between expected and actual experiences	(23,448,937)
Changes in assumptions	131,500
Member contributions	88,396
Changes of benefit terms	(141,870)
Benefit payments	(2,723,673)
Ending Total OPEB Liability, June 30, 2022	<u>\$ 133,289,357</u>

*Employees covered by benefit terms*

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2021</u>
Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>364,328</u>

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$8,162,121 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2021 are as follows:

Deferred outflows of resources	\$ 21,546,947,255
Deferred inflows of resources	\$ 26,769,148,209
Collective OPEB expense	\$ 3,527,672,060
District's Proportion	0.41%

*Special Funding Situation*

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

**CARTERET BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 8 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 Carteret Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

Required Supplementary Information – Part II  
Schedules Related to Accounting and Reporting for Pensions and  
OPEBs  
(GASB 68 and GASB 75)

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
Last Nine Fiscal Years \***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.05603%	0.05588%	0.05729%	0.06074%	0.06031%	0.06089%	0.05747%	0.05844%	0.05775%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,638,550</u>	<u>\$ 9,112,984</u>	<u>\$ 10,322,642</u>	<u>\$ 11,960,022</u>	<u>\$ 14,040,040</u>	<u>\$ 18,034,970</u>	<u>\$ 12,900,005</u>	<u>\$ 10,941,522</u>	<u>\$ 11,037,440</u>
District's Covered Payroll	<u>\$ 4,092,833</u>	<u>\$ 4,153,997</u>	<u>\$ 4,008,614</u>	<u>\$ 4,094,130</u>	<u>\$ 4,299,920</u>	<u>\$ 4,203,373</u>	<u>\$ 4,136,669</u>	<u>\$ 4,081,927</u>	<u>\$ 3,996,800</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	162%	219%	258%	292%	327%	429%	312%	268%	276%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	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.

Notes to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

The discount rate was 7.00% as of June 30, 2020 and June 30, 2021.

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 656,271	\$ 611,327	\$ 557,255	\$ 604,198	\$ 558,741	\$ 540,971	\$ 494,055	\$ 481,768	\$ 435,433
Contributions in Relation to the Contractually Required Contributions	<u>656,271</u>	<u>611,327</u>	<u>557,255</u>	<u>604,198</u>	<u>558,741</u>	<u>540,971</u>	<u>494,055</u>	<u>481,768</u>	<u>435,433</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 3,937,780</u>	<u>\$ 4,092,833</u>	<u>\$ 4,153,997</u>	<u>\$ 4,008,614</u>	<u>\$ 4,094,130</u>	<u>\$ 4,299,920</u>	<u>\$ 4,203,373</u>	<u>\$ 4,136,669</u>	<u>\$ 4,081,927</u>
Contributions as a Percentage of Covered Payroll	16.67%	14.94%	13.41%	15.07%	13.65%	12.58%	11.75%	11.65%	10.67%

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.

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

TEACHERS PENSION AND ANNUITY FUND  
Last Nine Fiscal Years \*

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
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>126,652,171</u>	<u>167,555,684</u>	<u>159,124,413</u>	<u>160,493,860</u>	<u>167,047,650</u>	<u>174,200,588</u>	<u>140,909,092</u>	<u>122,101,519</u>	<u>121,216,238</u>
Total	<u>\$ 126,652,171</u>	<u>\$ 167,555,684</u>	<u>\$ 159,124,413</u>	<u>\$ 160,493,860</u>	<u>\$ 167,047,650</u>	<u>\$ 174,200,588</u>	<u>\$ 140,909,092</u>	<u>\$ 122,101,519</u>	<u>\$ 121,216,238</u>
District's Covered Payroll	<u>\$ 31,561,032</u>	<u>\$ 29,546,106</u>	<u>\$ 28,626,757</u>	<u>\$ 27,164,014</u>	<u>\$ 27,224,857</u>	<u>\$ 25,807,372</u>	<u>\$ 25,029,848</u>	<u>\$ 22,245,908</u>	<u>\$ 22,319,992</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%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	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.

Notes to Required Supplementary Information:

Benefit Changes  
There were none.

Changes of Assumptions  
The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 7,063,198	\$ 3,875,668	\$ 3,659,946	\$ 4,054,143	\$ 4,877,797
Interest on the Total OPEB Liability	3,457,666	3,269,020	3,946,072	4,153,369	3,596,203
Differences Between Expected and Actual Experience	(23,448,937)	26,268,645	(15,129,822)	(7,792,216)	
Changes of Assumptions	131,500	27,192,169	1,353,397	(11,434,740)	(14,960,197)
Gross Benefit Payments	(2,723,673)	(2,591,584)	(2,786,387)	(2,664,467)	(2,757,013)
Changes of Benefit Terms	(141,870)				
Contribution from the Member	<u>88,396</u>	<u>78,551</u>	<u>82,596</u>	<u>92,088</u>	<u>101,520</u>
<b>Net Change in Total OPEB Liability</b>	(15,573,720)	58,092,469	(8,874,198)	(13,591,823)	(9,141,690)
<b>Total OPEB Liability - Beginning</b>	<u>148,863,077</u>	<u>90,770,608</u>	<u>99,644,806</u>	<u>113,236,629</u>	<u>122,378,319</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
District's Proportionate Share	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
Total OPEB Liability - Ending	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
<b>Covered Payroll</b>	<u>\$ 35,653,865</u>	<u>\$ 33,700,103</u>	<u>\$ 32,635,371</u>	<u>\$ 31,258,144</u>	<u>\$ 31,524,777</u>
<b>District's Proportionate Share of OPEB Liability as a Percentage of Covered Payroll:</b>	0.00%	0.00%	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.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021.



Required Supplementary Information – Part III

Budgetary Comparison Schedule  
(Budgetary Basis)

Carteret Board of Education  
General Fund

Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 27,988,313	\$ -	\$ 27,988,313	\$ 27,988,313	\$ -
Rental Fee	5,000	-	5,000		(5,000)
Interest on investments		-		16,806	16,806
Miscellaneous Unrestricted	45,000	-	45,000	108,342	63,342
Other Restricted Miscellaneous		-		593	593
Total - local sources	<u>28,038,313</u>	<u>-</u>	<u>28,038,313</u>	<u>28,114,054</u>	<u>75,741</u>
State sources:					
Security Aid	1,526,650	-	1,526,650	1,526,650	-
Equalization Aid	33,478,410	-	33,478,410	33,478,410	-
Transportation Aid	511,027	-	511,027	511,027	-
Special education Aid	2,809,761	-	2,809,761	2,809,761	-
Extraordinary Aid	600,000	-	600,000	1,125,836	525,836
Additional Non Public Transportation Aid		-		28,130	28,130
On-Behalf TPAF pension contributions (non-budgeted)		-		11,058,949	11,058,949
On-Behalf TPAF post-retirement medical contributions (non-budgeted)		-		2,583,817	2,583,817
On-Behalf TPAF long-term disability insurance (non-budgeted)		-		4,368	4,368
Reimbursed TPAF social security contributions (non-budgeted)		-		2,258,990	2,258,990
Total - state sources	<u>38,925,848</u>	<u>-</u>	<u>38,925,848</u>	<u>55,385,938</u>	<u>16,460,090</u>
Federal sources:					
Medical reimbursement	99,719	-	99,719	110,994	11,275
Total - federal sources	<u>99,719</u>	<u>-</u>	<u>99,719</u>	<u>110,994</u>	<u>11,275</u>
Total revenues	<u>67,063,880</u>	<u>-</u>	<u>67,063,880</u>	<u>83,610,986</u>	<u>16,547,106</u>
<b>Expenditures</b>					
Current :					
Instruction - regular programs:					
Purchased Professional - Educational Services:					
Preschool	158,180	-	158,180	1,155	157,025
Kindergarten	1,366,974	(100,001)	1,266,973	1,109,272	157,701
Grades 1-5	7,125,410	71,264	7,196,674	7,109,903	86,771
Grades 6-8	4,276,168	(54,764)	4,221,404	4,177,179	44,225
Grades 9-12	6,086,143	-	6,086,143	5,713,312	372,831
Instruction-home instruction:					
Salaries of teachers	55,000	(1,620)	53,380	42,874	10,506
Purchased professional educational services	10,000	1,620	11,620	9,279	2,341
Regular programs - undistributed instruction:					
Other salaries for instruction	386,505	30,000	416,505	366,402	50,103
Purchased professional educational services	369,250	900	370,150	269,110	101,040
Purchased professional technical services					
Other purchased services	5,875	-	5,875	269	5,606
General supplies	771,889	389,044	1,160,933	645,108	515,825
Textbooks	48,650	-	48,650	862	47,788
Other objects	1,139,544	718,305	1,857,849	1,167,955	689,894
Total regular programs	<u>21,799,588</u>	<u>1,054,748</u>	<u>22,854,336</u>	<u>20,612,680</u>	<u>2,241,656</u>

Carteret Board of Education  
General Fund

Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Expenditures (continued)</b>					
Learning and/or language disabilities:					
Salaries of teachers	\$ 441,562	\$ 88	\$ 441,650	\$ 441,650	\$ -
Other salaries of instruction	83,144	(88)	83,056	41,533	41,523
Purchased technical services	124,000	(15,597)	108,403	80,731	27,672
Total learning and/or language disabilities	648,706	(15,597)	633,109	563,914	69,195
Behavioral disabilities:					
Salaries of teachers	447,000	15,598	462,598	462,598	-
Total behavioral disabilities	447,000	15,598	462,598	462,598	-
Multiple disabilities:					
Salaries of teachers	419,161	416	419,577	419,577	-
Other salaries of instruction	124,216	-	124,216	124,099	117
Purchased professional and educational services	101,259	(416)	100,843	-	100,843
Total multiple disabilities	644,636	-	644,636	543,676	100,960
Resource room/resource center:					
Salaries of teachers	3,408,973	147,482	3,556,455	3,532,134	24,321
Other salaries of instruction	165,789	-	165,789	165,632	157
Purchased professional and technical services	200,000	122,920	322,920	311,397	11,523
Total resource room/resource center	3,774,762	270,402	4,045,164	4,009,163	36,001
Autism:					
Other salaries of instruction	38,404	(4,792)	33,612	-	33,612
Purchased professional and technical services	27,500	4,792	32,292	28,953	3,339
Total autism	65,904	-	65,904	28,953	36,951
Preschool disabilities - full time:					
Salaries of teachers	163,355	72	163,427	142,206	21,221
Other salaries of instruction	39,642	(30,072)	9,570	9,570	0
Purchased professional and educational services	124,000	99,752	223,752	217,028	6,724
Total preschool disabilities - full time	326,997	69,752	396,749	359,234	37,515
Total special education	5,908,005	340,155	6,248,160	5,967,538	280,622
Bilingual education:					
Salaries of teachers	1,830,304	125,833	1,956,137	1,919,738	36,399
Other salaries of instruction	83,144	-	83,144	58,146	24,998
Purchased professional educational services	238,000	81,724	319,724	302,699	17,025
Total bilingual education	2,151,448	207,557	2,359,005	2,280,583	78,422
School sponsored cocurricular activities:					
Salaries	102,161	2,000	104,161	104,133	28
Total school sponsored cocurricular activities	102,161	2,000	104,161	104,133	28

Carteret Board of Education  
General Fund

Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

Expenditures (continued)	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
School sponsored athletic activities:					
Salaries	\$ 268,079	\$ 17,000	\$ 285,079	\$ 284,104	\$ 975
Purchased services	46,450	(21,000)	25,450	16,853	8,597
Travel	-	375	375	373	2
Supplies and materials	73,450	24,143	97,593	51,237	46,356
Other objects	26,625	340	26,965	15,605	11,360
Total school sponsored athletic activities	<u>414,604</u>	<u>20,858</u>	<u>435,462</u>	<u>368,172</u>	<u>67,290</u>
Undistributed expenditures:					
Instruction:					
Tuition to other school districts in the state-regular	109,000	11,632	120,632	87,273	33,359
Tuition to other school districts in the state-special	401,725	83,540	485,265	320,042	165,223
Tuition to county spec. svcs. & rds	3,035,679	(722,349)	2,313,330	1,696,368	616,962
Tuition to private school - disabled in state	2,032,817	(972,133)	1,060,684	809,225	251,459
Tuition to state facilities	39,872	108,617	148,489	145,637	2,852
Total undistributed expenditures - instruction	<u>5,619,093</u>	<u>(1,490,693)</u>	<u>4,128,400</u>	<u>3,058,545</u>	<u>1,069,855</u>
Attendance and social work services:					
Salaries	325,908	84,795	410,703	349,844	60,859
Purchased professional and technical services	42,507	(6,349)	36,158	34,507	1,651
Supplies and materials	1,500	6,349	7,849	7,033	816
Total attendance and social work services	<u>369,915</u>	<u>84,795</u>	<u>454,710</u>	<u>391,384</u>	<u>63,326</u>
Health services:					
Salaries	487,865	(36,000)	451,865	434,520	17,345
Purchased professional and technical services	18,500	-	18,500	17,550	950
Supplies and materials	4,020	5,000	9,020	7,397	1,623
Other objects	500	-	500	137	363
Total health services	<u>510,885</u>	<u>(31,000)</u>	<u>479,885</u>	<u>459,604</u>	<u>20,281</u>
Speech, OT, PT & related services:					
Salaries	389,139	7,782	396,921	354,743	42,178
Supplies and materials	41,500	(7,519)	33,981	19,206	14,775
Total speech, OT, PT & related services	<u>430,639</u>	<u>263</u>	<u>430,902</u>	<u>373,949</u>	<u>56,953</u>

