

EAST RUTHERFORD BOARD OF EDUCATION

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EAST RUTHERFORD, NEW JERSEY

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

East Rutherford Board of Education

East Rutherford, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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EAST RUTHERFORD PUBLIC SCHOOLS

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January 25, 2023

Honorable President and
Members of the Board of Education
East Rutherford Board of Education
County of Bergen, New Jersey

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the East Rutherford Board of Education for the fiscal year ended June 30, 2022.

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

The East Rutherford Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the East Rutherford 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 auditors' concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the East Rutherford 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 East Rutherford Board of Education was part of a broader, federally 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 grant requirements, with special emphasis on internal controls and compliance requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the East Rutherford 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 East Rutherford Board of Education's MD&A can be found immediately following the report of the independent auditors'.

1. REPORTING ENTITY AND ITS SERVICES: East Rutherford Board of Education is an independent reporting entity with in the criteria adopted by the GASB as established by NCGA statement No. 14. All funds of the District are included in this report. The East Rutherford Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Grade 8. These include both regular and special education programs. The District completed the 2021-2022 school year with an enrollment of 839 students. The following details the changes in the student enrollment of the District over the last several years.

Fiscal Year	Student Enrollment	Percent Change
2021-2022	839	-0.04%
2020-2021	842	8.93%
2019-2020	773	-3.86%
2018-2019	804	-1.71%
2017-2018	818	0.37%
2016-2017	815	0.74%
2015-2016	809	5.34%
2014-2015	768	3.22%
2013-2014	744	-3.13%
2012-2013	768	-1.41%
2011-2012	779	1.70%
2010-2011	766	8.65%

2. ECONOMIC CONDITION AND OUTLOOK: The economy of East Rutherford employs approximately 5,000 people. The most common jobs held by residents of East Rutherford are Office and Administrative Support Occupation (733), Management Occupations (443), and Sales and Related Occupation (398). The most common employment sectors for those who live in East Rutherford are Health Care & Social Assistance (815), Educational Services (560) and Retail Trade (476). The highest paid jobs held by residents by median earnings, are Health Technologists & Technicians (\$133,299), Community & Social Occupations (\$105,556) and Computer & Mathematical Occupations (\$105,182).

Median household income in East Rutherford, NJ is \$78,429. In 2018 the population of East Rutherford grew from 9,433 to 9,466, a 0.35% increase and its median household income grew from \$77,400 to \$78,429, a 1.33% The income inequality of East Rutherford (measured using the Gini index) is 0.433 which is lower than the national average.

The median property value in East Rutherford was \$389,300 in 2018, which is 1.69 times larger than the national average of \$229,700. Between 2017 and 2018 the median property value increased from \$380,600 to \$389,300, a 2.29% increase. The homeownership rate of East Rutherford is 36.3% which is lower than the national average of 64%. People in East Rutherford have an average commute time of 28 minutes, and they commute by Drove Alone. Car ownership in East Rutherford is approximately the same as the national average, with an average of 2 cars per household.

3. MAJOR INITIATIVES:

Mathematics

The District will revise, enhance and/or adjust math curricula based on assessment results that show learning gaps in some areas. During the 2022-2023 school year, to address deficit areas, the district will continue to carry out the following actions steps:

1. Adapt the EnVision Math series grades K-5. Using this Math curriculum and performance data, teachers will receive specific guidance on key concepts from the last third of the prior year's instructional goals and specific suggestions for which concepts and skills are key to student success in the current course and when and how teachers can effectively incorporate instruction and review of these concepts within the current grade's curriculum.
2. MAP and STAR assessments will be administered at the beginning of September 2022 to further determine gap areas as well as students' readiness levels.
3. Gaps in learning will be addressed in small group or individualized instruction.
4. Special education students in need of additional instructional support will receive small group instruction via Math labs twice per week.
5. At-risk students will receive Math intervention after school twice per week. A Summer Enrichment session will also be offered to at-risk and struggling learners.
6. At the middle school level, "cusp" students will receive an extra period of Math.
7. Additionally, students K-4 who meet the criteria will be admitted into our Basic Skills program at the elementary level.

The district implemented a co-teaching model which lends itself to more direct one-to-one instruction and intervention within the classroom setting. Online platforms such as Freckle, Star Renaissance Learning, IX and Mathseeds will continue to be utilized to provide targeted online intervention and extended practice for students. Two Math education consultants will be assigned at the elementary level. It is hoped that these consultants will work closely with teachers to develop intervention as well as track data of students' progress throughout the school year.

Consultants will conduct lunch and learn sessions addressing research base and best practice in addressing learning gaps. Additionally, departmental/grade level team meetings will allow for the development of rigorous lessons and assessments aligned to the NJSLs and the district's curriculum. The mathematics curriculum will be monitored and revised as needed. Student achievement data will be analyzed and instruction will be reviewed continuously. Finally, the district will continue to host parent academies to garner parent involvement as well as to provide useful and meaningful strategies to parents to assist their children at home.

Science

Based on Start Strong Assessment Data, the District needs to shore up Science instruction at the elementary level since most students were showing gaps in the mastery of 3rd and 4th grade standards. For the 2022-2023 school year, the East Rutherford School District will revise, enhance and or adjust Science curricula by implementing the following action steps: At the K-2 level, teachers will receive professional development in the following areas:

Writing in Science with Claim, Evidence, Reasoning: how to use writing in your 3D science lessons. Lesson and Unit Planning: work with the science coach on creating 3D science lessons and units to implement in your classroom.

Note booking in Science: how to create and use notebooks in your science classroom including:

- Digital Notebook
- Interactive Notebook

3D Assessments: what they are and how to create performance tasks for your science units
Integrating Science and Engineering Practices: focusing on the SEPs part of the NGSS
performance expectations (standards) and how to integrate them into your science lessons

Building Phenomena: Review and create phenomena to use in your science lessons to help create your 3-Dimensional lessons.

Teachers grades 3-5 will receive professional development in ways to more effectively incorporate NGSS into their science instruction. They will delve deeper into elementary standards and develop a better awareness of the importance of Science and Engineering Practices. They will learn how to create a more student-centered classroom and they will also develop an understanding of how elementary Science forms the foundation for grade 5 assessment. These grade levels will also learn about the three dimensions and performance expectations. Teachers will learn to use phenomena as a starting point for their lesson, construct explanations and arguments for the phenomena using CER (claims, evidence, reasoning) and explore the value of student-generated models to represent ideas.

At the middle school level, teachers will continue to receive professional development regarding Grade-band analysis of the Science and Engineering Practices (SEPs). Teachers will learn how to collectively examine the grade 6-8 SEP bands and assign newly introduced middle school SEP "components" to a particular course (s) i.e. assign the component to Science 6, Science 7, and/or Science 8. Analysis of assessments (tests, quizzes, labs, activities, etc.) to ensure NGSS alignment will be a major focus as well.

Professional development will be provided through Rutgers University and PRISM Institute. A PRISM consultant will be assigned 3rd-8th grade and a Rutgers consultant will be assigned K-2nd grade. The district has allotted substantial dollar amounts to purchase science kits needed for labs. Departmental/grade level team meetings will allow for the development of rigorous benchmark assessments and infusing the ELA and Mathematics standards. Overall, the curriculum will be revised to reflect the new NJSLs by September 2022.

ELA

To address learning gaps in ELA for the 2022-2023 school year, the following action steps will be implemented:

1. The curriculum will be adjusted as needed to meet students at their present levels.
2. MAP and STAR assessments will be administered to identify additional gap areas as well as students' readiness levels.
3. Gaps in learning will be addressed in small groups or individualized instruction. Special education students in need of additional instructional support will receive small group instruction via ELA labs twice per week.
4. At-risk students and those who fall within other subgroups will receive ELA intervention after school twice per week. A Summer Enrichment session will also be offered to at-risk and struggling learners.
5. Those students who meet the criteria will be admitted into our Basic Skills program at the elementary level.
6. Our cusp students will also receive additional reading intervention.