Carteret Board of Education  
General Fund

Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Expenditures (continued)</b>					
Guidance:					
Salaries of other professional staff	\$ 607,090	\$ 60,605	\$ 667,695	\$ 667,695	\$ -
Salaries of secretarial and clerical assistants	56,320	169	56,489	56,489	-
Other purchased professional and technology services	427,201	222,485	649,686	629,635	20,051
Other purchased services	10,800	6,072	16,872	11,313	5,559
Supplies and materials	159,525	(35,229)	124,296	112,041	12,255
Other objects	36,200	(9,711)	26,489	25,718	771
Total guidance	1,297,136	244,391	1,541,527	1,502,891	38,636
Child study teams:					
Salaries of other prof. staff	1,305,984	191,324	1,497,308	1,436,094	61,214
Salaries secretary/clerical assts.	123,220	1,036	124,256	124,186	70
Purchased professional educational services	242,000	13,350	255,350	43,212	212,138
Other purchased professional and technical services	1,033,198	(375,171)	658,027	580,988	77,039
Other purchased services	5,000	-	5,000	537	4,463
Supplies and materials	14,000	47,262	61,262	50,413	10,849
Other objects	-	52	52	52	-
Total child study teams	2,723,402	(122,147)	2,601,255	2,235,482	365,773
Improvement of instructional services:					
Salaries of supervisors of instruction	15,000	53,714	68,714	68,664	50
Salaries of other professional staff	40,000	(39,340)	660	660	-
Salaries of secretarial and clerical assistants	65,400	(700)	64,700	54,922	9,778
Salaries of Facilitators, Math & Literacy Coaches	566,058	(125,390)	440,668	440,446	222
Purchased professional educational services	1,000	(660)	340	-	340
Other purchased services	6,800	(2,324)	4,476	826	3,650
Supplies and materials	2,000	(2,000)	-	-	-
Total improvement of instructional services	696,258	(116,700)	579,558	565,518	14,040
Educational media/library services:					
Purchased professional and technical services	3,300	-	3,300	-	3,300
Supplies and materials	1,000	-	1,000	169	831
Total educational media/library services	4,300	-	4,300	169	4,131
Instructional staff training services:					
Salaries of other prof. staff	5,000	-	5,000	-	5,000
Purchased professional educational services	53,500	-	53,500	9,988	43,512
Purchased professional and technical services	5,000	-	5,000	-	5,000
Total instructional staff training services	63,500	-	63,500	9,988	53,512

Carteret Board of Education  
General Fund  
Budgetary Comparison Schedule  
Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Expenditures (continued)</b>					
Support services - general administration:					
Salaries	\$ 524,413	\$ 18,787	\$ 543,200	\$ 543,200	\$ -
Legal services	125,000	(5,260)	119,740	108,761	10,979
Audit fees	45,000	6,495	51,495	48,395	3,100
Architectural/Engineering services	75,000	493,978	568,978	376,255	192,723
Other purchased professional services	45,560	(35,237)	10,323	5,400	4,923
Communications/telephone	257,636	8,410	266,046	197,090	68,956
BOE other purchased services	4,700	-	4,700	2,167	2,533
Other purchased services	27,800	2,050	29,850	16,245	13,605
General supplies	4,500	-	4,500	1,530	2,970
Judgments against the school district	10,000	-	10,000	-	10,000
Miscellaneous expenditures	5,000	3,000	8,000	4,335	3,665
BOE membership dues and fees	22,500	-	22,500	21,936	564
Total support services - general administration	1,147,109	492,223	1,639,332	1,325,314	314,018
Current (continued):					
Undistributed expenditures (continued):					
Central services:					
Salaries	406,914	1,085	407,999	386,508	21,491
Purchased professional services	63,845	-	63,845	49,584	14,261
Purchased technical services	40,000	(13,386)	26,614	3,025	23,589
Supplies and materials	13,661	1,020	14,681	12,333	2,348
Miscellaneous expenditures	7,430	7,022	14,452	8,180	6,272
Total central services	531,850	(4,259)	527,591	459,630	67,961
Admin. Information technology:					
Salaries	376,986	11,149	388,135	388,134	1
Other purchased services	6,925	(5,870)	1,055	-	1,055
Total admin. Information technology	383,911	5,279	389,190	388,134	1,056
Total central services & admin information technology	915,761	1,020	916,781	847,764	69,017
Support services - school administration:					
Salaries of principals/asst. principals/prgm. directors	1,787,054	180,205	1,967,259	1,895,980	71,279
Salaries secretary/clerical assts.	266,506	(5,000)	261,506	260,626	880
Other purchased services	3,150	-	3,150	474	2,676
General supplies	26,145	-	26,145	18,179	7,966
Other objects	700	-	700	-	700
Total support services - school administration	2,083,555	175,205	2,258,760	2,175,259	83,501

Carteret Board of Education  
General Fund  
Budgetary Comparison Schedule  
Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Expenditures (continued)</b>					
Current (continued):					
Undistributed expenditures (continued):					
Required maintenance for school facilities:					
Salaries	\$ 668,368	\$ (76,800)	\$ 591,568	\$ 549,401	\$ 42,167
Cleaning, repair & maintenance services	670,468	1,087,386	1,757,854	1,440,511	317,343
General supplies	297,000	(250,733)	46,267	14,362	31,905
Other objects	6,935	90,417	97,352	-	97,352
Travel	-	6,935	6,935	-	6,935
Total required maintenance for school facilities	1,642,771	857,205	2,499,976	2,004,274	495,702
Custodial services:					
Salaries	1,340,000	37,000	1,377,000	1,311,410	65,590
Purchased prof. & tech. services	17,000	(12,000)	5,000	-	5,000
Cleaning, repair & maintenance services	24,000	-	24,000	21,201	2,799
Other purchased property services	126,000	-	126,000	97,804	28,196
Insurance	487,861	(15,000)	472,861	471,878	983
General supplies	103,000	(6,879)	96,121	72,275	23,846
Energy (natural gas)	170,000	25,000	195,000	167,181	27,819
Energy (electricity)	470,000	(18,000)	452,000	392,857	59,143
Total custodial services	2,737,861	10,121	2,747,982	2,534,606	213,376
Care and upkeep of grounds:					
Salaries	71,897	-	71,897	-	71,897
General supplies	31,000	-	31,000	-	31,000
Other objects	8,000	-	8,000	-	8,000
Total care and upkeep of grounds	110,897	-	110,897	-	110,897
Security:					
Salaries	461,510	(147,697)	313,813	304,793	9,020
General supplies	35,500	-	35,500	4,221	31,279
Other objects	11,300	-	11,300	(24,309)	35,609
Total security	508,310	(147,697)	360,613	284,705	75,908
Total Operation & maintenance of plant services	4,999,839	719,629	5,719,468	4,823,585	895,883
Student transportation services:					
Salaries for pupil trans. - (home to sch.) -Reg	79,372	385	79,757	72,013	7,744
Management Fee - ESC Transp. Prog.	66,000	-	66,000	49,293	16,707
Contracted serv. (Sp Ed Stds) - vendor	388,229	(108,146)	280,083	264,140	15,943
Contr. serv. (between home & sch.) - vendors	1,165,488	(89,332)	1,076,156	687,228	388,928
Contr. serv. (reg stds) - vendors	44,000	224,500	268,500	238,108	30,392
Contr. serv. (sp. ed. stds) - vendors	2,381,490	886,049	3,267,539	2,596,533	671,006
Contr. serv. (other than between home & sch.) - vendors	280,140	(86,450)	193,690	143,655	50,035
Contr. serv. Aid in lieu of payments-NonPublic	138,080	(63,070)	75,010	65,000	10,010
Misc. expenditures	11,000	(2,300)	8,700	1,640	7,060
Total student transportation services	4,553,799	761,636	5,315,435	4,117,610	1,197,825

Carteret Board of Education  
General Fund

Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
<b>Expenditures (continued)</b>					
Unallocated employee benefits:					
Salaries					
Social security contributions	\$ 595,000	\$ -	\$ 595,000	\$ 586,253	\$ 8,747
Other retirement contributions - PERS	660,000	-	660,000	656,271	3,729
Workmen's compensation	333,056	(100,000)	233,056	230,331	2,725
Health benefits	10,085,201	254,943	10,340,144	9,980,814	359,330
Tuition reimbursement	125,000	2,835	127,835	76,038	51,797
Other employee benefits	272,060	7,606	279,666	251,682	27,984
Total unallocated employee benefits	<u>12,070,317</u>	<u>165,384</u>	<u>12,235,701</u>	<u>11,781,389</u>	<u>454,312</u>
On-behalf payments:					
On-Behalf TPAF pension contributions (non-budgeted)				11,058,949	(11,058,949)
On-Behalf TPAF post-retirement medical contributions (non-budgeted)				2,583,817	(2,583,817)
On-Behalf TPAF long-term disability insurance (non-budgeted)				4,368	(4,368)
Reimbursed TPAF social security contributions				2,258,990	(2,258,990)
Total on-behalf payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,906,124</u>	<u>(15,906,124)</u>
Total undistributed expenditures	<u>37,485,508</u>	<u>884,006</u>	<u>38,369,514</u>	<u>49,574,575</u>	<u>(11,205,061)</u>
Total expenditures - current expense					
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Undistributed expenditures:					
Required maintenance for school facilities	100,000	500	100,500	13,275	87,225
Total equipment	<u>100,000</u>	<u>500</u>	<u>100,500</u>	<u>13,275</u>	<u>87,225</u>
Facilities acquisition and construction services:					
Construction services	-	1,793,000	1,793,000	198,454	1,594,546
Assmt for Debt Services on SDA Funding	348	-	348	348	-
Withdrawal from Capital Reserve for Capital Projects	1,600,000	(1,600,000)	-	-	-
Total facilities acquisition and construction svcs.	<u>1,600,348</u>	<u>193,000</u>	<u>1,793,348</u>	<u>198,802</u>	<u>1,594,546</u>
Total capital outlay	<u>1,700,348</u>	<u>193,500</u>	<u>1,893,848</u>	<u>212,077</u>	<u>1,681,771</u>
Special schools:					
Summer school - instruction:					
Salaries of teachers	72,000	4,031	76,031	75,896	135
Other salaries for instruction	80,000	(2,033)	77,967	29,602	48,365
Total summer school - instruction	<u>152,000</u>	<u>1,998</u>	<u>153,998</u>	<u>105,498</u>	<u>48,500</u>
Other special schools- support services:					
Purchased professional and technical services	25,000	(1,715)	23,285	12,300	10,985
Other objects	1,520	2,055	3,575	2,605	970
Total other special schools support services	<u>26,520</u>	<u>340</u>	<u>26,860</u>	<u>14,905</u>	<u>11,955</u>
Total other special schools	<u>178,520</u>	<u>2,338</u>	<u>180,858</u>	<u>120,403</u>	<u>60,455</u>



Carteret Board of Education  
General Fund  
Budgetary Comparison Schedule

Year ended June 30, 2022  
(Budgetary Basis)

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Budget To Actual
Accredited evening/adult/post grad.- instruction:					
Textbooks	\$ -	\$ 500	\$ 500	\$ -	\$ 500
Total accredited evening/adult/post grad.- instruction	-	500	500	-	500
Total special schools	178,520	2,838	181,358	120,403	60,955
Transfer of funds to charter schools	295,933	3,184	299,117	216,701	82,416
Total expenditures	70,036,115	2,708,846	72,744,961	79,456,862	(6,711,901)
Excess (deficiency) of revenues over (under) expenditures	(2,972,235)	(2,708,846)	(5,681,081)	4,154,124	9,835,205
Other financing sources (uses):					
Transfer in - capital projects fund				28,169	28,169
Total other financing sources (uses)	-	-	-	28,169	28,169
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(2,972,235)	(2,708,846)	(5,681,081)	4,182,293	9,863,374
Fund balances, July 1	10,562,864	10,562,864	10,562,864	10,562,864	-
Fund balances (deficit), June 30	\$ 7,590,629	\$ 7,854,018	\$ 4,881,783	\$ 14,745,157	\$ 9,863,374
<b>Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)</b>					
Adjustment for prior year encumbrances		\$ (2,874,696)	\$ (2,874,696)	\$ (2,874,696)	\$ -
Cancellation of prior year encumbrances		165,850	165,850	165,850	-
Withdrawal from capital reserve	\$ (1,600,000)	-	(1,600,000)	(1,299,000)	301,000
Budgeted fund balance	(1,372,235)	-	(1,372,235)	8,190,139	9,562,374
Total	\$ (2,972,235)	\$ (2,708,846)	\$ (5,681,081)	\$ 4,182,293	\$ 9,863,374
<b>Recapitulation of fund balance:</b>					
Assigned to:					
Designated for subsequent year's expenditures				\$ 2,500,000	
Year end encumbrances				1,753,596	
Committed to:					
Year end encumbrances				1,375,453	
Restricted for:					
Unemployment reserve				283,232	
Emergency reserve				500,000	
Capital reserve				3,826,852	
Capital reserve- designated for subsequent year's expenditures				1,410,028	
Unassigned fund balance				3,095,996	
				14,745,157	
<b>Reconciliation to Government Funds Statements</b>					
GAAP:					
Last two state aid payments not recognized on GAAP basis				(3,783,898)	
Fund balance per Governmental Funds (GAAP)				\$ 10,961,259	

**Carteret Board of Education  
Special Revenue Fund**

**Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Revenues:</b>					
Local Sources		\$ -	\$ -	\$ 334,231	\$ 334,231
State Sources	\$ 2,958,275	800,360	3,758,635	2,648,151	(1,110,484)
Federal Sources	6,074,583	9,001,797	15,076,380	8,878,319	(6,198,061)
Total Revenues	<u>9,032,858</u>	<u>9,802,157</u>	<u>18,835,015</u>	<u>11,860,701</u>	<u>(6,974,314)</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of teachers	1,992,634	1,229,338	3,221,972	2,022,404	1,199,568
Other salaries for instruction	92,782	31,817	124,599	122,730	1,869
Purchased professional and technical services	270,478	328,026	598,504	490,835	107,669
Purchased professional-educational services	200,000	(91,434)	108,566	26,254	82,312
Other purchased services - tuition	904,184	59,492	963,676	856,235	107,441
General supplies	196,768	1,637,442	1,834,210	860,285	973,925
Textbooks	7,737	(294)	7,443	7,329	114
Other objects		1,948	1,948		1,948
Total instruction	<u>3,664,583</u>	<u>3,196,335</u>	<u>6,860,918</u>	<u>4,386,072</u>	<u>2,474,846</u>
<b>Support services:</b>					
Salaries of teachers		590,327	590,327	166,887	423,440
Salaries of program directors	10,000	144,894	154,894	135,574	19,320
Salaries of secretarial and clerical assistants	54,192	(53,300)	892	33	859
Other salaries		130,610	130,610	128,920	1,690
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists		10,594	10,594	3,036	7,558
Salaries of facilitators, math coaches, literacy coaches, and master teachers	203,444	(152,828)	50,616		50,616
Personnel services-employee benefits	305,211	1,361,163	1,666,374	613,694	1,052,680
Purchased professional and technical services	137,352	517,056	654,408	169,916	484,492
Purchased professional - educational services	67,192	217,858	285,050	224,012	61,038
Purchased educational services - Head Start	720,000	63,310	783,310	783,310	
Other purchased professional - education services	150,000	49,252	199,252	188,216	11,036
Other purchased services	70,000	124,140	194,140	97,020	97,120
Contracted Services - Transportation (Between Home and School)					
Contracted Services (Other Than Between Home and School) - Grant Travel					
Miscellaneous purchased services					
Supplies and materials	3,569,358	(3,084,923)	484,435	145,197	339,238
Other objects	81,526	840,286	921,812	348,159	573,653
Total support services	<u>5,368,275</u>	<u>758,439</u>	<u>6,126,714</u>	<u>3,003,974</u>	<u>3,122,740</u>
<b>Facilities acquisition and construction services:</b>					
Instructional equipment		568,000	568,000	18,000	550,000
Noninstructional equipment		304,940	304,940	245,262	59,678
Construction services		4,974,443	4,974,443	4,200,118	774,325
Total facilities acquisition and construction services	<u>-</u>	<u>5,847,383</u>	<u>5,847,383</u>	<u>4,463,380</u>	<u>1,384,003</u>
Total expenditures and other financing uses	<u>9,032,858</u>	<u>9,802,157</u>	<u>18,835,015</u>	<u>11,853,426</u>	<u>6,981,589</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	-	-	-	7,275	(7,275)
Fund Balance, July 1				190,426	
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 197,701	\$ -
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Student Activities and Scholarships				<u>\$ 197,701</u>	