The district implemented a co-teaching model which lends itself to more direct one and one instruction and intervention within the classroom setting. Online platforms such as Freckle, Star Renaissance Learning, IX, and Reading Eggs will continue to be utilized to provide targeted online intervention and extended practice for students.

During the 2022-2023 school year, the district will also continue to provide education consultants in English Language Arts, both at the elementary and middle school level. The consultants will continue working with teachers to revise the curriculum, implement balanced literacy, conduct reading assessments, host lunch and learn sessions as well as to conduct demo lessons as requested by teachers.

Departmental/grade level team meetings will be utilized for tracking data on student progress as well as the development of rigorous benchmark assessments aligned to the NJSLs and cross-content area lessons.

Articulation and coaching sessions will be scheduled to promote further dialogue centered around: vocabulary development, reading intervention strategies, implementation of the district's newly revised curriculum, student-centered learning, and co-teaching. Additionally, teachers will receive professional development in the use of Intervention Lessons, Guided Reading, and using Reports and Data to inform instruction.

The ELA department at the middle school level is seeking to integrate on a wider scale, more culturally diverse reading literature into its curriculum in order to expose students to diversity and hopefully more materials with which students can identify. Multicultural training will be offered to all staff at the beginning of the school year. Finally, the district will continue to host parent academies to garner parent involvement as well as to provide useful and meaningful strategies to parents to assist their children with reading and writing at home.

Social Studies

The East Rutherford School District recently developed a 5 five-year curriculum plan which addresses the integration of statutorily required instruction around the areas of Amistad, Holocaust, and Genocide and the contributions of Asian American Pacific Islanders, LGBTQ+ individuals, and persons with disabilities. Action steps within the curriculum will ensure revision of the Social Studies curriculum to meet the September 2022 implementation mandate.

The district participated in a county initiative for the writing of the contributions of LGBTQ+ individuals and persons with disabilities in the Social Studies Curriculum. Takeaways from this initiative have been integrated into the revision of our Social Studies curriculum. Currently, all grade levels participate in Black History Month activities to specifically study the contributions of African Americans throughout our nation. As students move into middle school, there are specific units on slavery and abolition that are addressed in the 6th and 7th-grade social studies curricula. With regards to the Holocaust mandate, elementary students gain exposure to the ideas of good citizenship, which includes preventing prejudice and discrimination. This ties in with our social-emotional learning program and our district-wide stigma-free activities. At the middle school level, students in grade 6 read the *Diary of Anne Frank* and discuss the Holocaust. Students in the 7th grade discuss several sensitive topics, including the Native American removal and genocide. In the 8th grade, honors ELA, students read *Night* by Elie Wiesel. All 8th graders also study the Holocaust in social studies class. The district will continue to work closely with the South Bergen Jointure Commission and our curriculum consultants to revise our curriculum.

Revisions are inclusive of but not limited to adding a disciplinary approach to the new requirement to provide instruction and adapt instructional materials to accurately portray political, economic, and social contributions of persons with disabilities, lesbians, gay, bisexual, and transgender people. Departmental/grade level team meetings will continue to allow for the development of rigorous benchmark assessments aligned to the NJSLs while infusing the ELA standards. Project-based learning addressing the Holocaust, genocide, and the Amistad will be incorporated into the new curriculum.

21st Century Life & Careers

The Career Readiness, Life Literacies, and Key Skills Standards will be revised in all curriculum content areas for the 2022-2023 school year and will be ready for full implementation in September 2022. At the middle school, students will receive personal finance literacy as a cycle course.

The district will be exploring the use of career exploration platforms as well as web-based financial literacy platforms to further meet these mandates. Benchmark assessments are administered throughout the duration of the course to ensure that students are meeting standard 9.1.

At the elementary level, within the Math curriculum, students are afforded opportunities to work on projects targeting financial literacy. Financial literacy is also embedded in science projects wherein students need to "purchase" materials to conduct experiments. It is also embedded in behavior management systems where students earn "class dollars/money" in order to purchase rewards at class stores.

These activities will continue to be infused into the curriculum moving into the 2022-2023 school year. Professional Development opportunities will be provided through the South Bergen Jointure Commission. The Career Readiness, Life Literacies, and Key Skills will continue to be infused into all content areas across all grade levels.

Visual & Performing Arts

The district's curriculum will be revised and updated based on September 2022 implementation. As of September 2022, Media Arts will be incorporated into the visual and performing arts programs and our STEM/STEAM program which is currently offered as a cycle course to our Middle School students (Grades 5-8). As the district refines its curriculum it will work towards offering Media Arts as a standalone course projection for the 2023-2024 school year.

With the continuation of "Innovation Time" at the middle school level, students are encouraged to engage in problem-based learning that promotes generalization and real-world application of skills learned in media arts classes. For the 2022-2023 school year, in grades K-4, Dance and Theatre will continue to be infused and taught primarily by homeroom teachers. Music and Art will continue to be taught by subject specialists with media arts infused into the art programs. At the middle school level 5-8, Dance, Theatre, Music, Art/Media Arts will continue to be offered as cycle classes. Curriculum revisions are currently in progress in partnership with SBJC. and will continue into Summer 2022.

Comprehensive Health & Physical Education

With a regular school schedule, the District is able to meet the 150 minutes of CHPE on a weekly basis for all grade levels K-8 and is also able to meet this 150-minute requirement outside of mandated recess minutes. The district is addressing newer statutory requirements such as Consent, Mental Health, NJ Safe Haven Infant Protection, Sexting, Sexual Abuse and Assault Awareness and Prevention Education through revisions being currently done to our curriculum for final implementation in September 2022. The district has completed this work and the physical education and health teachers are currently piloting the new curriculum to see what tweaks if any, need to be done to ensure that all mandates are met. Some of these topics are also being addressed in advisory classes at the Middle School Level.

World Language

So far, revision to The World Language Curriculum K-8 has been completed. The World Language Teachers K-8 are currently piloting this curriculum before full implementation in September 2022. Currently, at the Elementary level, Spanish is offered once per week for 46 minutes per grade level on a weekly basis. At the Middle school level, Spanish is offered as a year-long cycle class to ensure compliance with the required number of minutes at this grade level. In the past, the district has participated in the TCLP program which allowed us to offer Mandarin at the Middle School as a year-long class as well. However, due to COVID-19, the district has opted not to participate in this program for the upcoming 2022-2023 school year. To ensure implementation of the 2020 NJSLs as well as to ensure best practice, the district has allocated local funds to hire a World Language Coach.

This coach has been working with all World Language Teachers K-8. So far, the World Language Coach has conducted lunch and learn sessions to expose teachers to the newly developed units, to review sample assessments ensuring the use of age-compatible images for assessment and focusing on other areas of assessment such as Language Control, Vocabulary and Content.

Computer Science & Design Thinking

During the 2022-2023 school year, the District will implement curriculum revisions in this area in order to meet the September 2022 implementation deadline. Currently, the district has embedded these standards in the STEM/STEAM curriculum units. Additionally, the district has partnered with William Paterson University to participate in their Expanding Access to Computer Science: Professional Learning initiative.

William Paterson University will provide multiple, inter-related services to support the expansion of computer science education in our district. They will work with our teachers to cover the 10 disciplinary concepts and core ideas of the NJSLs-CSDT 2020 standards. Administrators will also receive training.

Maintaining Our School System

The 22-23 budget seeks to maintain the current 13:1 staff to student ratio at McKenzie School, 8:1 staff to student ratio at Faust School, and the District's overall 10:1 staff to student ratio. The following staff will be added to ensure adequate staffing for instruction: one F/T G&T Teacher (**11-120-100-101-040-00-000**), one F/T Dance teacher (moving from P/T to F/T), one F/T Theatre teacher (moving from P/T to F/T) (**11130-100-101-040-00-00**), one F/T school psychologist (**11-000-219-104-040-00-000**). An additional school psychologist is added to our budget (**11-000-219-104-040-00-000**). There are currently three F/T WL teachers in District. Additionally, the District budgeted funds (**11-000-221-320-XXX-03-991**) for PD and a WL Consultant support for our staff. This budget supports one F/T PK-8 Dance teacher, a new addition to the budget-moving from P/T to a F/T position (**11-130-100-101-040-00-00**), one F/T PK-8 Theatre teacher, a new addition to the budget-moving from P/T to a F/T position). The District will continue with the employment of a media specialist (**11-000-222-100-040-00-000**) to meet this mandate. Online library sources through BELS Consort. are included within the budget to ensure access to online databases and other district-wide resources (**11-000-222-300-040-04-000 at \$13,600.00**). Finally, the District will continue to employ three F/T and thirty-four P/T paras. The District seeks to adopt a new Math series at the K-5 level. This initiative will require an increase in funding to purchase the new textbook series (**11-190-100-640-XXX-03-000**). The District budgeted \$40,000.00 to provide Reading Intervention grades K-8(**20-487-200-300-XXX-03-000**). Additionally, the District will utilize ARP Funds to provide After School Academic Intervention. programs for K-8 for the 22-23 school year. Funds from the ARP grant will also be allocated for our Summer Enrichment Program. A program offered to our ESL, I&RS, BSI, SPED, and other students identified as at risk of failing (**20-487-200-1XX-XXX-03-000**). This budget supports the implementation of mandated initiatives such as Amistad, Holocaust, Persons with

Disabilities, and LGBTQ+ by allocating \$70,000.00 of local funds to support curriculum revisions and implementation (11-000-221-104-XXX-00-991).

These allocated funds will also support revising the existing curriculum. The budget also supports student assessment and learning resources (11-190-100-610-080-03-000). We will refine I&RS during the SY22-23. So far, revisions demonstrate the following nine essential components: Effective district and school leadership; Family and community engagement-ongoing collaboration with families to develop action plans as needed to support students - parents are invited to meetings about their child (ren); Positive school culture and climate - implementation of various district & school-wide initiatives to promote a positive school culture; High-quality learning environments implementation of a co-teaching model to enhance quality of support and instruction; curricula, and instructional practices, Universal screening conducted

K-8 annually, data collected is utilized to tier students- ongoing progress monitoring is also a continuous component of this process; Data-based decision making-using data to inform instruction and intervention services provided; Collaborative problem-solving teams, Progress monitoring, and staff PD.

We will continue to hold I&RS meetings with our inter-discip. teams. Team members and key stakeholders will continue to develop action plans to meet students' behavioral, emotional, and academic needs. Teachers will continue to receive training in univers. screening, progress monitoring, and other classroom data to inform decisions when developing student action plans (STAR). Money is allocated for PD, and team members will continue to attend I&RS and Tiered SOS workshops. Tier 3 students will continue to receive reading intervention Svc. through small groups and individualized instruction.

Raising Standards & Expanding Opportunities

Currently, the district's data reflects an improvement in attendance across most subgroups. SPED students are showing some lag in attendance, and as such, the District's school counselors, behaviorist, school social workers, school psychologists, and administrators have been working in tandem with parents and teachers to develop learning goals/plans as well as behavioral intervention plans to increase student attendance, participation, and performance across subject areas. Data from 21-22 STAR assessment, report cards, benchmark assessments, and progress monitoring has shown some learning gaps in different subgroups; therefore, to address these gaps as well as to promote the academic advancement of different subgroups within the District, in the areas of Math and ELA across grade levels during the 22-23SY, the district will take the following action steps: Continue to offer an all year round after school academic intervention program, continue to provide the after school academic intervention program at the elementary level 4 times per week and include Kdg. students, offer a summer enrichment program expand upon our co-teaching model, hone in on SGI and intervention.

The District will promote student-centered learning by providing Coaches in ELA, Math, and Science at the elementary and middle school level. For SY 22-23, an ELA education consultant will be working with the elementary school teachers focusing on balanced literacy and one at the middle school focusing on divers. and multicult.. The middle school reading intervention teacher will continue to provide one-to-one and SGI as part of our tiered support systems. Reading intervention services will be provided by a Wilson-certified interventionist, K-8. Distr. Admin. will continue to implement a program or incentive to address the Chronic Absent.at both schools in all demographic areas. The district will expand its SEL program district-wide to address learning gaps further. This SEL initiative will include action steps such as: Train and develop principals on culturally competent schools, Anti- Bias training during opening orientation for 22-23SY, Specific coaching techniques for ELA, Science, Math & Language: co-planning, audit classroom materials for diversity, goal setting for the success of underserved, vulnerable populations, & modeling inclusive language, Immediate "ethnic" culture infusion in the arts. Review and alter policies and practices on discipline and student conduct to focus on equity and student-centered discipline/rehab. Track behavioral data, continue to Revamp I&RS to concentrate on academic interventions with standards-based progress monitoring. The district will explore blended learning opportunities to integrate into our academic offerings for students who could benefit from this option.

The budget will provide formative assessment tools, teaching materials, and supplies to support the implementation of the NJSL and NGSS, promote problem-based learning, and acquire more technology to be infused in instruction across all content areas. Current and prior year assessments will be reviewed to determine strengths and weaknesses. Teachers will be required to develop and integrate cross-content area lessons.

The district will assess the implementation of its technology plan to make revisions throughout the following year. For the 22-23SY, the District will acquire new resources to improve our ESL programs. Platforms such as Brain Pop Jr. for ESL will be piloted. ERSD will purchase WIDA Model Kits for each grade level to enhance instruction. The District will set aside funds for attendance at the ELL summit, which NJPSA usually offers. Funds set aside during the ESSA application process will purchase instructional supplies and materials for our homeless students. Finally, the budget supports enhancing computer science and design thinking by purchasing additional upgraded Chromebooks, Smartboards, and other technological devices.

Building Professionalism

In regards to professional development, for the 2022-2023 school year, the highest priority will be given to areas such as Science, Visual and Performing Arts, World Languages, Career Readiness, Life Literacies, and Key Skills, Comprehensive Health and Physical Education, Social Studies, and Computer Science and Design Thinking, 11-000-221-104-XXX-00-991 and 11-000-221-320-XXX-00-991 as these subject areas are slated for full implementation for September 2022.

SEL, diversity and equity, and closing the learning gap will be additional focus areas. Staff members will receive further professional development in blended learning, standard-based tiered interventions, and social-emotional learning (how to infuse within the curriculum and everyday instruction). The district staff will receive in-person professional development as well as utilizing the district's two online professional development platforms (OTIS and Educational Impact) for self-directed learning. Educational coaches will be used to facilitate in-house professional development. PRISM institute will provide in-house consulting and professional development for our teachers in Science 3rd-8th grade. Rutgers University will offer consultation services to Science K-2. William Paterson University will be utilized for education consultants in Mathematics and English Language Arts.

The district will continue to expand its offerings for the parent and teacher academies. The mandated teacher evaluation system provides for professional development review and recommendation, and finally, the SCIP and DEAC Committees continue to meet and discuss professional development opportunities for all staff. The District has set aside funds for a behaviorist to provide behavioral intervention. Additionally, the District will provide professional development to staff in restorative justice practices to reduce exclusionary disciplinary practices.

Protecting Our Investment (Capital & Maintenance Projects)

During the 2022-2023 school year, the District will continue to move forward with the plans for renovations and the expansion of District Schools since the passing of our school bond referendum. The areas of renovations and construction are;

- 4th & 5th Grade Building
- Preschool Annex to New Board Offices
- McKenzie School Classroom Renovations

This District hopes to complete all projects by September 2022 with a few punch list items to reflect upon immediately following September 2022.

Planning for the Future

The district recently completed a 5-year curriculum development plan to document action steps in ensuring compliance with all state mandates. The District is currently conducting curriculum writing/revisions and monthly curriculum meetings to ensure compliance with New Jersey Student Learning Standards in Science, Visual and Performing Arts, World Languages, Career Readiness, Life Literacies, and Key Skills, and Computer Science and Design Thinking. The curriculum team will carry out additional curriculum revisions summer of 2022. Professional development will be offered to staff throughout 2022-2023 to implement all new revisions fully. Education Consultants will be utilized to facilitate in-house professional development regarding recent revisions.

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

As recipient of federal and state financial assistance, the District also is responsible for ensuring compliance with applicable laws and regulations related to federal and state financial assistance programs, as well as to determine that the District complied with applicable laws and regulations.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30.