Note to Required Supplementary Information

**Carteret Board of Education  
 Note to Required Supplementary Information  
 Budget to GAAP Reconciliation  
 Year ended June 30, 2022**

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	<b>[C-1, C-2]</b>	\$ 83,610,986	\$	11,860,701
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Current Year				(4,547,003)
Prior Year, net of cancellations				407,794
 The last State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(3,783,898)		
 The prior year's last State aid payment are recognized for GAAP statements, not recognized for budgetary purposes.		4,065,888		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<b>[B-2]</b>	<u>\$ 83,892,976</u>	\$	<u>7,721,492</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<b>[C-1, C-2]</b>	\$ 79,456,862	\$	11,853,426
Differences - budget to GAAP:				
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Current Year				(4,547,003)
Prior Year				407,794
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<b>[B-2]</b>	<u>\$ 79,456,862</u>	\$	<u>7,714,217</u>

Other Supplementary Information

## Special Revenue Fund

**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

			<b>COVID-19 CARES ACT CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS</b>						
	<b>TOTAL BROUGHT FORWARD (Ex. E-1a)</b>	<b>TOTAL BROUGHT FORWARD (PAGE 2)</b>	<b>COVID-19 ACSERS</b>	<b>TANF SCHOOL BASED YOUTH SERVICES</b>	<b>TITLE I</b>	<b>TITLE I SIA</b>	<b>TITLE II PART A</b>	<b>TITLE III</b>	<b>TOTALS</b>
<b>REVENUES:</b>									
State Sources	\$ 2,648,151	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,648,151
Federal Sources	-	7,215,866	62,669	56,615	1,171,832	53,037	162,800	155,500	8,878,319
Local Sources	334,231	-	-	-	-	-	-	-	334,231
<b>Total Revenues</b>	<b>2,982,382</b>	<b>7,215,866</b>	<b>62,669</b>	<b>56,615</b>	<b>1,171,832</b>	<b>53,037</b>	<b>162,800</b>	<b>155,500</b>	<b>11,860,701</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	945,723	390,041	-	-	663,435	22,052	-	1,153	2,022,404
Other Salaries for Instruc.	122,730	-	-	-	-	-	-	-	122,730
Purch. Prof. & Tech. Services	262,559	172,247	-	-	56,029	-	-	-	490,835
Purch. Prof. - Educ. Services	26,254	-	-	-	-	-	-	-	26,254
Other Purchased Services (Incl. Tuition)	-	802,571	53,664	-	-	-	-	-	856,235
General Supplies	59,927	621,511	-	-	57,294	19,271	-	102,282	860,285
Textbooks	7,329	-	-	-	-	-	-	-	7,329
<b>Total Instruction</b>	<b>1,424,522</b>	<b>1,986,370</b>	<b>53,664</b>	<b>-</b>	<b>776,758</b>	<b>41,323</b>	<b>-</b>	<b>103,435</b>	<b>4,386,072</b>
Support Services:									
Salaries of Supervisors of Instruction	-	162,524	-	-	-	-	2,863	1,500	166,887
Salaries of Program Directors	53,725	-	-	-	35,615	-	46,234	-	135,574
Salaries of Community Parent Involvement Spec.	3,036	-	-	-	-	-	-	-	3,036
Salaries of Sec. & Clerical Asst.	-	-	-	-	33	-	-	-	33
Other Salaries	-	123,487	-	-	5,433	-	-	-	128,920
Personal Services - Empl. Benefits	-	269,892	-	-	320,667	11,714	11,421	-	613,694
Purch. Prof. & Tech Services	-	91,602	-	56,615	21,699	-	-	-	169,916
Purch. Prof. - Educ. Services	79,515	-	-	-	-	-	94,153	50,344	224,012
Purch. Prof. - Educ. Services - Head Start	783,310	-	-	-	-	-	-	-	783,310
Other Purch. Prof. Services	188,216	-	-	-	-	-	-	-	188,216
Supplies and Materials	27,537	114,182	-	-	3,257	-	-	221	145,197
Other Purchased Services	-	81,015	9,005	-	7,000	-	-	-	97,020
Other Objects	326,956	11,704	-	-	1,370	-	8,129	-	348,159
<b>Total Support Services</b>	<b>1,462,295</b>	<b>854,406</b>	<b>9,005</b>	<b>56,615</b>	<b>395,074</b>	<b>11,714</b>	<b>162,800</b>	<b>52,065</b>	<b>3,003,974</b>
Facilities Acquis. & Const. Serv.:									
Building	88,290	4,111,828	-	-	-	-	-	-	4,200,118
Noninstructional Equipment	-	245,262	-	-	-	-	-	-	245,262
Instructional Equipment	-	18,000	-	-	-	-	-	-	18,000
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>88,290</b>	<b>4,375,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,463,380</b>
<b>Total Expenditures</b>	<b>2,975,107</b>	<b>7,215,866</b>	<b>62,669</b>	<b>56,615</b>	<b>1,171,832</b>	<b>53,037</b>	<b>162,800</b>	<b>155,500</b>	<b>11,853,426</b>
Excess/(Deficiency) of Revenues Over/(under) Expenditures	7,275	-	-	-	-	-	-	-	7,275
Net change in fund balance	7,275	-	-	-	-	-	-	-	7,275
Fund Balance, July 1	190,426	-	-	-	-	-	-	-	190,426
<b>Fund Balance, June 30</b>	<b>\$ 197,701</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,701</b>

**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	COVID-19 CARES ACT										TOTAL CARRIED FORWARD
	COVID-19 EDUCATION STABILIZATION FUND										
	TITLE IV	I.D.E.A. ARP			ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND I	ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND II	CR LEARNING ACCELERATION	CR MENTAL HEALTH	ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND III	HOMELESS ESSER III	
	PART B BASIC	PART B BASIC	PRESCHOOL								
<b>REVENUES:</b>											
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	69,541	970,916	41,450	30,243	209,804	3,198,920	130,169	24,653	2,540,020	150	7,215,866
Local Sources	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>69,541</b>	<b>970,916</b>	<b>41,450</b>	<b>30,243</b>	<b>209,804</b>	<b>3,198,920</b>	<b>130,169</b>	<b>24,653</b>	<b>2,540,020</b>	<b>150</b>	<b>7,215,866</b>
<b>EXPENDITURES:</b>											
Instruction:											
Salaries of Teachers	-	-	-	-	27,391	-	80,300	-	282,350	-	390,041
Other Salaries for Instruc.	-	-	-	-	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	-	140,200	-	30,243	1,804	-	-	-	-	-	172,247
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	780,056	-	-	22,515	-	-	-	-	-	802,571
General Supplies	17,725	-	32,450	-	121,221	-	22,965	-	427,150	-	621,511
Textbooks	-	-	-	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>17,725</b>	<b>920,256</b>	<b>32,450</b>	<b>30,243</b>	<b>172,931</b>	<b>-</b>	<b>103,265</b>	<b>-</b>	<b>709,500</b>	<b>-</b>	<b>1,986,370</b>
Support Services:											
Salaries of Supervisors of Instruction	-	-	-	-	-	-	-	-	162,524	-	162,524
Salaries of Program Directors	-	-	-	-	-	-	-	-	-	-	-
Salaries of Community Parent Involvement Sp	-	-	-	-	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-	123,487	-	123,487
Personal Services - Empl. Benefits	-	-	-	-	-	-	-	-	269,892	-	269,892
Purch. Prof. & Tech Services	40,298	-	-	-	504	-	21,600	13,000	16,200	-	91,602
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services - Head Start	-	-	-	-	-	-	-	-	-	-	-
Other Purch. Prof. Services	-	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	11,518	-	-	-	19,749	7,203	5,304	11,653	58,605	150	114,182
Other Purchased Services	-	50,660	9,000	-	16,480	-	-	-	4,875	-	81,015
Other Objects	-	-	-	-	140	11,564	-	-	-	-	11,704
<b>Total Support Services</b>	<b>51,816</b>	<b>50,660</b>	<b>9,000</b>	<b>-</b>	<b>36,873</b>	<b>18,767</b>	<b>26,904</b>	<b>24,653</b>	<b>635,583</b>	<b>150</b>	<b>854,406</b>
Facilities Acquis. & Const. Serv.:											
Building	-	-	-	-	-	3,162,153	-	-	949,675	-	4,111,828
Noninstructional Equipment	-	-	-	-	-	-	-	-	245,262	-	245,262
Instructional Equipment	-	-	-	-	-	18,000	-	-	-	-	18,000
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,180,153</b>	<b>-</b>	<b>-</b>	<b>1,194,937</b>	<b>-</b>	<b>4,375,090</b>
<b>Total Expenditures</b>	<b>69,541</b>	<b>970,916</b>	<b>41,450</b>	<b>30,243</b>	<b>209,804</b>	<b>3,198,920</b>	<b>130,169</b>	<b>24,653</b>	<b>2,540,020</b>	<b>150</b>	<b>7,215,866</b>
Excess/(Deficiency) of Revenues Over/(under Expenditures	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>TOTAL BROUGHT FORWARD (Ex. E-1b)</b>	<b>PRESCHOOL EDUCATION AID (Ex. E-2)</b>	<b>SCHOOL BASED YOUTH SERVICES</b>	<b>N.J. NONPUBLIC TECHNOLOGY INITIATIVE</b>	<b>N.J. NONPUBLIC NURSING SERVICES</b>	<b>N.J. NONPUBLIC TEXTBOOK AID</b>	<b>N.J. NONPUBLIC SECURITY AID</b>	<b>TOTAL CARRIED FORWARD</b>
<b>REVENUES:</b>								
State Sources	\$ 153,939	\$ 2,197,669	\$ 262,559	\$ 5,208	\$ 13,866	\$ 7,329	\$ 7,581	\$ 2,648,151
Federal Sources								
Local Sources	<u>334,231</u>							<u>334,231</u>
Total Revenues	<u>488,170</u>	<u>2,197,669</u>	<u>262,559</u>	<u>5,208</u>	<u>13,866</u>	<u>7,329</u>	<u>7,581</u>	<u>2,982,382</u>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	-	945,723	-	-	-	-	-	945,723
Other Salaries for Instruc.	-	122,730	-	-	-	-	-	122,730
Purch. Prof. & Tech. Services	-	-	262,559	-	-	-	-	262,559
Purch. Prof. - Educ. Services	-	26,254	-	-	-	-	-	26,254
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-	-
General Supplies	-	47,138	-	5,208	-	-	7,581	59,927
Textbooks	-	-	-	-	-	7,329	-	7,329
Total Instruction	<u>-</u>	<u>1,141,845</u>	<u>262,559</u>	<u>5,208</u>	<u>-</u>	<u>7,329</u>	<u>7,581</u>	<u>1,424,522</u>
Support Services:								
Salaries of Supervisors of Instruction	-	-	-	-	-	-	-	-
Salaries of Program Directors	-	53,725	-	-	-	-	-	53,725
Salaries of Community Parent Involvement Spec.	-	3,036	-	-	-	-	-	3,036
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-	-	-	-
Purch. Prof. & Tech Services	-	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services	65,649	-	-	-	13,866	-	-	79,515
Purch. Prof. - Educ. Services - Head Start	-	783,310	-	-	-	-	-	783,310
Other Purch. Prof. Services	-	188,216	-	-	-	-	-	188,216
Supplies and Materials	-	27,537	-	-	-	-	-	27,537
Other Purchased Services	-	-	-	-	-	-	-	-
Other Objects	<u>326,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,956</u>
Total Support Services	<u>392,605</u>	<u>1,055,824</u>	<u>-</u>	<u>-</u>	<u>13,866</u>	<u>-</u>	<u>-</u>	<u>1,462,295</u>
Facilities Acquis. & Const. Serv.:								
Building	88,290	-	-	-	-	-	-	88,290
Noninstructional Equipment	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-
Total Facil. Acquis. & Const. Serv.	<u>88,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>480,895</u>	<u>2,197,669</u>	<u>262,559</u>	<u>5,208</u>	<u>13,866</u>	<u>7,329</u>	<u>7,581</u>	<u>2,886,817</u>
Excess/(Deficiency) of Revenues Over/(under Expenditures	<u>7,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,565</u>
Net change in fund balance	<u>7,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,565</u>
Fund Balance, July 1 - Restated	<u>190,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,426</u>
Fund Balance, June 30	<u>\$ 197,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,991</u>