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

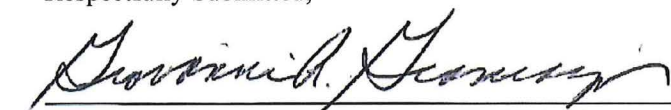
3. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which is to deposit public funds in public depositories protected from loss under the provisions of the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


8.RISK MANAGEMENT: The Board carries various forms of insurance including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, school board errors and omissions, boiler and machinery, and worker's compensation.

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP was selected by the Board of Education. 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 OMB Circular Letter 15-08. The auditors' report on the basic financial statements and schedules are included in the financial section of the report. The auditors' reports relating specifically to the Single Audit are included in the Single Audit Section of this report.

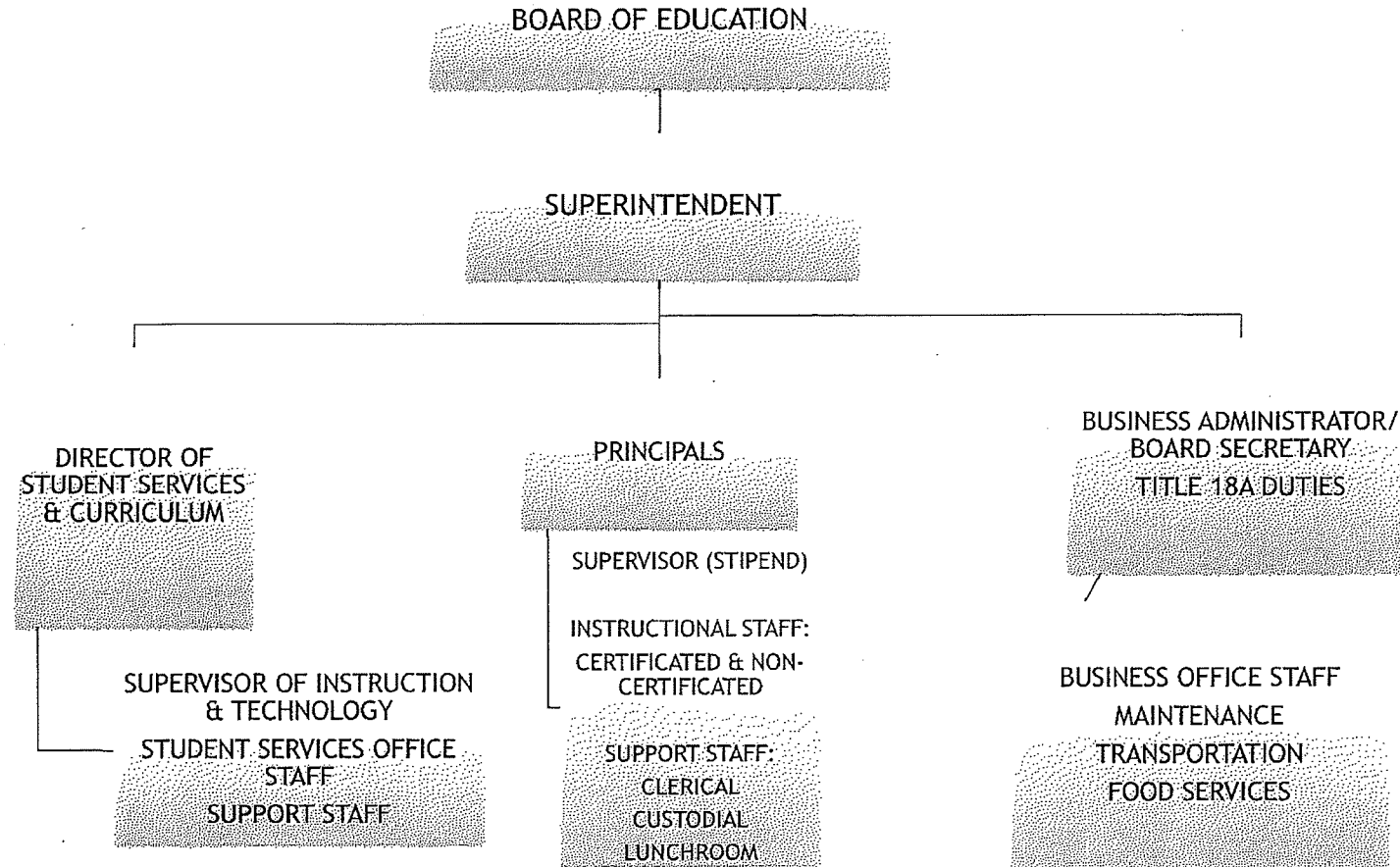
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the East Rutherford School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of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

Respectfully Submitted,


Giovanni A. Giancaspi , Superintendent of Schools


Emidio D'Andrea, Interim Business Administrator

EAST RUTHERFORD BOARD OF EDUCATION ORGANIZATIONAL CHART



**EAST RUTHERFORD BOARD OF EDUCATION
EAST RUTHERFORD, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Erin Shemeley, President	2024
Antonio Segalini, Vice-President	2022
Maria Caruso	2023
Gina Lorusso	2022
Richard Vartan	2023
Thomas Banca	2024
Orville Drummond	2024

OTHER OFFICIALS

Giovanni A. Giancaspro, Superintendent of Schools
Cameron Cox, Business Administrator/Board Secretary
Diane Chorazy, Treasurer of School Monies
Thomas Kobin, Esq., Solicitor

EAST RUTHERFORD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

Lerch, Vinci & Bliss, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

ATTORNEY

Thomas Kobin, Esq.
Chasan, Leyner, Lamparello, P.C.
300 Harmon Meadow Boulevard
Secaucus, New Jersey 07094-3621

OFFICIAL DEPOSITORY

Capital One Bank
Essex Street
Lodi, NJ 07644

ARCHITECT OF RECORD

DiCara Rubino Architects
30 Galesi Drive
Wayne, NJ 07470

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
East Rutherford Board of Education
East Rutherford, New Jersey

Report on 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 East Rutherford Board of Education, as of and for the fiscal 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 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 East Rutherford Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the East Rutherford 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 misstatements, 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 East Rutherford 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.

Auditor's Responsibilities for the Audit of Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement 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 East Rutherford's Board of Education. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Rutherford 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 the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Rutherford Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the East Rutherford Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

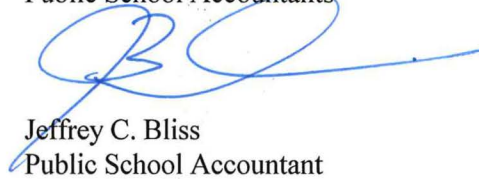
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 25, 2023 on our consideration of the East Rutherford 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 East Rutherford 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 East Rutherford Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The discussion and analysis of the East Rutherford Board of Education's financial performance provides an overall review by management of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$10,739,313 (net position).
- Total School District's net position increased \$2,298,117.
- District-Wide general revenues accounted for \$17,546,723, or 73 percent, of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$6,649,667, or 27 percent, of total revenues of \$24,196,390.
- Total net position of governmental activities amounted to \$10,152,475 as of June 30, 2022 an increase of \$2,115,159 from the previous year.
- The District had \$21,365,686 in expenses related to governmental activities; only \$5,934,122 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$17,546,723 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$22,321,037 in revenues and \$21,732,390 in expenditures. The General Fund's fund balance increased \$588,647 from the previous year to \$5,946,525 at June 30, 2022.
- The General Fund unassigned budgetary fund balance increased \$160,343 from the previous year to \$817,795 at June 30, 2022.
- The District's total governmental activity outstanding long-term liabilities increased by \$33,740,125 while total governmental activity capital assets increased \$20,018,256 during the current fiscal year.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Using the Annual Comprehensive Financial Report (CAFR)

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

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2022?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following provides a summary of the District's net position as of June 30, 2022 and 2021.

The District's combined net position was \$10,739,313 and \$8,441,196 at June 30, 2022 and 2021, respectively. This was an increase of \$2,298,117, or 27 percent, from the prior year. The increase is mainly the result of a decrease in the District's operating expenses incurred for the current fiscal year.