**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	NJ NONPUBLIC SERVICES							TOTAL CARRIED FORWARD
	TOTAL BROUGHT FORWARD (Ex. E-1c)	AUXILIARY CH. 192			HANDICAPPED SERVICES CH. 193			
		TRANSPORT- ATION	COMP. EDUCATION	ESL	SUPPL. INSTR.	EXAM. & CLASS.	CORRECTIVE SPEECH	
<b>REVENUES:</b>								
State Sources	\$ 88,290	\$ 4,062	\$ 33,145	\$ 1,828	\$ 7,765	\$ 13,269	\$ 5,580	\$ 153,939
Federal Sources	-	-	-	-	-	-	-	-
Local Sources	334,231	-	-	-	-	-	-	334,231
<b>Total Revenues</b>	<b>422,521</b>	<b>4,062</b>	<b>33,145</b>	<b>1,828</b>	<b>7,765</b>	<b>13,269</b>	<b>5,580</b>	<b>488,170</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	-	-	-	-	-	-	-	-
Other Salaries for Instruc.	-	-	-	-	-	-	-	-
Purch. Prof. & Tech. Services	-	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services	-	-	-	-	-	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-	-
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Support Services:								
Salaries of Supervisors of Instruction	-	-	-	-	-	-	-	-
Salaries of Program Directors	-	-	-	-	-	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-	-	-	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-
Personal Services - Empl. Benefits	-	-	-	-	-	-	-	-
Purch. Prof. & Tech Services	-	-	-	-	-	-	-	-
Purch. Prof. - Educ. Services	-	4,062	33,145	1,828	7,765	13,269	5,580	65,649
Purch. Prof. - Educ. Services - Head Start	-	-	-	-	-	-	-	-
Other Purch. Prof. Services	-	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-
Other Objects	326,956	-	-	-	-	-	-	326,956
<b>Total Support Services</b>	<b>326,956</b>	<b>4,062</b>	<b>33,145</b>	<b>1,828</b>	<b>7,765</b>	<b>13,269</b>	<b>5,580</b>	<b>392,605</b>
Facilities Acquis. & Const. Serv.:								
Building	88,290	-	-	-	-	-	-	88,290
Noninstructional Equipment	-	-	-	-	-	-	-	-
Instructional Equipment	-	-	-	-	-	-	-	-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<b>88,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,290</b>
<b>Total Expenditures</b>	<b>415,246</b>	<b>4,062</b>	<b>33,145</b>	<b>1,828</b>	<b>7,765</b>	<b>13,269</b>	<b>5,580</b>	<b>480,895</b>
Excess/(Deficiency) of Revenues Over/(under Expenditures	7,275	-	-	-	-	-	-	7,275
Net change in fund balance	7,275	-	-	-	-	-	-	7,275
Fund Balance, July 1	190,426	-	-	-	-	-	-	190,426
<b>Fund Balance, June 30</b>	<b>\$ 197,701</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,701</b>

**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>SDA EMERGENT NEEDS</u>	<u>STUDENT ACTIVITIES/ SCHOLARSHIPS/ ATHLETICS</u>	<u>TOTAL CARRIED FORWARD</u>
<b>REVENUES:</b>			
State Sources	\$ 88,290	\$ -	\$ 88,290
Federal Sources	-	-	-
Local Sources	-	334,231	334,231
<b>Total Revenues</b>	<u>88,290</u>	<u>334,231</u>	<u>422,521</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	-	-	-
Other Salaries for Instruc.	-	-	-
Purch. Prof. & Tech. Services	-	-	-
Purch. Prof. - Educ. Services	-	-	-
Other Purchased Services (Incl. Tuition)	-	-	-
General Supplies	-	-	-
Textbooks	-	-	-
<b>Total Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Support Services:</b>			
Salaries of Supervisors of Instruction	-	-	-
Salaries of Program Directors	-	-	-
Salaries of Community Parent Involvement Spec.	-	-	-
Salaries of Sec. & Clerical Asst.	-	-	-
Other Salaries	-	-	-
Personal Services - Empl. Benefits	-	-	-
Purch. Prof. & Tech Services	-	-	-
Purch. Prof. - Educ. Services	-	-	-
Purch. Prof. - Educ. Services - Head Start	-	-	-
Other Purch. Prof. Services	-	-	-
Supplies and Materials	-	-	-
Other Purchased Services	-	-	-
Other Objects	-	326,956	326,956
<b>Total Support Services</b>	<u>-</u>	<u>326,956</u>	<u>326,956</u>
<b>Facilities Acquis. &amp; Const. Serv.:</b>			
Building	88,290	-	88,290
Noninstructional Equipment	-	-	-
Instructional Equipment	-	-	-
<b>Total Facil. Acquis. &amp; Const. Serv.</b>	<u>88,290</u>	<u>-</u>	<u>88,290</u>
<b>Total Expenditures</b>	<u>88,290</u>	<u>326,956</u>	<u>415,246</u>
<b>Excess/(Deficiency) of Revenues Over/(under Expenditures</b>	<u>-</u>	<u>7,275</u>	<u>7,275</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>7,275</u>	<u>7,275</u>
<b>Fund Balance, July 1</b>	<u>-</u>	<u>190,426</u>	<u>190,426</u>
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ 197,701</u>	<u>\$ 197,701</u>

**BOROUGH OF CARTERET SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>BUDGETED</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 958,768	\$ 945,723	\$ 13,045
Other Salaries for Instr.	124,599	122,730	1,869
Purchased Educational Services	108,566	26,254	82,312
Supplies and Materials	55,077	47,138	7,939
	<u>1,247,010</u>	<u>1,141,845</u>	<u>105,165</u>
Total Instruction			
Support Services:			
Salaries of Program Directors	53,725	53,725	-
Salaries of Community Parent Involvement Spec.	10,594	3,036	7,558
Other Salaries	50,616	-	50,616
Personal Serv.-Employee Benefits	530,907	-	530,907
Purchased Educational Services - Head Start	783,310	783,310	-
Other Purch. Prof. Services	199,252	188,216	11,036
Miscellaneous Purchased Services	70,000	-	70,000
Supplies and Materials	85,973	27,537	58,436
	<u>1,784,377</u>	<u>1,055,824</u>	<u>728,553</u>
Total Support Services			
Total Expenditures	<u>\$ 3,031,387</u>	<u>\$ 2,197,669</u>	<u>\$ 833,718</u>

**CALCULATION OF BUDGET AND CARRYOVER:**

Total revised 2021-22 Preschool Education Aid Allocation	\$ 2,588,604
Add: Actual Carryover (June 30, 2021)	<u>442,783</u>
Total Preschool Education Aid Available for 2020-21 Budget	3,031,387
Less: 2021-22 Budgeted Preschool Education Aid	<u>(3,031,387)</u>
Available and Unbudgeted PEA Funds at June 30, 2022	-
Add: June 30, 2022 Unexpended PEA	<u>833,718</u>
2021-22 Carryover - Preschool Aid Programs	<u>\$ 833,718</u>
2021-22 PEA Carryover Budgeted for 2022-23 Preschool Programs	<u>\$ -</u>

## Capital Projects Fund

**Carteret Board of Education  
Capital Projects Fund**

**Summary Schedule of Project Expenditures**

**Year ended June 30, 2022**

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Revised Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
			<u>Prior Year</u>	<u>Current Year</u>	
2020 Referendum Projects	\$ 36,999,995	\$ 36,999,995	\$ 10,739,606	\$ 15,022,936	\$ 11,237,453
School Security Aid - Alyssa's Law	206,100	41,190	41,190		-
	<u>\$ 37,206,095</u>	<u>\$ 37,041,185</u>	<u>\$ 10,780,796</u>	<u>\$ 15,022,936</u>	<u>\$ 11,237,453</u>
 <b><u>Analysis of Balance</u></b>  					
				Year End Encumbrances	\$ 5,107,403
				Available for Capital Projects	<u>6,130,050</u>
					<u>\$ 11,237,453</u>

**Carteret Board of Education  
Capital Projects Fund**

**Summary Schedule of Project Revenues, Expenditures,  
Project Balance and Project Status**

**(Budgetary Basis)**

**Year ended June 30, 2022**

	<b>Current Year</b>
<b>Revenues and Other Financing Sources</b>	
Interest Earned	\$ 28,169
Total Revenues and Other Financing Sources	28,169
<b>Expenditures and Other Financing Uses</b>	
Purchased Professional Services	761,833
Construction Services	14,261,103
Transfers to General Fund	28,169
Total Expenditures and Other Financing Uses	15,051,105
(Deficiency) of Revenues (Under) Expenditures	(15,022,936)
Fund Balance, July 1	26,260,389
Fund Balance, June 30	\$11,237,453
<u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance, Budgetary Basis	\$11,237,453
Less: Revenue not recognized on a GAAP basis	
Fund Balance - June 30, 2022 GAAP Basis	\$11,237,453

**Carteret Board of Education  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)**

**2020 Referendum Projects**

**From Inception and for the year ended June 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Sale Proceeds	\$ 36,999,995	\$ -	\$ 36,999,995	\$ 36,999,995
Total Revenues	<u>36,999,995</u>	<u>-</u>	<u>36,999,995</u>	<u>36,999,995</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	3,262,549	761,833	4,024,382	2,927,450
Construction Services	7,477,057	14,261,103	21,738,160	34,072,545
Total Expenditures	<u>10,739,606</u>	<u>15,022,936</u>	<u>25,762,542</u>	<u>36,999,995</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 26,260,389</u>	<u>\$(15,022,936)</u>	<u>\$ 11,237,453</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number	Various			
Grant date	N/A			
Referendum date	September 24, 2019			
Bond authorization date	April 29, 2020			
Bonds Authorized	\$ 36,999,995			
Bonds Issued	36,999,995			
Original Authorized Cost	\$ 36,999,995			
Additional Authorized Cost				
Revised Authorized Cost	36,999,995			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion	69.63%			
Original target completion date	September 2022			
Revised target completion date	September 2023			



**Carteret Board of Education  
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
(Budgetary Basis)**

**School Security Aid - Alyssa's Law**

**From Inception and for the year ended June 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>Revenues and Other Financing</b>				
<b>Sources</b>				
State Sources - SDA Grant	\$ 41,190		\$ 41,190	\$ 206,100
Total Revenues	41,190	-	41,190	206,100
<b>Expenditures and Other Financing</b>				
Construction Services	41,190		41,190	206,100
Total Expenditures	41,190	-	41,190	206,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Additional project information</b>				
Project number	N/A			
Grant date	July 1, 2020			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 206,100			
Additional Authorized Cost	-			
Revised Authorized Cost	206,100			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	19.99%			
Original target completion date	June 30, 2023			
Revised target completion date	June 30, 2023			

Long-Term Debt

**Carteret Board of Education  
Long-Term Debt**

**Schedule of Serial Bonds Payable**

**Year ended June 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2021	Retired	Balance June 30, 2022
			Date	Amount				
School Bonds, Series 2020	June 2, 2020	\$36,999,995	2/1/2023	\$ 900,000	2.00%	\$ 36,999,995	\$ 904,995	\$ 36,095,000
			2/1/2024	900,000	2.00%			
			2/1/2025	900,000	2.00%			
			2/1/2026	905,000	2.00%			
			2/1/2027	925,000	2.00%			
			2/1/2028	950,000	2.00%			
			2/1/2029	970,000	2.00%			
			2/1/2030	1,000,000	2.00%			
			2/1/2031	1,030,000	2.00%			
			2/1/2032	1,065,000	2.00%			
			2/1/2033	1,095,000	3.00%			
			2/1/2034	1,135,000	3.00%			
			2/1/2035	1,170,000	3.00%			
			2/1/2036	1,215,000	3.00%			
			2/1/2037	1,255,000	3.00%			
			2/1/2038	1,300,000	3.00%			
			2/1/2039	1,345,000	3.00%			
			2/1/2040	1,395,000	3.00%			
			2/1/2041	1,440,000	3.00%			
			2/1/2042	1,490,000	3.00%			
			2/1/2043	1,545,000	3.00%			
			2/1/2044	1,600,000	3.00%			
			2/1/2045	1,655,000	3.00%			
2/1/2046	1,720,000	3.00%						
2/1/2047	1,790,000	3.00%						
2/1/2048	1,800,000	3.00%						
2/1/2049	1,800,000	3.00%						
2/1/2050	1,800,000	3.00%						
						<u>\$ 36,999,995</u>	<u>\$ 904,995</u>	<u>\$ 36,095,000</u>

**Carteret Board of Education  
Long-Term Debt**

**Schedule of Obligations Under Certificates of Participation**

**Year ended June 30, 2022**

<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Interest Rate Payable On Remaining Balance</u>	<u>Balance June 30, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
2015 Refunding (COP)	\$ 7,455,000	2.00 - 3.00%	\$ 4,775,000	\$ 480,000	\$ 4,295,000
			<u>\$ 4,775,000</u>	<u>\$ 480,000</u>	<u>\$ 4,295,000</u>

Note: COP Indicates Certificate of Participation

**Carteret Board of Education  
Debt Service Fund**

**Budgetary Comparison Schedule**

Year ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,863,047		\$ 1,863,047	\$ 1,863,047	
State Sources:					
Debt Service Aid Type II	654,461		654,461	654,461	
Total Revenues	<u>2,517,508</u>	<u>-</u>	<u>2,517,508</u>	<u>2,517,508</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Principal on Lease Purchase - COPS	480,000		480,000	480,000	
Interest on Lease Purchase - COPS	127,013		127,013	127,013	
Interest on Bonds	1,005,500		1,005,500	1,005,500	
Principal on Bonds	904,995		904,995	904,995	
Total expenditures	<u>2,517,508</u>	<u>-</u>	<u>2,517,508</u>	<u>2,517,508</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-	-
Fund balance, July 1	291,930		291,930	291,930	
Fund balance, June 30	<u>\$ 291,930</u>	<u>\$ -</u>	<u>\$ 291,930</u>	<u>\$ 291,930</u>	<u>\$ -</u>
Designated for Subsequent Year's Expenditures				<u>\$ 291,930</u>	

## Statistical Section

**Statistical Section**  
**Unaudited**

**Contents**

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

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

Carteret Board of Education  
Net Position by Component

Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
		(Restated)						(Restated)		
Governmental activities:										
Net investment in capital assets	\$ 9,597,816	\$ 9,641,524	\$ 10,581,863	\$ 12,139,789	\$ 12,881,900	\$ 13,253,738	\$ 14,050,425	\$ 13,501,178	\$ 13,639,848	\$ 14,840,382
Restricted	1	536,241	92	650,501	1,400,500	519,188	509,470	2,629,450	3,773,513	17,747,196
Unrestricted (deficit)	(3,996,414)	(17,999,614)	(16,938,060)	(17,048,567)	(18,219,952)	(17,355,694)	(17,620,341)	(17,837,961)	(14,620,152)	(22,770,947)
Total governmental activities net position	<u>\$ 5,601,403</u>	<u>\$ (7,821,849)</u>	<u>\$ (6,356,105)</u>	<u>\$ (4,258,277)</u>	<u>\$ (3,937,552)</u>	<u>\$ (3,582,768)</u>	<u>\$ (3,060,446)</u>	<u>\$ (1,707,333)</u>	<u>\$ 2,793,209</u>	<u>\$ 9,816,631</u>
Business-type activities:										
Investment in capital assets	\$ 480,535	\$ 486,681	\$ 440,820	\$ 399,111	\$ 357,402	\$ 315,692	\$ 281,340	\$ 239,878	\$ 366,538	\$ 337,928
Unrestricted (deficit)	240,465	254,942	216,204	655,448	41,062	308,566	815,153	1,214,678	1,323,457	2,309,536
Total business-type activities net position	<u>\$ 721,000</u>	<u>\$ 741,623</u>	<u>\$ 657,024</u>	<u>\$ 1,054,559</u>	<u>\$ 398,464</u>	<u>\$ 624,258</u>	<u>\$ 1,096,493</u>	<u>\$ 1,454,556</u>	<u>\$ 1,689,995</u>	<u>\$ 2,647,464</u>
District-wide:										
Net investment in capital assets	\$ 10,078,351	\$ 10,128,205	\$ 11,022,683	\$ 12,538,900	\$ 13,239,302	\$ 13,569,430	\$ 14,331,765	\$ 13,741,056	\$ 14,006,386	\$ 15,178,310
Restricted	1	536,241	92	650,501	1,400,500	519,188	509,470	2,629,450	3,773,513	17,747,196
Unrestricted (deficit)	(3,755,949)	(17,744,672)	(16,721,856)	(16,393,119)	(18,178,890)	(17,047,128)	(16,805,188)	(16,623,283)	(13,296,695)	(20,461,411)
Total district net position	<u>\$ 6,322,403</u>	<u>\$ (7,080,226)</u>	<u>\$ (5,699,081)</u>	<u>\$ (3,203,718)</u>	<u>\$ (3,539,088)</u>	<u>\$ (2,958,510)</u>	<u>\$ (1,963,953)</u>	<u>\$ (252,777)</u>	<u>\$ 4,483,204</u>	<u>\$ 12,464,095</u>

Source: ACFR Schedule A-1 and District records.