	Net Position					
	As of June 30, 2022 and 2021					
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
ASSETS						
Current Assets	\$ 16,025,411	\$ 7,128,338	\$ 581,992	\$ 370,815	\$ 16,607,403	\$ 7,499,153
Capital Assets	37,949,499	17,931,253	38,021	41,746	37,987,520	17,972,999
Total Assets	<u>53,974,910</u>	<u>25,059,591</u>	<u>620,013</u>	<u>412,561</u>	<u>54,594,923</u>	<u>25,472,152</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refunding of Debt		6,812			-	6,812
Deferred Amount on Net Pension Liability	251,835	564,083	-	-	251,835	564,083
Total Deferred Outflows of Resources	<u>251,835</u>	<u>570,895</u>	<u>-</u>	<u>-</u>	<u>251,835</u>	<u>570,895</u>
Total Assets and Deferred Outflows of Resources	<u>54,226,745</u>	<u>25,630,486</u>	<u>620,013</u>	<u>412,561</u>	<u>54,846,758</u>	<u>26,043,047</u>
LIABILITIES						
Other Liabilities	3,364,288	10,807,697	33,051	8,639	3,397,339	10,816,336
Long-Term Liabilities	39,021,205	5,281,080	-	-	39,021,205	5,281,080
Total Liabilities	<u>42,385,493</u>	<u>16,088,777</u>	<u>33,051</u>	<u>8,639</u>	<u>42,418,544</u>	<u>16,097,416</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	1,688,777	1,504,393			1,688,777	1,504,393
Deferred Commodities Revenue	-	-	124	42	124	42
Total Deferred Inflows of Resources	<u>1,688,777</u>	<u>1,504,393</u>	<u>124</u>	<u>42</u>	<u>1,688,901</u>	<u>1,504,435</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,074,270</u>	<u>17,593,170</u>	<u>33,175</u>	<u>8,681</u>	<u>44,107,445</u>	<u>17,601,851</u>
NET POSITION						
Net Investment in Capital Assets	8,483,272	8,017,259	38,021	41,746	8,521,293	8,059,005
Restricted	4,181,982	2,959,536			4,181,982	2,959,536
Unrestricted	(2,512,779)	(2,939,479)	548,817	362,134	(1,963,962)	(2,577,345)
Total Net Position	<u>\$ 10,152,475</u>	<u>\$ 8,037,316</u>	<u>\$ 586,838</u>	<u>\$ 403,880</u>	<u>\$ 10,739,313</u>	<u>\$ 8,441,196</u>

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following schedule shows changes in net position for fiscal years ended June 30, 2022 and 2021.

Change in Net Position
for the Fiscal Years Ended June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 126,435	\$ 77,308	\$ 2,503	\$ 10,877	\$ 128,938	\$ 88,185
Operating Grants and Contributions	5,500,736	7,049,745	713,042	624,569	6,213,778	7,674,314
Capital Grants and Contributions	306,951	1,135,048			306,951	1,135,048
General Revenues						
Property Taxes	17,427,917	17,144,615			17,427,917	17,144,615
Other	<u>118,806</u>	<u>45,685</u>	<u>-</u>	<u>-</u>	<u>118,806</u>	<u>45,685</u>
Total Revenues	<u>23,480,845</u>	<u>25,452,401</u>	<u>715,545</u>	<u>635,446</u>	<u>24,196,390</u>	<u>26,087,847</u>
Expenses						
Instruction						
Regular	8,824,944	9,846,176			8,824,944	9,846,176
Special Education	3,322,301	3,666,402			3,322,301	3,666,402
Other Instruction	997,472	947,571			997,472	947,571
School Sponsored Activities and Athletics	44,745	35,645			44,745	35,645
Support Services						
Student and Instruction Related Services	2,720,286	2,892,696			2,720,286	2,892,696
General Administration Services	744,518	808,905			744,518	808,905
School Administration Services	795,742	899,588			795,742	899,588
Central and Other Support Services	732,396	676,564			732,396	676,564
Plant Operations and Maintenance	2,009,478	1,854,800			2,009,478	1,854,800
Pupil Transportation	460,519	274,410			460,519	274,410
Interest on Long Term Debt	713,285	121,478			713,285	121,478
Food Service	<u>-</u>	<u>-</u>	<u>532,587</u>	<u>313,401</u>	<u>532,587</u>	<u>313,401</u>
Total Expenses	<u>21,365,686</u>	<u>22,024,235</u>	<u>532,587</u>	<u>313,401</u>	<u>21,898,273</u>	<u>22,337,636</u>
Increase in Net Position	2,115,159	3,428,166	182,958	322,045	2,298,117	3,750,211
Beginning of Year, Net Position	8,037,316	4,606,258	403,880	81,835	8,441,196	4,688,093
Prior Period Adjustments	<u>-</u>	<u>2,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,892</u>
Ending of Year, Net Position	<u>\$ 10,152,475</u>	<u>\$ 8,037,316</u>	<u>\$ 586,838</u>	<u>\$ 403,880</u>	<u>\$ 10,739,313</u>	<u>\$ 8,441,196</u>

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Governmental Activities

The District's total revenues were \$23,480,845 and \$25,452,401 for the fiscal years ended June 30, 2022 and 2021, respectively. Property taxes made up 74 percent and 67 percent of revenues for governmental activities for the East Rutherford Board of Education for fiscal years ended June 30, 2022 and 2021, respectively. Federal, state and local grants and contributions of \$5,807,687 and \$8,184,793 accounted for another 25 percent and 32 percent of revenues for the fiscal years ended June 30, 2022 and 2021, respectively. The decrease in federal, state and local grants and contributions for the current year is largely due to the decrease in on-behalf contributions for TPAF pension during the current fiscal year. Also in the prior year the Borough donated property to the school district with a fair market value of \$825,000.

The total cost of all programs and services was \$21,365,686 and \$22,024,235 for the fiscal years ended June 30, 2022 and 2021, respectively. The decrease in expenses for the current year is also due to the decrease in on-behalf TPAF pension contribution expenses reported for the District. Instruction comprises 62 percent and 66 percent of governmental program expenses for the fiscal years ended June 30, 2022 and 2021, respectively. Support services expenses make up 35 percent and 34 percent of governmental expenses for the fiscal years ended June 30, 2021 and 2022, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants and contributions offsetting those services. The schedule below shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue.

Total and Net Cost of Services
for the Fiscal Years Ended June 30, 2022 and 2021

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 8,824,944	\$ 9,846,176	\$ 6,302,138	\$ 6,658,424
Special Education	3,322,301	3,666,402	1,915,791	1,993,049
Other Instruction	997,472	947,571	584,815	596,728
School Sponsored Activities and Athletics	44,745	35,645	25,182	18,794
Support Services				
Student and Instruction Related Services	2,720,286	2,892,696	2,149,855	2,027,263
General Administration Services	744,518	808,905	630,296	648,620
School Administration Services	795,742	899,588	665,594	671,315
Central and Other Support Services	732,396	676,564	690,214	559,676
Plant Operations and Maintenance	2,009,478	1,854,800	1,419,432	348,544
Pupil Transportation	460,519	274,410	336,955	118,243
Interest on Long Term Debt	713,285	121,478	711,292	121,478
Total	<u>\$ 21,365,686</u>	<u>\$ 22,024,235</u>	<u>\$ 15,431,564</u>	<u>\$ 13,762,134</u>

The dependence of tax revenues to support governmental activities is apparent.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$715,545 and \$635,446 compared to expenses of \$532,587 and \$313,401 in the fiscal years ended June 30, 2022 and 2021, respectively. Of the revenues, \$2,503 and \$10,877 were charges for services paid by patrons for daily food served, \$713,042 and \$624,569 were from State and Federal reimbursements for the fiscal years ended June 30, 2022 and 2021, respectively.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$24,250,150 and \$22,362,810, and expenditures were \$42,902,724 and \$28,583,940 for the fiscal years ended June 30, 2022 and 2021, respectively. In addition, the District had other financing sources in the current year from the proceeds of \$35,553,000 in serial bonds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2022 and 2021.

<u>Revenue</u>	<u>Fiscal Year</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2022</u>	<u>2021</u>		
Local Sources	\$ 17,642,549	\$ 17,275,902	\$ 366,647	2%
State Sources	5,359,325	4,137,009	1,222,316	30%
Federal Sources	<u>1,248,276</u>	<u>949,899</u>	<u>298,377</u>	31%
Total	<u>\$ 24,250,150</u>	<u>\$ 22,362,810</u>	<u>\$ 1,887,340</u>	8%

For fiscal year 2022 total governmental revenues increased \$1,887,340, or 8%, from the previous year. The increase in local sources of \$366,647, or 2%, was attributable to an increase in property taxes to support increases in budgeted operating costs. As indicated state sources increased \$1,222,316, or 30%, mainly due to an increase in on-behalf pension contributions made by the State for the District's professional teaching staff. The increase in federal sources of \$298,377, or 31%, was a result of increased grant funds earned from the American Rescue Plan (ARP) grant programs.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2022 and 2021.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2022</u>	<u>2021</u>		
Current				
Instruction	\$ 14,111,258	\$ 12,981,140	\$ 1,130,118	9%
Support Services	7,485,716	6,427,974	1,057,742	16%
Debt Service	878,655	777,063	101,592	13%
Capital Outlay	<u>20,427,095</u>	<u>8,397,763</u>	<u>12,029,332</u>	143%
Total	<u>\$ 42,902,724</u>	<u>\$ 28,583,940</u>	<u>\$ 14,318,784</u>	50%

For fiscal year 2022, total governmental funds expenditures increased \$14,318,784, or 50%. Increases in instruction costs were mainly attributable to regular education programs and increases in support services costs were attributable to student and instruction related services, as well as plant operation and maintenance costs. Capital outlay increased significantly as a result of additional construction activity related to the 2020 School Bond Referendum while debt service increased due to the interest paid on the project note which matured in the current year.

Of the governmental funds, the General Fund had \$22,321,037 in revenues (predominately property taxes) and \$21,732,390 in expenditures. As a result, the General Fund's fund balance increased \$588,647 from \$5,357,878 at June 30, 2021 to \$5,946,525 at June 30, 2022.

General Fund Budgetary Highlights

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

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

For the fiscal year 2022 General Fund budgetary revenues and other financing sources were more than budgetary expenditures increasing budgetary fund balance \$644,200. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$160,343 from an unassigned fund balance of \$657,452 at June 30, 2021 to \$817,795 at June 30, 2022. Conversely, restricted fund balance for capital reserve increased \$1,222,585 from \$2,164,826 at June 30, 2021 to \$3,387,411 at June 30, 2022 while maintenance reserve remained the same balance as the previous year of \$740,082 at June 30, 2022. In addition, the District ended the year with restricted excess surplus of \$1,200,000 at June 30, 2022, which represents an increase of \$225,000 from the previous year.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Capital Assets

At the end of fiscal years 2022 and 2021, the District had \$37,949,499 and \$17,931,243 invested in land, construction in progress, buildings, site improvements, furniture and equipment and vehicles net of depreciation for governmental activities. For 2021-2022 depreciation expenses for governmental activities was \$408,849 and for business-type activities was \$3,725. The following schedule is a comparison of capital assets net of depreciation at June 30, 2022 and 2021.

Capital Assets, Net of Depreciation
As of June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,809,211	\$ 1,809,211		
Construction in Progress	28,891,982	9,676,260		
Site Improvements	33,376	37,171		
Building and Building Improvements	6,567,976	5,977,384		
Machinery and Equipment	621,439	391,132	\$ 38,021	\$ 41,746
Right-to-Use Leased Equipment	25,515	40,085	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 37,949,499</u>	<u>\$ 17,931,243</u>	<u>\$ 38,021</u>	<u>\$ 41,746</u>

Additional information on East Rutherford Board of Education's capital assets can be found in Note 3 of this report.

Long-Term Liabilities

At June 30, 2022 and 2021, the District had \$39,021,205 and \$5,281,080 of long-term liabilities, respectively. During the current year the District issued \$35,553,000 in serial bonds to finance the 2020 referendum school facilities improvement projects. For fiscal year 2022 total outstanding long-term liabilities increased by \$33,777,328 from the prior year. The following schedule is a comparison of the long-term liabilities at June 30, 2022 and 2021.

Long-Term Liabilities
As of June 30, 2022 and 2021

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Serial Bonds Payable (including premium)	\$ 36,784,000	\$ 1,881,781
Other Financing Agreements	95,313	163,758
Leases Payable	24,303	37,203
Compensated Absences	49,847	57,173
Net Pension Liability	2,067,742	3,141,165
	<u> </u>	<u> </u>
Total	<u>\$ 39,021,205</u>	<u>\$ 5,281,080</u>

Additional information on East Rutherford Board of Education's long-term liabilities can be found in Note 3 of this report.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

For the Future

The East Rutherford Board of Education is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District with the increased reliance on local property taxes.

East Rutherford Board of Education's budget for 2022-2023 was approved by the Board in April of 2022. Budgeted expenditures in the General Fund increased 1.5% to \$18,975,420 for fiscal year 2022-2023. The increase was the direct result of the increase of budgeted instructional program costs in the 2022-2023 budget.

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

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at East Rutherford Board of Education Board of Education, Administration Office, Uhland and Grove Streets, East Rutherford, New Jersey 07073.

FINANCIAL STATEMENTS

EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 15,109,861	\$ 520,194	\$ 15,630,055
Receivables	915,550	58,674	974,224
Inventory		3,124	3,124
Capital Assets Not Being Depreciated	30,701,193		30,701,193
Capital Assets Being Depreciated, Net	<u>7,248,306</u>	<u>38,021</u>	<u>7,286,327</u>
Total Assets	<u>53,974,910</u>	<u>620,013</u>	<u>54,594,923</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	<u>251,835</u>		<u>251,835</u>
Total Deferred Outflows of Resources	<u>251,835</u>		<u>251,835</u>
Total Assets and Deferred Outflows of Resources	<u>54,226,745</u>	<u>620,013</u>	<u>54,846,758</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	2,647,489	28,051	2,675,540
Accrued Interest Payable	681,967		681,967
Unearned Revenue	34,832	5,000	39,832
Noncurrent Liabilities			
Due Within One Year	290,629		290,629
Due Beyond One Year	<u>38,730,576</u>		<u>38,730,576</u>
Total Liabilities	<u>42,385,493</u>	<u>33,051</u>	<u>42,418,544</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		124	124
Deferred Amount on Net Pension Liability	<u>1,688,777</u>		<u>1,688,777</u>
Total Deferred Inflows of Resources	<u>1,688,777</u>	<u>124</u>	<u>1,688,901</u>
Total Liabilities and Deferred Inflows of Resources	<u>44,074,270</u>	<u>33,175</u>	<u>44,107,445</u>
NET POSITION			
Net Investment in Capital Assets	8,483,272	38,021	8,521,293
Restricted for:			
Capital Projects	3,387,411		3,387,411
Plant Maintenance	740,082		740,082
Other Purposes	54,489		54,489
Unrestricted	<u>(2,512,779)</u>	<u>548,817</u>	<u>(1,963,962)</u>
Total Net Position	<u>\$ 10,152,475</u>	<u>\$ 586,838</u>	<u>\$ 10,739,313</u>