Note 1. 2014 restated unrestricted for the effects of GASB No. 68

Note 2. GASB No. 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$174,136.



Carteret Board of Education  
Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Years ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
Instruction										
Regular	\$ 23,512,475	\$ 25,505,673	\$ 29,302,793	\$ 29,859,830	\$ 32,796,929	\$ 35,287,441	\$ 35,738,554	\$ 35,770,081	\$ 40,488,877	\$ 36,938,917
Special education	11,409,327	12,326,119	12,989,622	12,959,900	14,049,462	15,684,751	15,456,654	14,347,977	13,410,986	10,370,488
Other special education	1,930,214	2,000,581	2,343,564	2,332,775	2,889,622	3,287,124	3,255,382	3,504,382	3,802,158	3,731,982
School sponsored activities and athletics	574,389	496,087	505,909	579,426	598,697	662,544	677,616	652,932	382,317	745,657
Support Services:										
Tuition										
Student & instruction related services	6,259,949	6,310,943	7,025,149	7,754,543	8,805,795	8,173,073	7,989,432	8,521,121	9,915,466	15,010,565
School Administrative services	3,219,576	3,033,128	3,127,633	3,384,585	4,117,025	4,072,383	3,541,865	3,554,257	4,103,085	1,715,148
General administration services	1,418,556	1,222,049	1,257,571	1,113,582	1,236,146	1,350,446	1,474,490	1,563,327	1,416,925	3,651,110
Central services	1,640,519	1,027,621	1,251,322	1,338,402	1,419,864	1,357,978	1,365,407	1,359,248	1,536,247	1,392,128
Plant operations and maintenance	5,733,510	6,064,394	6,310,838	5,966,909	6,625,429	7,577,581	6,458,542	5,918,261	6,028,833	6,072,987
Pupil transportation	2,313,497	2,583,496	2,788,611	2,736,599	2,685,999	2,948,428	3,465,427	3,244,933	2,859,554	4,202,642
Interest on long-term debt	700,012	614,574	439,892	490,930	391,191	512,680	228,302	262,048	1,163,737	1,131,591
Total governmental activities expenses	58,712,024	61,184,665	67,342,904	68,517,481	75,616,159	80,914,429	79,651,671	78,698,567	85,108,185	84,963,215
Business-type activities:										
Food service	1,982,478	1,809,013	1,908,223	1,729,508	2,543,630	2,354,336	2,169,812	1,813,753	1,237,519	2,276,634
Enrichment academy	312,570	387,487	350,801	157,520	634,647	178,231	218,137	175,680	53,472	179,959
Total business-type activities expense	2,295,048	2,196,500	2,259,124	1,887,028	3,178,277	2,532,567	2,387,949	1,989,433	1,290,991	2,456,593
Total district expenses	\$ 61,007,072	\$ 63,381,165	\$ 69,602,028	\$ 70,404,509	\$ 78,794,436	\$ 83,446,996	\$ 82,039,620	\$ 80,688,000	\$ 86,399,176	\$ 87,419,808
<b>Program Revenues</b>										
Governmental activities:										
Charges for services							\$ 47,076		\$ 102,444	\$ 334,231
Grants and contributions	11,981,347	11,459,223	17,548,589	19,660,547	24,427,731	27,668,511	26,459,790	25,027,913	32,104,218	28,390,858
Total governmental activities program revenues	11,981,347	11,459,223	17,548,589	19,660,547	24,427,731	27,668,511	26,506,866	25,027,913	32,206,662	28,725,089
Business-type activities:										
Charges for services										
Food service	528,646	515,164	484,155	510,115	486,285	485,618	509,755	360,835	2,925	48,613
Enrichment academy	329,297	372,423	352,854	332,133	279,174	353,899	386,537	326,757	129,914	412,612
Operating grants and contributions	1,289,033	1,291,848	1,337,616	1,442,315	1,756,723	1,918,844	1,863,892	1,659,904	1,393,311	2,952,451
Total business-type activities program revenues	2,146,976	2,179,433	2,174,525	2,284,563	2,522,182	2,758,361	2,860,184	2,347,496	1,526,150	3,413,676
Total district program revenues	\$ 14,128,323	\$ 13,638,656	\$ 19,723,114	\$ 21,945,110	\$ 26,949,913	\$ 30,426,872	\$ 29,367,050	\$ 27,375,409	\$ 33,732,812	\$ 32,138,765
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (46,730,677)	\$ (49,725,442)	\$ (48,966,087)	\$ (48,856,934)	\$ (51,188,428)	\$ (53,245,918)	\$ (53,144,805)	\$ (53,670,654)	\$ (52,901,523)	\$ (56,238,126)
Business-type activities	(148,072)	(17,067)	(84,599)	397,535	(656,095)	225,794	472,235	358,063	235,159	957,083
Total district-wide net expense	\$ (46,878,749)	\$ (49,742,509)	\$ (49,050,686)	\$ (48,459,399)	\$ (51,844,523)	\$ (53,020,124)	\$ (52,672,570)	\$ (53,312,591)	\$ (52,666,364)	\$ (55,281,043)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 22,801,000	\$ 23,257,020	\$ 24,451,486	\$ 24,940,515	\$ 25,230,391	\$ 26,527,244	\$ 27,057,788	\$ 27,098,944	\$ 27,711,201	\$ 27,988,313
Taxes levied for debt service	1,426,667	1,425,197	1,414,072	1,392,490	1,414,624	1,388,324	1,388,109	597,036	1,551,076	1,863,047
Unrestricted grants and contributions	23,472,402	23,968,004	24,050,778	24,092,213	24,239,861	24,898,203	24,452,817	26,476,209	27,841,567	32,961,771
Restricted grants and contributions	462,246	467,051	464,209	450,133	541,716	568,477	590,947	173,622	97,880	294,507
Investment income	14,218	6,574	10,340	14,665	25,080					
Miscellaneous income	30,030	191,619	40,946	64,746	57,681	218,454	177,466	200,914	200,341	153,910
Total governmental activities	48,206,563	49,315,465	50,431,831	50,954,762	51,509,153	53,600,702	53,667,127	54,546,725	57,402,065	63,261,548
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	280	386
Total business-type activities	-	-	-	-	-	-	-	-	280	386
Total district-wide	\$ 48,206,563	\$ 49,315,465	\$ 50,431,831	\$ 50,954,762	\$ 51,509,153	\$ 53,600,702	\$ 53,667,127	\$ 54,546,725	\$ 57,402,345	\$ 63,261,934
<b>Change in Net Position</b>										
Governmental activities	\$ 1,475,886	\$ (409,977)	\$ 1,465,744	\$ 2,097,828	\$ 320,725	\$ 354,784	\$ 522,322	\$ 876,071	\$ 4,500,542	\$ 7,023,422
Business-type activities	(148,072)	(17,067)	(84,599)	397,535	(656,095)	225,794	472,235	358,063	235,439	957,469
Total district	\$ 1,327,814	\$ (427,044)	\$ 1,381,145	\$ 2,495,363	\$ (335,370)	\$ 580,578	\$ 994,557	\$ 1,234,134	\$ 4,735,981	\$ 7,980,891

Source: ACFR Schedule A-2 and District records.

Carteret Board of Education  
Fund Balances - Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:								(Restated)		
Restricted				\$ 650,000	\$ 1,400,000	\$ 607,411	\$ 607,411	\$ 2,925,577	\$ 3,791,157	\$ 6,020,112
Committed	3,164,957	453,689	356,969	463,977				441,527	193,500	1,375,453
Assigned		944,532	950,000	1,900,107	2,196,387	2,216,988	2,712,981	1,208,023	4,066,068	4,253,596
Unassigned (deficit)	(3,164,559)	(4,675,878)	(2,443,606)	(3,243,219)	(3,179,233)	(2,239,026)	(2,799,053)	(2,560,367)	(1,553,749)	(687,902)
Total general fund	<u>\$ 398</u>	<u>\$ (3,277,657)</u>	<u>\$ (1,136,637)</u>	<u>\$ (229,135)</u>	<u>\$ 417,154</u>	<u>\$ 585,373</u>	<u>\$ 521,339</u>	<u>\$ 2,014,760</u>	<u>\$ 6,496,976</u>	<u>\$ 10,961,259</u>
All Other Governmental Funds:										
Restricted	\$ 1	\$ 536,241	\$ 92	\$ 501	\$ 500	\$ 19,188	\$ 9,470	\$ 34,755,918	\$ 26,742,745	\$ 11,727,084
Unassigned (deficit)	\$ (69,659)	(92,514)	(75,694)	(73,591)	(60,609)			172,436		
Total all other governmental funds	<u>\$ (69,658)</u>	<u>\$ 443,727</u>	<u>\$ (75,602)</u>	<u>\$ (73,090)</u>	<u>\$ (60,109)</u>	<u>\$ 19,188</u>	<u>\$ 9,470</u>	<u>\$ 34,928,354</u>	<u>\$ 26,742,745</u>	<u>\$ 11,727,084</u>

Source: ACFR Schedule B-1 and District records.

Note 1: GASB #84 was implemented during the 2021 fiscal year, which required the restatement of the beginning fund balances in the general and special revenue funds.

Note 2: The deficits in the general fund and special revenue fund are the result of the last two state aid payments being deferred until the subsequent fiscal year. See notes to the basic financial statements for additional information.

Carteret Board of Education  
Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 24,227,667	\$ 24,682,217	\$ 25,865,558	\$ 26,333,005	\$ 26,645,015	\$ 27,915,568	\$ 28,445,897	\$ 27,695,980	\$ 29,262,277	\$ 29,851,360
Tuition charges							47,076			
Interest on investments	14,218	6,574	10,340	13,701	25,080					16,806
Miscellaneous	60,162	199,944	72,696	85,827	86,355	218,779	191,806	200,914	330,033	470,742
State sources	33,777,765	33,790,602	35,228,250	35,017,174	36,486,597	38,818,535	42,713,030	45,035,183	48,846,049	58,803,281
Federal sources	2,108,098	2,095,351	2,266,934	2,333,822	2,391,881	2,101,371	2,332,287	2,567,952	3,216,644	5,017,363
Other restricted miscellaneous										593
<b>Total revenue</b>	<b>60,187,910</b>	<b>60,774,688</b>	<b>63,443,778</b>	<b>63,783,529</b>	<b>65,634,928</b>	<b>69,054,253</b>	<b>73,730,096</b>	<b>75,500,029</b>	<b>81,655,003</b>	<b>94,160,145</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	23,370,415	25,581,772	25,393,741	25,630,959	26,738,831	28,419,185	32,037,837	33,358,631	35,856,442	38,508,930
Special education instruction	11,382,245	12,356,939	12,038,045	11,913,810	12,382,075	13,754,179	14,414,657	13,742,262	12,285,140	10,780,374
Other special instruction	1,923,128	2,010,114	1,999,567	1,981,530	2,317,837	2,644,168	2,872,467	3,240,391	3,331,882	3,913,245
School sponsored activities, athletics	572,419	498,323	449,509	509,622	497,152	540,071	609,245	607,770	350,572	778,884
Support Services:										
Student & inst. related services	6,176,495	6,238,127	6,129,023	6,834,983	7,382,189	6,706,856	7,176,377	7,973,655	8,892,246	14,610,750
General administrative services	1,415,069	1,190,346	1,036,166	1,046,138	1,087,078	1,215,174	1,381,284	1,518,344	1,315,559	1,754,263
School administrative services	3,205,584	3,048,932	2,696,264	2,899,248	3,309,470	3,230,729	3,124,989	3,295,398	3,595,882	3,841,070
Central services	1,636,073	1,032,552	1,165,728	1,241,408	1,190,380	1,143,774	1,218,814	1,276,094	1,364,329	1,459,476
Plant operations and maintenance	4,880,657	5,186,359	5,228,265	4,946,201	5,137,887	6,099,968	5,292,532	5,093,049	5,100,573	6,224,619
Pupil transportation	2,309,037	2,579,780	2,781,769	2,728,951	2,667,902	2,943,307	3,458,607	3,245,780	2,852,645	4,164,199
Special Schools										120,403
Charter Schools										216,701
Capital outlay	2,959,442	1,977,142	1,466,608	160,101	205,332	59,482	155,227	2,399,324	8,926,998	15,821,101
Debt service:										
Principal	1,460,000	1,620,000	1,659,169	2,653,860	1,720,000	1,760,000	1,830,000	650,000	675,000	1,384,995
Interest and other charges	646,503	630,872	796,005	327,668	339,525	289,844	231,812	164,063	811,128	1,132,513
<b>Total expenditures</b>	<b>61,937,067</b>	<b>63,951,258</b>	<b>62,839,859</b>	<b>62,874,479</b>	<b>64,975,658</b>	<b>68,806,737</b>	<b>73,803,848</b>	<b>76,564,761</b>	<b>85,358,396</b>	<b>104,711,523</b>
Excess (Deficiency) of revenues over (under) expenditures	(1,749,157)	(3,176,570)	603,919	909,050	659,270	247,516	(73,752)	(1,064,732)	(3,703,393)	(10,551,378)
<b>Other Financing sources (uses)</b>										
Refund of prior year revenue		1,430,000	7,455,000							
Payments To Escrow Agent		(1,370,000)	(7,165,000)							
Serial Bonds Issued								36,999,995		
Discount of Issuance of Refunding Bonds			(28,357)							
Capital leases (non-budgeted)		351,900	756,129					5,046	87,045	
Transfers in		555,364	(5,046)	964				(5,046)	(87,045)	28,169
Transfers out		(555,364)								(28,169)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>411,900</b>	<b>1,012,726</b>	<b>964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,999,995</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (1,749,157)</b>	<b>\$ (2,764,670)</b>	<b>\$ 1,616,645</b>	<b>\$ 910,014</b>	<b>\$ 659,270</b>	<b>\$ 247,516</b>	<b>\$ (73,752)</b>	<b>\$ 35,935,263</b>	<b>\$ (3,703,393)</b>	<b>\$ (10,551,378)</b>
Debt service as a percentage of noncapital expenditures	3.57%	3.63%	4.00%	4.75%	3.18%	2.98%	2.80%	1.10%	1.94%	2.83%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Carteret Board of Education  
 General Fund - Other Local Revenue by Source

Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Unaudited

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Interest Earned	\$ 16,806	\$ 52,618	\$ 79,093	\$ 85,703	\$ 67,298	\$ 25,080	\$ 13,701	\$ 10,340	\$ 6,574	\$ 14,218
Tuition				47,076						
Miscellaneous	108,935	60,678	116,775	91,763	131,968	57,681	64,746	40,946	191,619	30,030
Total	<u>\$ 125,741</u>	<u>\$ 113,296</u>	<u>\$ 195,868</u>	<u>\$ 224,542</u>	<u>\$ 199,266</u>	<u>\$ 82,761</u>	<u>\$ 78,447</u>	<u>\$ 51,286</u>	<u>\$ 198,193</u>	<u>\$ 44,248</u>

Source: District's Revenue Report

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2013	\$ 50,431,500	\$ 1,064,182,600	\$ 202,584,900	\$ 476,104,400	\$ 90,049,100	\$ 1,883,352,500	\$ 2,628,950	\$ 1,885,981,450	\$ 2,073,387,003	\$ 1.297
2014	42,044,200	1,065,493,007	220,603,200	469,660,300	86,082,700	1,883,883,407	2,830,695	1,886,714,102	1,927,910,817	1.340
2015	49,410,800	1,066,310,457	225,843,500	458,755,983	92,762,400	1,893,083,140	2,444,838	1,895,527,978	2,181,976,879	1.376
2016	40,092,400	1,066,429,882	209,102,500	489,878,983	92,762,400	1,898,266,165	2,494,459	1,900,760,624	2,151,155,075	1.394
2017 (b)	54,547,300	1,245,829,200	279,228,900	741,107,283	129,192,300	2,449,904,983	2,818,532	2,452,723,515	2,171,901,581	1.113
2018	50,741,800	1,243,002,320	274,207,900	729,064,683	125,749,800	2,422,766,503	2,965,620	2,425,732,123	2,289,561,570	1.162
2019	51,245,300	1,247,946,920	286,254,000	730,098,283	125,820,400	2,441,364,903	-	2,441,364,903	2,566,484,822	1.150
2020	54,464,200	1,249,377,800	284,947,300	732,548,583	125,476,700	2,446,814,583	-	2,446,814,583	2,749,814,139	1.145
2021	96,505,500	1,251,734,250	282,177,300	740,013,583	125,652,100	2,496,082,733	-	2,496,082,733	2,880,018,631	1.203
2022	100,477,300	1,253,453,300	276,160,900	739,326,583	120,514,100	2,489,932,183	-	2,489,932,183	3,122,966,078	1.195

Source: County Abstract of Ratables

a Tax rates are per \$100

b The Borough undertook a reassessment of real property which was effective in calendar years 2012 and 2017

**CARTERET BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN YEARS**  
**(Unaudited)**  
*(rate per \$100 of assessed value)*

<b>Assessment Year</b>	<b>Total Direct School Tax Rate</b>	<b>Overlapping Rates</b>					<b>County Open Space</b>	<b>Total Direct and Overlapping Tax Rate</b>
		<b>Carteret Municipality</b>	<b>Municipal Open Space</b>	<b>Municipal Library</b>	<b>County</b>			
2013	\$ 1.297	\$ 1.165	\$ 0.030	\$ 0.035	\$ 0.382	\$ 0.033	\$ 2.942	
2014	1.340	1.175	0.030	0.034	0.375	0.031	2.985	
2015	1.376	1.222	0.030	0.038	0.420	0.035	3.121	
2016	1.394	1.258	0.030	0.037	0.413	0.035	3.167	
2017 (A)	1.113	1.101	0.030	0.029	0.330	0.027	2.630	
2018	1.162	1.134	0.030	0.031	0.342	0.028	2.727	
2019	1.150	1.175	0.030	0.034	0.372	0.032	2.793	
2020	1.145	1.225	0.030	0.036	0.406	0.034	2.876	
2021	1.203	1.261	0.030	0.037	0.422	0.035	2.988	
2022	1.195	1.269	0.030	0.042	0.446	0.038	3.020	

Source: The Borough Tax Duplicate

(A) The Borough undertook a reassessment of real property which was effective in calendar year 2017.

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

	2022			2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% Total of District Net Assessed Value
GATX/Kinder Morgan -503, 3	\$ 132,000,000	5.30%	GATX/Kinder Morgan -503, 3	\$ 108,000,000	5.73%
KTR Carteret	72,612,500	2.92%	KTR Carteret	44,802,000	2.38%
50 Bryla HPFV III Urban Renewal LLC	72,551,900	2.91%	Federal Blvd LLC	37,818,600	2.01%
KTR NJ Ur. Ren.	58,981,800	2.37%	Carteret Investors - Bristol	29,963,300	1.59%
Federal Blvd LLC	42,006,200	1.69%	Keystone	23,404,900	1.24%
Port Carteret Fee Exchange LLC	34,916,100	1.40%	Meridian II LLC	23,268,900	1.23%
Keystone	34,701,600	1.39%	Keystone	20,176,200	1.07%
GATX/Kinder Morgan, 603,18.02	34,129,200	1.37%	KTR Carteret	20,084,200	1.06%
Nuveen	34,012,500	1.37%	Carteret Terrace	17,612,800	0.93%
Bristol Holdings LLC	25,190,000	1.01%	AMB US Logistics Fund LP	17,525,000	0.93%
Total	<u>\$ 481,899,300</u>	<u>19.35%</u>	Total	<u>\$ 342,655,900</u>	<u>18.17%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 24,227,667	\$ 24,227,667	100.00%	N/A
2014	24,682,217	24,682,217	100.00%	N/A
2015	25,865,558	25,865,558	100.00%	N/A
2016	26,333,005	26,333,005	100.00%	N/A
2017	26,645,015	26,645,015	100.00%	N/A
2018	27,915,568	27,915,568	100.00%	N/A
2019	28,445,897	28,445,897	100.00%	N/A
2020	27,695,980	27,695,980	100.00%	N/A
2021	29,262,277	28,316,318	96.77%	\$ 945,959
2022	29,851,360	29,851,360	100.00%	N/A



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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population (A)	Per Capita
	General Obligation Bonds	Certificates of Participation	Financed Purchase Payables	Bond Anticipation Notes (BANs)	Financed Purchase Payables			
2013	\$ 1,370,000	\$ 14,515,000	\$ N/A	\$ N/A	\$ N/A	\$ 15,885,000	23,687	\$ 671
2014	1,275,000	13,150,000	251,900	1,800,000	N/A	16,476,900	23,714	695
2015	1,115,000	12,025,000	923,860	3,516,636	N/A	17,580,496	23,697	742
2016	945,000	10,465,000	N/A	N/A	N/A	11,410,000	23,621	483
2017	770,000	8,920,000	N/A	N/A	N/A	9,690,000	23,604	411
2018	590,000	7,340,000	N/A	N/A	N/A	7,930,000	23,514	337
2019	400,000	5,700,000	N/A	N/A	N/A	6,100,000	23,393	261
2020	37,204,995	5,245,000	N/A	N/A	N/A	42,449,995	23,383	1,815
2021	36,999,995	4,775,000	N/A	N/A	N/A	41,774,995	25,152	1,661
2022	36,095,000	4,295,000	N/A	N/A	N/A	40,390,000	25,152	1,606

Source: District records  
N/A : Not Applicable

(A) -Estimated

**CARTERET 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			
2013	\$ 1,370,000		\$ 1,370,000	0.07%	\$ 58
2014	1,275,000		1,275,000	0.07%	54
2015	1,115,000		1,115,000	0.06%	47
2016	945,000		945,000	0.05%	40
2017	770,000		770,000	0.03%	33
2018	590,000		590,000	0.02%	25
2019	400,000	\$ 9,470	390,530	0.02%	17
2020	37,204,995	9,470	37,195,525	1.52%	1,591
2021	36,999,995	291,930	36,708,065	1.47%	1,459
2022	36,095,000	291,930	35,803,070	1.44%	1,423

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CARTERET BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
FOR YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
Borough of Carteret	\$ 98,425,901	\$ 20,861,797	\$ 77,564,104
Carteret Board of Education	<u>36,999,995</u>	<u>36,999,995</u>	<u>-</u>
	<u>\$ 135,425,896</u>	<u>\$ 57,861,792</u>	<u>77,564,104</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Middlesex County			
County of Middlesex (A)			15,551,298
Middlesex County Utilities Authority (B)			<u>3,353,194</u>
			<u>18,904,492</u>
 Total Direct and Overlapping Bonded Debt			 <u><u>\$ 96,468,596</u></u>

SOURCE:

(1) Borough of Carteret Annual Debt Statement and School District Financial Records

(A) The debt information for this entity was obtained from the Middlesex County Treasurer's office and was apportioned to the Borough of Carteret by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Middlesex County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

Source: Borough of Carteret Chief Financial Officer and Middlesex County Treasurer's Office.

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

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis		
2020	\$ 3,096,492,660	
2019	2,789,346,310	
2018	2,710,519,488	
	<u>\$ 8,596,358,458</u>	<b>[A]</b>
Average Equalized Valuation of Taxable Property		<b>[A/3]</b> <u>\$ 2,865,452,819</u>
Debt Limit		<b>[B]</b> 114,618,113
Total Net Debt Applicable to Limit		<b>[C]</b> <u>35,803,070</u>
Legal debt margin		<b>[B-C]</b> <u>\$ 78,815,043</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>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 106,960,253	\$ 97,839,937	\$ 83,475,544	\$ 83,178,360	\$ 90,269,173	\$ 91,740,739	\$ 96,729,684	\$ 100,118,630	\$ 106,886,705	\$ 114,618,113
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	36,999,995	36,999,995	35,803,070
Legal Debt Margin	<u>\$ 106,960,253</u>	<u>\$ 97,839,937</u>	<u>\$ 83,475,544</u>	<u>\$ 83,178,360</u>	<u>\$ 90,269,173</u>	<u>\$ 91,740,739</u>	<u>\$ 96,729,684</u>	<u>\$ 63,118,635</u>	<u>\$ 69,886,710</u>	<u>\$ 78,815,043</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.96%	34.62%	31.24%

Source: Annual Debt Statements

**CARTERET BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u> (A)	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	23,687	\$ 52,115	12.70%
2014	23,714	53,501	7.30%
2015	23,697	54,542	5.00%
2016	23,621	56,207	5.40%
2017	23,604	57,889	5.30%
2018	23,514	60,547	4.70%
2019	23,393	62,665	4.20%
2020	23,383	66,640	11.60%
2021	25,152	66,640 (A)	7.60%
2022	25,152	66,640 (A)	Not available

(A) - Estimated

Source: New Jersey State Department of Education



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

<u>Function/Program</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>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	244.00	244.00	236.00	241.00	250.00	264.00	254.00	255.00	255.00	260.00
Special education	49.00	61.00	81.00	83.00	81.00	62.00	60.00	60.00	60.00	63.00
Other special education	14.00	22.00	25.00	27.00	28.00	35.00	35.00	34.00	34.00	35.00
Adult/continuing education programs										
Support Services:										
Student & instruction related services	47.00	22.80	26.00	26.00	21.00	24.00	24.00	26.00	21.00	21.00
General administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
School administrative services	21.00	19.20	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Other administrative services		4.00								
Central services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administrative Information Technology	5.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Plant operations and maintenance	30.00	28.00	26.00	27.00	27.00	24.00	25.00	24.00	24.00	21.00
Total	<u>419.00</u>	<u>414.00</u>	<u>428.00</u>	<u>438.00</u>	<u>441.00</u>	<u>443.00</u>	<u>432.00</u>	<u>433.00</u>	<u>428.00</u>	<u>434.00</u>

Source: District Personnel Records

CARTERET 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	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	3,896	\$ 56,871,122	\$ 14,597	6.80%	307	12:1	13:1	11:1	3,886	3,696	3.16%	95.11%
2014	3,864	59,723,244	15,456	5.89%	307	12:1	13:1	11:1	3,837	3,531	-1.26%	92.03%
2015	3,828	58,811,118	15,363	-0.59%	305	12:1	13:1	11:1	3,724	3,550	-2.95%	95.33%
2016	3,808	59,732,850	15,686	2.11%	312	11:1	13:1	11:1	3,715	3,542	-0.24%	95.34%
2017	3,832	62,710,801	16,365	4.33%	306	12:1	13:1	12:1	3,713	3,555	-0.05%	95.74%
2018	3,840	66,697,411	17,369	6.14%	318	13:1	13:1	13:1	3,701	3,700	-0.32%	99.97%
2019	3,890	71,586,809	18,403	5.95%	314	13:1	13:1	13:1	3,955	3,763	6.86%	95.15%
2020	3,933	73,351,374	18,650	1.34%	315	13:1	13:1	13:1	3,905	3,741	-1.26%	95.80%
2021	3,804	74,945,270	19,702	5.64%	315	13:1	13:1	13:1	3,804	3,611	-2.59%	94.93%
2022	3,882	86,372,914	22,250	12.93%	323	11:1	13:1	12:1	3,826	3,562	0.58%	93.10%

Sources: District records

- 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.