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

**EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 8,824,944	\$ 113,200	\$ 2,232,281	\$ 177,325	\$ (6,302,138)		\$ (6,302,138)
Special Education	3,322,301		1,406,510		(1,915,791)		(1,915,791)
Other Instruction	997,472		412,657		(584,815)		(584,815)
School Sponsored Activities and Athletics							
	44,745	11,566	7,997		(25,182)		(25,182)
Support Services							
Student and Instruction Related Svcs.	2,720,286		570,431		(2,149,855)		(2,149,855)
General Administrative Services	744,518		114,222		(630,296)		(630,296)
School Administrative Services	795,742		130,148		(665,594)		(665,594)
Central and Other Support Services	732,396		42,182		(690,214)		(690,214)
Plant Operations and Maintenance	2,009,478	1,669	458,751	129,626	(1,419,432)		(1,419,432)
Pupil Transportation	460,519		123,564		(336,955)		(336,955)
Interest on Long-Term Debt	713,285		1,993		(711,292)		(711,292)
Total Governmental Activities	21,365,686	126,435	5,500,736	306,951	(15,431,564)	-	(15,431,564)
Business-Type Activities							
Food Service	532,587	2,503	713,042	-		\$ 182,958	182,958
Total Business-Type Activities	532,587	2,503	713,042	-	-	182,958	182,958
Total Primary Government	\$ 21,898,273	\$ 128,938	\$ 6,213,778	\$ 306,951	\$ (15,431,564)	\$ 182,958	\$ (15,248,606)
General Revenues:							
Property Taxes, Levied for General Purposes, Net					16,773,530		16,773,530
Property Taxes Levied for Debt Service, Net					654,387		654,387
State Aid - Restricted for Debt Principal					30,609		30,609
Miscellaneous Income					88,197		88,197
Total General Revenues					17,546,723	-	17,546,723
Change in Net Position					2,115,159	182,958	2,298,117
Net Position, Beginning of Year, (Restated)					8,037,316	403,880	8,441,196
Net Position, End of Year					\$ 10,152,475	\$ 586,838	\$ 10,739,313

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

FUND FINANCIAL STATEMENTS

**EAST RUTHERFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,421,344	\$ 10,761	\$ 9,634,028	\$ 43,728	\$ 15,109,861
Receivables:					
Receivables from Other Governments	28,628	884,995			913,623
Other		1,927			1,927
Due from Other Funds	<u>764,919</u>				<u>764,919</u>
Total Assets	<u>\$ 6,214,891</u>	<u>\$ 897,683</u>	<u>\$ 9,634,028</u>	<u>\$ 43,728</u>	<u>\$ 16,790,330</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 213,392	\$ 96,991	\$ 2,291,952		\$ 2,602,335
Accrued Salaries and Wages	27,578				27,578
Payroll Deductions and Withholdings Payable	17,576				17,576
Due to Other Funds		764,919			764,919
Unearned Revenue	<u>9,820</u>	<u>25,012</u>			<u>34,832</u>
Total Liabilities	<u>268,366</u>	<u>886,922</u>	<u>2,291,952</u>	<u>-</u>	<u>3,447,240</u>
Fund Balances					
Restricted					
Capital Reserve	3,387,411				3,387,411
Maintenance Reserve	740,082				740,082
Excess Surplus	600,000				600,000
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000				600,000
Student Activities		10,761			10,761
Capital Projects			7,342,076		7,342,076
Debt Service				\$ 43,728	43,728
Assigned					
Year End Encumbrances	96,581				96,581
Unassigned	<u>522,451</u>				<u>522,451</u>
Total Fund Balances (Deficits)	<u>5,946,525</u>	<u>10,761</u>	<u>7,342,076</u>	<u>43,728</u>	<u>13,343,090</u>
Total Liabilities and Fund Balances	<u>\$ 6,214,891</u>	<u>\$ 897,683</u>	<u>\$ 9,634,028</u>	<u>\$ 43,728</u>	<u>\$ 16,790,330</u>

**EAST RUTHERFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022**

Total Fund Balances (Exhibit B-1) \$ 13,343,090

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$45,117,229 and the accumulated depreciation is \$7,167,730. 37,949,499

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources	\$ 251,835	
Deferred Inflows of Resources	<u>(1,688,777)</u>	(1,436,942)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (681,967)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These items are as follows:

Bonds Payable, Net	(36,784,000)	
Other Financing Agreements Payable	(95,313)	
Leases Payable	(24,303)	
Compensated Absences Payable	(49,847)	
Net Pension Liability	<u>(2,067,742)</u>	<u>(39,021,205)</u>

Net position of governmental activities (Exhibit A-1) \$ 10,152,475

EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 16,773,530			\$ 654,387	\$ 17,427,917
Tuition	113,200				113,200
Interest Earned	38,686				38,686
Rents	1,669				1,669
Miscellaneous	49,511	\$ 11,566			61,077
Total - Local Sources	16,976,596	11,566	-	654,387	17,642,549
State Sources	5,326,723			32,602	5,359,325
Federal Sources	17,718	1,230,558			1,248,276
Total Revenues	22,321,037	1,242,124	-	686,989	24,250,150
EXPENDITURES					
Current					
Instruction					
Regular Instruction	9,425,887	30,590			9,456,477
Special Education Instruction	3,340,952	207,481			3,548,433
Other Instruction	844,192	215,045			1,059,237
School Sponsored Activities and Athletics	35,407	11,704			47,111
Support Services					
Student and Instruction Related Services	2,774,578	102,440			2,877,018
General Administrative Services	775,193				775,193
School Administrative Services	855,959				855,959
Central and Other Support Services	761,145				761,145
Plant Operations and Maintenance	1,393,799	368,051			1,761,850
Pupil Transportation	454,551				454,551
Debt Service					
Principal	81,345			\$ 645,000	726,345
Interest	10,320		\$ 100,000	41,990	152,310
Capital Outlay	979,062	306,951	19,141,082		20,427,095
Total Expenditures	21,732,390	1,242,262	19,241,082	686,990	42,902,724
Excess (Deficiency) of Revenues Over (Under) Expenditures	588,647	(138)	(19,241,082)	(1)	(18,652,574)
Other Financing Sources (Uses)					
Serial Bond Proceeds			35,553,000		35,553,000
Total Other Financing Sources (Uses)	-	-	35,553,000	-	35,553,000
Net Change in Fund Balance	588,647	(138)	16,311,918	(1)	16,900,426
Fund Balance (Deficit), Beginning of Year	5,357,878	10,899	(8,969,842)	43,729	(3,557,336)
Fund Balance, End of Year	\$ 5,946,525	\$ 10,761	\$ 7,342,076	\$ 43,728	\$ 13,343,090

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

**EAST RUTHERFORD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 16,900,426**

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

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

Capital Outlay	\$ 20,427,095	
Depreciation Expense	<u>(408,849)</u>	
		20,018,246

In the statement of activities, certain transactions related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, these items are reported upon issuance of the debt. This amount represents the current year amortization of the deferred items related to the issuance of long term debt in previous years.

Original Issue Premium - Bonds	5,781	
Original Issue Premium - Notes	1,822	
Deferred Amount on Refunding of Debt	<u>(6,812)</u>	
		791

In the statement of activities, certain operating expenses - compensated absences, pension expenses are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	7,326	
Decrease in Pension Expense	<u>576,791</u>	
		584,117

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

Bond Proceeds		(35,553,000)
Principal Repayments		
Bonds Paid	645,000	
Other Financing Agreements Paid	68,445	
Leases Paid	<u>12,900</u>	
		726,345

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

Increase in accrued interest		<u>(561,766)</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 2,115,159**

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

**EAST RUTHERFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	<u>Business-Type Activities Enterprise Funds Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 520,194
Intergovernmental Receivable	58,004
Other Accounts Receivable	670
Inventories	<u>3,124</u>
Total Current Assets	<u>581,992</u>
Capital Assets	
Machinery and Equipment	105,530
Less: Accumulated Depreciation	<u>(67,509)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>38,021</u>
Total Assets	<u>620,013</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	28,051
Unearned Revenue	<u>5,000</u>
Total Current Liabilities	<u>33,051</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>124</u>
Total Deferred Inflows of Resources	<u>124</u>
Total Liabilities and Deferred Inflows of Resources	<u>33,175</u>
NET POSITION	
Investment in Capital Assets	38,021
Unrestricted	<u>548,817</u>
Total Net Position	<u>\$ 586,838</u>