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b><u>Columbus School</u></b>										
Square Feet	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	681	663	675	680	707	728	771	742	683	697
<b><u>Minue School</u></b>										
Square Feet	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705
Capacity (students)	457	457	457	457	457	457	457	457	457	457
Enrollment	665	677	695	648	665	680	660	654	597	638
<b><u>Nathan Hale School (Reopened Sept. 2001)</u></b>										
Square Feet	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	531	523	531	504	518	498	492	490	459	469
<b><u>Middle School</u></b>										
Square Feet	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595
Capacity (students)	544	544	544	544	544	544	544	544	544	544
Enrollment	886		864	878	832	861	844	895	915	933
<b><u>High School</u></b>										
Square Feet	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745
Capacity (students)	765	765	765	765	765	765	765	765	765	765
Enrollment	1,038	1,041	1,009	1,012	1,020	997	1,053	1,032	985	1,045
<b><u>Other</u></b>										
Square Feet - Stadium	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104
Square Feet - Administration Building	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248

Number of Schools at June 30, 2022

Elementary = 3

Middle School = 1

Senior High School = 1

Other = 0

**Source:** District Facilities Office

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

**CARTERET BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>*School Facilities</b>										
Columbus School	\$ 264,925	\$ 263,553	\$ 137,279	\$ 109,640	\$ 131,420	\$ 100,585	\$ 148,985	\$ 138,844	\$ 128,878	\$ 326,592
Nicholas Minue School	185,927	238,453	149,532	193,243	231,632	177,284	262,590	244,718	227,151	224,869
Nathan Hale School	137,248	200,802	175,302	200,854	240,755	184,266	272,933	254,355	236,097	293,809
Middle School	94,504	138,052	269,434	120,657	144,626	110,692	163,956	152,796	141,828	258,492
High School	<u>241,241</u>	<u>276,103</u>	<u>388,820</u>	<u>339,147</u>	<u>406,520</u>	<u>311,137</u>	<u>460,853</u>	<u>429,484</u>	<u>398,655</u>	<u>701,815</u>
Total School Facilities	923,845	1,116,963	1,120,367	963,541	1,154,953	883,964	1,309,317	1,220,197	1,132,609	1,805,577
Other Facilities	<u>167,184</u>	<u>138,052</u>	<u>240,902</u>	<u>119,315</u>	<u>143,017</u>	<u>109,461</u>	<u>162,131</u>	<u>151,097</u>	<u>140,251</u>	<u>198,697</u>
Grand Total	<u>\$ 1,091,029</u>	<u>\$ 1,255,015</u>	<u>\$ 1,361,269</u>	<u>\$ 1,082,856</u>	<u>\$ 1,297,970</u>	<u>\$ 993,425</u>	<u>\$ 1,471,448</u>	<u>\$ 1,371,294</u>	<u>\$ 1,272,860</u>	<u>\$ 2,004,274</u>

Source: District Records

**CARTERET BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2022  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>Property/EDP/Equipment</b>		
Blanket Building and Contents (Per Fund)	\$ 98,660,683	\$ 5,000
Electronic Data Processing Equipment	included in above	
Equipment Breakdown/Boiler & Machinery	100,000,000	25,000
<b>Crime</b>		
Public Employee Dishonesty with Faithful Performance	250,000	1,000
<b>General Liability</b>		
Each Occurrence	11,000,000	N/A
Medical Expense (Per person)	11,000,000	N/A
Personal Injury and Advertising Injury	11,000,000	N/A
Employee Benefits Liability	11,000,000	N/A
<b>Automobile Liability</b>		
Combined Single Limit	1,000,000	N/A
Bodily Personal Injury Protection	N/A	N/A
<b>Workers Compensation &amp; Employers Liability</b>		
E.L. Each Accident	3,000,000	N/A
E.L. Disease - Each Employee	3,000,000	N/A
E.L. Disease - Aggregate Limit	3,000,000	N/A
<b>Surety Bonds</b>		
Board Secretary	340,000	N/A
<b>School Board Legal Leaders Errors and Omissions</b>		
Legal Liability - QBE	1,000,000/3,000,000	10,000
Legal Liability - NJSIG	10,000,000	

Source: District's records

## Single Audit Section

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Carteret Board of Education, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 21, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004.

### **Carteret Board of Education's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
March 21, 2023



Gary Higgins, CPA  
Licensed Public School Accountant No. CS00814

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

**Independent Auditors' Report**

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

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

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

We have audited the Carteret Board of Education's, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

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

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

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

### **Responsibilities of Management for Compliance**

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

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

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

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

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



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

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004. Our opinion on each major federal and state program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District is also responsible for preparing a corrective action plan to address the audit finding included in our auditors' report. The District's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, and 2022-004 to be significant deficiencies.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
March 21, 2023



Gary Higgins, CPA  
Licensed Public School Accountant No. CS00814

**CARTERET BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards**  
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Cash Received	Total Budgetary Expenditures	Adjustments	Balance at June 30, 2022			
					From	To					Provided to Subrecipients	(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Health and Human Services - Passed Through State Department of Education</b>														
General Fund:														
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	Not available	\$ 110,994	7/1/21	6/30/22		\$ 110,994	\$ (110,994)					
Total General Fund							-	110,994	(110,994)	-		-		
<b>Special Revenue Fund:</b>														
<b>U.S. Department of Education - Passed Through State Department of Education</b>														
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	NCLB-2940-08	1,171,673	7/1/20	9/30/21	(673,577)	684,779	(11,202)			\$ -		
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	NCLB-2940-08	1,525,809	7/1/21	9/30/22		465,494	(1,160,630)			(695,136)		
Title I, Part A, SIA	84.010A	S010A200030	NCLB-2940-08	113,937	7/1/20	9/30/21	(60,504)	64,483	-	\$ (3,979)		-		
Title I, Part A, SIA	84.010A	S010A200030	NCLB-2940-08	123,954	7/1/21	9/30/22		39,118	(53,037)			(13,919)		
Subtotal of Title I Part A							(734,081)	1,253,874	(1,224,869)	(3,979)		(709,055)		
Special Education Cluster:														
IDEA Special Education Grants to States	84.027A	H027A200100	FT294008	1,009,543	7/1/20	9/30/21	(939,679)	970,849		(31,170)		-		
IDEA Special Education Grants to States	84.027A	H027A200100	FT294008	1,016,541	7/1/21	9/30/22		1,016,541	(970,916)			(970,916)		
IDEA ARP Basic	84.027X	H027A200100	FT294008	213,855	7/1/21	9/30/22		213,855	(41,450)			(41,450)		
IDEA ARP Preschool	84.173X	H173A200114	PS294007	18,125	7/1/21	9/30/22		18,125				-		
IDEA Preschool Grants for Children with Disabilities	84.173A	H173A200114	PS294007	30,207	7/1/21	9/30/21	(8,421)	30,207	(30,243)	(21,786)		(16,827)		
IDEA Preschool Grants for Children with Disabilities	84.173A	H173A200114	PS294007	30,243	7/1/21	9/30/22		30,243				(1,029,193)		
Subtotal of Special Education Cluster:							(948,100)	1,014,472	(1,042,609)	(52,956)		(1,029,193)		
Title II, Part A, Improving Teacher Quality State Grant	84.367A	S367A200029	NCLB-2940-07	166,532	7/1/20	9/30/21	(126,555)	145,840				(19,285)		
Title II, Part A, Improving Teacher Quality State Grants	84.367A	S367A200029	NCLB-2940-07	253,459	7/1/21	9/30/22		118,552	(143,515)			(24,963)		
Subtotal of Title II Part A							(126,555)	264,392		-		(24,963)		
Title III	84.365	S365A200030	NCLB-2940-07	109,445	7/1/20	9/30/21	(116,604)	43,269		73,335		-		
Title III	84.365	S365A200030	NCLB-2940-07	213,802	7/1/21	9/30/22		27,088	(155,500)			(128,412)		
Subtotal of Title III							(116,604)	70,357	(155,500)	73,335		(128,412)		
Title IV, Part A	84.424A	S424A200031	NCLB-2940-08	82,055	7/1/20	9/30/21	(61,320)	51,067		10,253		-		
Title IV, Part A	84.424A	S424A200031	NCLB-2940-08	102,761	7/1/21	9/30/22		33,984	(69,541)			(35,557)		
Subtotal of Title IV							(61,320)	85,051	(69,541)	10,253		(35,557)		
Elementary and Secondary School Emergency Relief (ESSER) Cluster:														
COVID-19 - CARES ESSER I	84.425D	S425D200027	N/A	796,483	3/13/20	9/30/22	(385,541)	155,081	(209,804)			(440,264)		
COVID-19 - CARES ESSER II	84.425D	S425D210027	N/A	3,222,920	3/13/20	9/30/23		18,359	(3,198,920)			(3,180,561)		
COVID-19 - CR Learning Acceleration (ESSER II)	84.425D	S425D210027	N/A	206,830	3/13/20	9/30/23			(130,169)			(130,169)		
COVID-19 - CR Mental Health (ESSER II)	84.425D	S425D210027	N/A	45,000	3/13/20	9/30/23			(24,653)			(24,653)		
COVID-19 - ESSER III	84.425U	S425U210027	N/A	7,243,305	3/13/20	9/30/24		486,008	(2,540,020)			(2,054,012)		
COVID-19 - Homeless ESSER III	84.425U	S425U210027	N/A	36,667	3/13/20	9/30/24			(150)			(150)		
Subtotal ESSER Cluster							(385,541)	659,448	(6,103,716)			(5,829,809)		
<b>U.S. Department of the Treasury - Passed Through State Department of Education</b>														
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	N/A	N/A	62,669	7/1/21	6/30/22		31,335	(62,669)			(31,334)		
<b>U.S. Department of Health and Human Services - Passed Through State Department of Education</b>														
Temporary Assistance for Needy Families (TANF)	93.558	100-054-7550-290	N/A	56,615	7/1/21	6/30/22		56,615	(56,615)					
Total Special Revenue Fund							(2,372,201)	3,435,544	(8,878,319)	26,653		(7,788,323)		
<b>U.S. Department of Agriculture—Passed-Through NJ Department of Agriculture</b>														
Enterprise Fund:														
Child Nutrition Cluster:														
Food Donation Program (NC)	10.555	221NJ304N1099	N/A	85,842	7/1/20	6/30/21	16,104		(16,104)					
Food Donation Program (NC)	10.555	211NJ304N1099	N/A	130,996	7/1/21	6/30/22		130,996	(120,804)				\$ 10,192	
National School Lunch Program	10.555	211NJ304N1099	N/A	755,712	7/1/20	6/30/21	(137,459)	137,459						
National School Lunch Program	10.555	221NJ304N1099	N/A	1,912,929	7/1/21	6/30/22		1,726,031	(1,912,929)			(186,898)		
COVID-19 Emergency Operational Cost Program	10.555	222121H170341	N/A	188,819	7/1/21	6/30/22		188,819	(188,819)					
School Breakfast Program	10.553	211NJ304N1099	N/A	459,804	7/1/20	6/30/21	(74,132)	74,132						
School Breakfast Program	10.553	221NJ304N1099	N/A	653,064	7/1/21	6/30/22		606,091	(653,064)			(46,973)		
Fresh Fruits and Vegetable Program	10.582	211NJ304L1603	N/A	31,401	7/1/20	6/30/21	(896)	896						
Fresh Fruits and Vegetable Program	10.582	221NJ304L1603	N/A	10,187	7/1/21	6/30/22		8,393	(10,187)			(1,794)		
Subtotal Child Nutrition Cluster:							(196,383)	2,872,817	(2,901,907)			(235,665)		10,192
COVID-19 P-EBT Administrative Cost Reimbursements	10.649	222121S900941	N/A	6,198	7/1/21	6/30/22		6,198	(6,198)					
Total Enterprise Fund							(196,383)	2,879,015	(2,908,105)			(235,665)		10,192
Total Federal Awards							<u>\$ (2,568,584)</u>	<u>\$ 6,425,553</u>	<u>\$ (11,897,418)</u>	<u>\$ 26,653</u>		<u>\$ (8,023,988)</u>		<u>\$ 10,192</u>

NC-non cash expenditures

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

**CARTERET BOARD OF EDUCATION**  
**Schedule of Expenditures of State Financial Assistance**  
**Year ended June 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2021			Budgetary Expenditures	Adjustments	Balance at June 30, 2022			MEMO	
					Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received			Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>General Fund:</b>														
State Department of Education:														
Transportation Aid	22-495-034-5120-014	\$ 511,027	7/1/2021	6/30/2022			\$ 460,574	\$ (511,027)					\$ (50,453)	\$ (511,027)
Additional Nonpublic School Transportation Costs	22-495-034-5120-014	28,130	7/1/2021	6/30/2022	\$ (50,946)		50,946							
Additional Nonpublic School Transportation Costs	21-495-034-5120-014	32,900	7/1/2020	6/30/2021	(32,900)		32,900	(28,130)		\$ (28,130)			(28,130)	(28,130)
Special Education Categorical Aid	22-495-034-5120-089	2,809,761	7/1/2021	6/30/2022			2,532,354	(2,809,761)					(277,407)	(2,809,761)
Special Education Categorical Aid	21-495-034-5120-089	2,809,761	7/1/2020	6/30/2021	(280,115)		280,115							
Extraordinary Aid	22-495-034-5120-044	1,125,836	7/1/2021	6/30/2022				(1,125,836)		(1,125,836)			(1,125,836)	(1,125,836)
Extraordinary Aid	21-495-034-5120-044	793,957	7/1/2020	6/30/2021	(793,957)		793,957							
Security Aid	22-495-034-5120-084	1,526,650	7/1/2021	6/30/2022				(1,526,650)					(1,526,650)	(1,526,650)
Security Aid	21-495-034-5120-084	1,526,650	7/1/2020	6/30/2021	(152,197)		152,197							
Equalization Aid	22-495-034-5120-078	33,478,410	7/1/2021	6/30/2022			30,173,098	(33,478,410)					(3,305,312)	(33,478,410)
Equalization Aid	21-495-034-5120-078	27,972,410	7/1/2020	6/30/2021	(2,788,673)		2,788,673							
On-Behalf TPAF Medical Contributions (NC)	22-495-034-5094-001	2,583,817	7/1/2021	6/30/2022			2,583,817	(2,583,817)						(2,583,817)
On-Behalf TPAF Long-Term Disability Insurance (NC)	22-495-034-5094-004	4,368	7/1/2021	6/30/2022			4,368	(4,368)						(4,368)
On-Behalf TPAF Pension and Annuity Fund (NC)	22-495-034-5094-002	11,058,949	7/1/2021	6/30/2022			11,058,949	(11,058,949)						(11,058,949)
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	2,258,990	7/1/2021	6/30/2022			2,148,177	(2,258,990)		(110,813)			(110,813)	(2,258,990)
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	2,125,421	7/1/2020	6/30/2021	(105,760)		105,760							
Total General Fund					(4,204,548)		54,541,809	(55,385,938)	-	(1,264,779)			(5,048,677)	(55,385,938)
<b>Special Revenue Fund:</b>														
State Department of Human Services:														
School Based Youth Services	22-100-054-7570-389	262,559	7/1/2021	6/30/2022			262,559	(262,559)						(262,559)
School Based Youth Services	21-100-054-7570-389	274,478	7/1/2017	6/30/2018	4,000					\$ 4,000				(274,478)
State Department of Education:														
School Security Aid - Alyssa's Law	20E00312	206,100	7/1/2020	6/30/2022	(41,190)				\$ 41,190					
School Development Authority - Emergent Needs	N/A	88,290	7/1/2021	6/30/2022			88,290	(88,290)						(88,290)
Preschool Education Aid	22-495-034-5120-86	2,588,604	7/1/2021	6/30/2022			2,329,744	(1,754,886)		(258,860)	833,718		(258,860)	(1,754,886)
Preschool Education Aid	21-495-034-5120-86	2,491,576	7/1/2020	6/30/2021	193,625		249,158	(442,783)						(2,491,530)
N.J. Nonpublic Aid:														
Textbook Aid	19-100-034-5120-064	8,064	7/1/2018	6/30/2019		\$ 21						\$ 21		(8,043)
Textbook Aid	22-100-034-5120-064	7,443	7/1/2021	6/30/2022			7,443	(7,329)						(7,329)
Nursing	22-100-034-5120-070	16,688	7/1/2021	6/30/2022			16,688	(13,866)				2,822		(13,866)
Technology	19-100-034-5120-373	5,436	7/1/2018	6/30/2019		57						57		(5,379)
Technology	22-100-034-5120-373	5,208	7/1/2021	6/30/2022				(5,208)						(5,208)
Security	19-100-034-5120-509	23,250	7/1/2018	6/30/2019		19,033	5,208	(5,208)				19,033		(4,217)
Security	22-100-034-5120-509	26,075	7/1/2021	6/30/2022			26,075	(7,581)				18,494		(7,581)
Auxiliary Services:														
Compensatory Education	18-100-034-5120-067	53,150	7/1/2017	6/30/2018		36,740						36,740		(16,410)
Compensatory Education	22-100-034-5120-067	33,145	7/1/2021	6/30/2022			33,145	(33,145)						(33,145)
English as a Second Language	20-100-034-5120-067	2,482	7/1/2019	6/30/2020		1						1		(2,481)
English as a Second Language	22-100-034-5120-067	2,741	7/1/2021	6/30/2022			2,741	(1,828)				913		(1,828)
Transportation	22-100-034-5120-068	4,062	7/1/2021	6/30/2022			4,062	(4,062)						(4,062)
Total Nonpublic Auxiliary Service Aid (Chap 192) Cluster					-	36,741	39,948	(39,035)		-	-	37,654	-	(41,516)
Handicapped Services:														
Supplementary Instruction	20-100-034-5120-066	12,952	7/1/2019	6/30/2020		5,667						5,667		(7,285)
Supplementary Instruction	22-100-034-5120-066	7,765	7/1/2021	6/30/2022			7,765	(7,765)						(7,765)
Examination and Classification	17-100-034-5120-066	23,768	7/1/2016	6/30/2017		5,479						5,479		(18,289)
Examination and Classification	22-100-034-5120-066	13,269	7/1/2021	6/30/2022			13,269	(13,269)						(13,269)
Corrective Speech	17-100-034-5120-066	10,602	7/1/2016	6/30/2017		9,021						9,021		(1,581)
Corrective Speech	22-100-034-5120-066	5,580	7/1/2021	6/30/2022			5,580	(5,580)						(5,580)
Total Nonpublic Handicapped Service Aid (Chap 193) Cluster						20,167	26,614	(26,614)				20,167		(53,769)
<b>Total Special Revenue Fund</b>					156,435	76,019	3,051,727	(2,848,151)	41,190	(258,860)	837,718	98,362	(258,860)	(5,018,951)
<b>Capital Projects Fund:</b>														
School Development Authority:														
School Security Aid - Alyssa's Law	20E00312	206,100	7/1/2020	6/30/2022					(41,190)	(41,190)				(41,190)
<b>Total Capital Projects Fund</b>					-	-	-	-	(41,190)	(41,190)				(41,190)
<b>Debt Service Fund</b>														
Debt Service Aid	22-495-034-5120-075	654,461	7/1/2021	6/30/2022			654,461	(654,461)						(654,461)
<b>Total Debt Service Fund</b>							654,461	(654,461)						(654,461)
State Department of Agriculture:														
Enterprise Fund:														
School Lunch Program (State Share)	22-100-010-3350-023	44,346	7/1/2021	6/30/2022			40,082	(44,346)		(4,264)				(44,346)
School Lunch Program (State Share)	21-100-010-3350-023	36,138	7/1/2020	6/30/2021	(9,737)		9,737							(36,138)
Total Enterprise Fund					(9,737)		49,819	(44,346)		(4,264)				(44,346)
Total state financial assistance					(4,057,850)	76,019	58,297,816	(58,732,896)	-	(1,569,093)	837,718	98,362	(5,307,537)	(61,144,886)
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>														
General Fund:														
On-Behalf TPAF Medical Contributions (NC)	22-495-034-5094-001	2,583,817	7/1/2021	6/30/2022			(2,583,817)	2,583,817						2,583,817
On-Behalf TPAF Long-Term Disability Insurance (NC)	22-495-034-5094-004	4,368	7/1/2021	6/30/2022			(4,368)	4,368						4,368
On-Behalf TPAF Pension and Annuity Fund (NC)	22-495-034-5094-002	11,058,949	7/1/2021	6/30/2022			(11,058,949)	11,058,949						11,058,949
<b>Total State Financial Assistance Subject to Single Audit Determination</b>					\$ (4,057,850)	\$ 76,019	\$ 44,650,682	\$ (45,085,762)	\$ -	\$ (1,569,093)	\$ 837,718	\$ 98,362	\$ (5,307,537)	\$ (47,497,752)

NC-non cash expenditures.

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

**CARTERET BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Carteret 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 of expenditures of federal and state awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 this schedule may differ from amounts presented in, or used in the preparation of basic 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 an increase of \$281,990 for the general fund and a decrease of \$4,139,209 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	\$ 110,994	\$ 55,667,928	\$ 55,778,922
Special Revenue Fund	4,906,369	2,480,892	7,387,261
Debt Service Fund		654,461	654,461
Food Service Fund	<u>2,908,105</u>	<u>44,346</u>	<u>2,952,451</u>
Total Financial Assistance	<u>\$ 7,925,468</u>	<u>\$ 58,847,627</u>	<u>\$ 66,773,095</u>

**CARTERET BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 \$2,258,990 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$11,058,949, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,583,817 and TPAF Long-Term Disability Insurance in the amount of \$4,368 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

**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 payments 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.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?      Yes   X   No

Are any significant deficiencies identified?   X   Yes      None Reported

Is any noncompliance material to financial statements noted?      Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Are any material weaknesses identified?      Yes   X   No

Are any significant deficiencies identified?   X   Yes      None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   Yes      No





Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part I – Summary of Auditor’s Results (continued)**

**State Financial Assistance**

Internal control over major state programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes  X  No

Are any significant deficiencies identified? \_\_\_\_\_ Yes  X  None reported

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

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

Identification of major state programs:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
495-034-5120-078	<u>State Aid Cluster:</u>
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Educational Categorical Aid
	Security Aid

Dollar threshold used to distinguish between Type A and Type B programs: \_\_\_\_\_  \$1,352,573

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

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

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

The significant deficiencies and matters of noncompliance defined as items 2022-001, 2022-002, 2022-003, and 2022-004 are reflected in Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance 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 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

**Federal Award Programs**

**Finding 2022-001 (Significant Deficiency):**

The audit of federal grant reimbursements indicated the District did not request certain reimbursements for actual grant expenditures during the 2021/22 fiscal year on a timely basis.

**Prior Year Finding:** 2021-002

**Federal Program Information:**

Title I-A	84.010
Title ISIA Part A	84.010
Title IIA	84.367A
Title III	84.365
Title IV Part A	84.424
IDEA - Basic/Preschool	84.027A
ESSER Cluster	84.425D/84.425U

**Criteria or specific requirement:**

Uniform Grant Guidance, 2 C.F.R. §200.305 Federal Payment; *Office of Grants Management, General Federal Entitlement Grant Guidance*; and *Policies and Procedures for Reimbursement of Federal and Other Grant Expenditures*

**Questioned Costs:**

None.

**Condition:**

The District did not request certain grant reimbursements for the 2021/22 fiscal year on a timely basis.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

**Context:**

Program expenditures were incurred, but grant drawdowns were not performed on a timely basis.

**Effect:**

The District's Special Revenue Fund was in a cash overdraft position of \$1,927,281 as of June 30, 2022. As a result of governmental funds pooling cash, this overdraft results in an interfund due to General Fund.

**Cause:**

Grant drawdowns were not made for the 2021/22 fiscal year during the grant period.

**Recommendation:**

The District should submit reimbursement requests on a monthly basis, or at least quarterly.

**Views of Responsible Officials:**

Subsequent to year end, the District implemented a policy to perform reimbursement requests on a monthly basis.

**Finding 2022-002 (Significant Deficiency):**

The audit of payroll transactions allocated to the Title I, Part A grant identified instances of 30 minutes of "prep time" omitted from the time sheet entries, but the 30 minutes of "prep time" were included in the ending number of hours of worked and paid. Additionally, certain employees charged to the ESSER grants were not approved in the official minutes to be charged to the respective grants.

**Prior Year Finding:** Not applicable.

**Federal Program Information:**

Title I-A	84.010
ESSER III	84.425U

**Questioned Costs:**

None.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

**Criteria or specific requirement:**

- Federal Grant Compliance Supplement – Activities Allowed or Unallowed
- Federal Grant Compliance Supplement – Allowable Costs/Cost Principles
- Uniform Grant Guidance, 2 C.F.R. §430(i) Standards for Documentation of Personnel Expenses

**Condition:**

Title I time sheet entries did not always include all of the required information. Additionally, select employees' salaries were not approved by the Board of Trustees to be charged to an ESSER grant.

**Context:**

Program salaries and wages were approved and incurred, but time sheets were not always filled out correctly. Additionally, three out of seven salaried employees charged to an ESSER grant were not formally approved to be charged to the grant by the Board of Trustees.

**Effect:**

The District's documentation of program salaries and wages did not satisfy requirements to verify that that Title I, Part A funded staff are performing allowable Title I Activities. Additionally, the approval over program salaries charged to an ESSER grant were not documented with applicable requirements.

**Cause:**

Employees incorrectly filled out time sheets by omitting the beginning and ending times of when the "prep time" was performed, but included the "prep time" in the number of hours worked on the time sheet. The "prep time" noted on the time sheets were approved by multiple levels of management on the time sheets, however there were instances of the beginning and ending times not noted. Finally, select employees were inadvertently omitted from the board resolution approving employees to be charged to grant activities.

**Recommendation:**

It is recommended that both district program and fiscal staff work collaboratively, to institute policies and procedures to ensure all Federally funded employees prepare timesheets which:

- reflect actual ending times;
- detail activities of hours worked; and

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

- comply with applicable Uniform Grant Guidance requirements.

Additionally, it is recommended all salaried employees charged to Federal grants be specifically approved to be charged to the respective grants in the official minutes.

**Views of Responsible Officials:**

Subsequent to year end, the District implemented a policy to ensure time sheets are filled out in accordance with the Uniform Grant Guidance criteria. Additionally, all employees charged to grant activities will be formally approved by the Board of Trustees.

**Finding 2022-003 (Significant Deficiency):**

It was noted the District did not have formal written policies that address Uniform Grant Guidance requirements, such as:

- determining the allowability of costs in accordance with federal cost principles the and the terms and conditions of the federal award; and
- the mandatory disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award.

**Prior Year Finding:** Not applicable.

**Federal Program Information:**

Applicable to all federal programs.

**Criteria or specific requirement:**

Uniform Grant Guidance, 2 C.F.R. §200.302(b)(7) Financial Management and 2 C.F.R. §§200.400 – 200.476 Subpart E - Cost Principles; and §200.113 Mandatory disclosures

**Questioned Costs:**

None.

**Condition:**

The District did not formally document the policies in accordance with Uniform Grant Guidance requirements.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

**Context:**

The formal written policies omit certain information required by the Uniform Grant Guidance.

**Effect:**

Unknown.

**Cause:**

The formal written policies have not been compared to the Uniform Grant Guidance.

**Recommendation:**

The District should develop written policies and procedures that meet the criteria required by the Uniform Grant Guidance.

**Views of Responsible Officials:**

The District will review and formulate policies and document the necessary information.

**Finding 2022-004 (Significant Deficiency):**

It was noted during a review of purchase orders that a number of purchase orders greater than \$25,000 were missing evidence of verification to ensure a vendor is not debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

**Prior Year Finding:** Not applicable.

**Federal Program Information:**

Applicable to all federal programs.

**Criteria or specific requirement:**

Uniform Grant Guidance, 2 C.F.R. §200.214 Suspension and debarment.

**Questioned Costs:**

None.

**Condition:**

Although the District performs this procedure, the audit trail is not retained to provide evidence this is completed prior to engaging in purchases over \$25,000.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2022

**Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

**Context:**

The District's procedures do not require retaining the documentary evidence of vendor verification prior to initiating purchases.

**Effect:**

Supporting documentation is not present to evidence the District performed vendor verification.

**Cause:**

The District did not incorporate retaining the documentary evidence in their formal policies and procedures over purchasing.

**Recommendation:**

The District should implement procedures to retain the supporting documentation that evidences vendors are neither debarred, nor suspended prior to entering into purchase orders or contracts equal to or in excess of \$25,000.

**Views of Responsible Officials:**

The District will retain proof of vendor verification.

**State Financial Assistance Programs**

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



## Carteret Board of Education

## Summary Schedule of Prior Audit Findings

June 30, 2022

**STATUS OF PRIOR YEAR FINDINGS****Financial Statements****Finding 2021-001**

Material Weakness in Internal Control over Financial Reporting

**Condition:**

The cash balances in the District's general ledgers, monthly Board Secretary's report and designee's cash report were not reconciled to the monthly bank reconciliations as of June 30, 2021.

**Current Year Status:**

This finding was corrected for the year ended June 30, 2022.

**Federal Awards****Finding 2021-002**

Significant Deficiency in Internal Control over Compliance for Reporting Requirement

**Condition:**

The District did not request certain grant reimbursements for the 2020/21 fiscal year in the amount of \$1,986,660.

**Current Year Status:**

This finding remains in the current year and is repeated as Finding 2022-001.

**State Financial Assistance**

No matters were reported in prior year.