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

**EAST RUTHERFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Fund
	Food Service
Operating Revenues	
Daily Sales - Non-Reimbursable Programs	\$ 2,503
Total Operating Revenues	2,503
Operating Expenses	
Cost of Sales - Reimbursable Programs	321,189
Cost of Sales - Non-Reimbursable Programs	193
Salaries and Benefits	155,985
Other Purchased Services	21,845
Management Fee	15,750
Miscellaneous Expenditures	13,900
Depreciation	3,725
Total Operating Expenses	532,587
Operating Loss	(530,084)
Nonoperating Revenues	
State Sources	
School Lunch Program	10,768
Federal Sources	
National School Breakfast Program	217,637
National School Lunch Program	457,980
Administrative Cost Program for Pandemic EBT	628
Food Distribution Program	26,029
Total Nonoperating Revenues	713,042
Change in Net Position	182,958
Net Position, Beginning of Year, (Restated)	403,880
Net Position, End of Year	\$ 586,838

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

**EAST RUTHERFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 965
Cash Payments for Employees Salaries and Benefits	(155,985)
Cash Payments to Suppliers	(319,461)
	(474,481)
Net Cash Used for Operating Activities	(474,481)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash Received from State and Federal Reimbursements	690,472
	690,472
Net Cash Provided By Non-Capital Financing Activities	690,472
Net Increase in Cash and Cash Equivalents	215,991
Cash and Cash Equivalents—Beginning of Year	304,203
Cash and Cash Equivalents—End of Year	\$ 520,194
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (530,084)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities	
Depreciation	3,725
Non-Cash Federal Assistance - Food Distribution Program	26,029
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Other Accounts Receivable	628
(Increase) Decrease in Inventories	727
Increase (Decrease) in Accounts Payable	26,578
Increase (Decrease) in Unearned Revenue	(2,166)
Increase (Decrease) in Deferred Commodities Revenue	82
	55,603
Total Adjustments	55,603
Net Cash Used For Operating Activities	\$ (474,481)
Non-Cash Financing Activities	
Value Received - Food Distribution Program	\$ 26,111

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

NOTES TO THE FINANCIAL STATEMENTS

**EAST RUTHERFORD 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 East Rutherford 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 seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 eight (8) 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 of Schools 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools 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 East Rutherford Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

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

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**EAST RUTHERFORD 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)

- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. 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.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. 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.

**EAST RUTHERFORD 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

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

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

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

Fund Financial Statements

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

**EAST RUTHERFORD 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

Fund Financial Statements (Continued)

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

**EAST RUTHERFORD 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)

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 except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.8. 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
Right-to-use Leased Equipment	5

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other 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.

**EAST RUTHERFORD 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)

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period earned. 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.

8. *Leases*

Non-cancellable leases for the use of equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

9. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

EAST RUTHERFORD 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. *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 resulting from debt refundings are reported as deferred outflows or inflows of resources. Bond and note premiums are deferred and amortized over the life of the debt 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 and notes payable are reported with the unamortized premium. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize debt premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. *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 2B).

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

EAST RUTHERFORD 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)

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

Restricted Fund Balance (Continued)

Student Activities – 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.

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.

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.

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.

12. *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 Education 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 District's highest level of decision-making authority. The Board of Education 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 resolution) to remove or revise the limitation. The District has no committed fund balance at year end.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 1st 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 Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 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 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$2,224,030. The increase was funded by additional grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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 assigned fund balance 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		\$ 2,164,826
Increased by:		
Return of Unexpended Budget		
Appropriations Funded from Reserve	\$	60,375
Deposits Approved by Board Resolution		<u>1,162,210</u>
Total Increases		<u>1,222,585</u>
Balance, June 30, 2022		<u>\$ 3,387,411</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

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

Balance, July 1, 2021		\$ 740,082
Increased by:		
Return of Unexpended Budget		
Appropriations Funded from Reserve	\$ 3,609	
Deposits Approved by Board Resolution	<u>318,191</u>	
Total Increases		<u>321,800</u>
		1,061,882
Decreased by:		
Approved in District Budget		<u>321,800</u>
Balance, June 30, 2022		<u>\$ 740,082</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$740,082. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2022 is \$1,200,000. Of this amount \$600,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining \$600,000 will be appropriated in the 2023/2024 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$15,630,055 and bank and brokerage firm balances of the Board's deposits amounted to \$15,826,391. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 15,636,709
Uninsured and Collateralized	<u>189,682</u>
	<u>\$ 15,826,391</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balances of \$189,682 were exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name \$ 189,682

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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 884,995	\$ 57,116	\$ 942,111
State	\$ 28,628		888	29,516
Accounts	-	1,927	670	2,597
Gross Receivables	28,628	886,922	58,674	974,224
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 28,628</u>	<u>\$ 886,922</u>	<u>\$ 58,674</u>	<u>\$ 974,224</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition Revenue	\$ 9,820
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>25,012</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 34,832</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, June 30, 2021 <i>(Restated)</i>	Increases	Decreases	Balance, June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,809,211			\$ 1,809,211
Construction in Progress	9,676,260	\$ 19,276,042	\$ (60,320)	28,891,982
Total Capital Assets, Not Being Depreciated	<u>11,485,471</u>	<u>19,276,042</u>	<u>(60,320)</u>	<u>30,701,193</u>
Capital Assets, Being Depreciated:				
Site Improvements	262,083			262,083
Buildings and Building Improvements	11,725,660	895,367		12,621,027
Machinery and equipment	1,167,020	316,006	(23,000)	1,460,026
Right-to-Use Leased Equipment	72,900	-	-	72,900
Total Capital Assets Being Depreciated	<u>13,227,663</u>	<u>1,211,373</u>	<u>(23,000)</u>	<u>14,416,036</u>
Less Accumulated Depreciation for:				
Site Improvements	(224,912)	(3,795)		(228,707)
Buildings and Building Improvements	(5,748,276)	(304,775)		(6,053,051)
Machinery and Equipment	(775,888)	(85,699)	23,000	(838,587)
Right-to-Use Leased Equipment	(32,805)	(14,580)	-	(47,385)
Total Accumulated Depreciation	<u>(6,781,881)</u>	<u>(408,849)</u>	<u>23,000</u>	<u>(7,167,730)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,445,782</u>	<u>802,524</u>	<u>-</u>	<u>7,248,306</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,931,253</u>	<u>\$ 20,078,566</u>	<u>\$ (60,320)</u>	<u>\$ 37,949,499</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 105,530	-	-	\$ 105,530
Total Capital Assets Being Depreciated	<u>105,530</u>	<u>-</u>	<u>-</u>	<u>105,530</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(63,784)	\$ (3,725)	-	(67,509)
Total Accumulated Depreciation	<u>(63,784)</u>	<u>(3,725)</u>	<u>-</u>	<u>(67,509)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,746</u>	<u>(3,725)</u>	<u>-</u>	<u>38,021</u>
Business-Type Activities Capital Assets, Net	<u>\$ 41,746</u>	<u>\$ (3,725)</u>	<u>\$ -</u>	<u>\$ 38,021</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 19,870
Total Instruction	<u>19,870</u>
Support Services	
Student and Instruction Related Services	23,469
General Administration	3,825
School Administration	2,997
Central and Other Support Services	14,580
Plant Operations And Maintenance	318,530
Pupil Transportation	<u>25,578</u>
Total Support Services	<u>388,979</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 408,849</u>

Business-Type Activities:

Food Service Fund	<u>\$ 3,725</u>
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Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2022:

<u>Project</u>	<u>Remaining Commitments</u>
Various Renovations and Upgrades to Faust and McKenzie Schools	\$ 4,765,328
Technology Renovations and Upgrades to Faust and McKenzie Schools	1,046,892
Furniture for Faust and McKenzie Schools	<u>641,064</u>
	<u>\$ 6,453,284</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 764,919</u>

The above balances are to cover cash balances which were in an overdraft position.

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

**EAST RUTHERFORD 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. Leases Payable

On January 25, 2019, the District entered into a five year lease agreement as lessee for the use of photocopy machines. An initial lease liability was recorded in the amount of \$72,900. The lease has an interest rate of 5.36%. The District is required to make monthly payments of \$1,215. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2022 the value of the lease liability was \$24,303. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2022 is \$72,900 and had accumulated depreciation of \$47,385.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 13,608	\$ 972	\$ 14,580
2024	<u>10,695</u>	<u>240</u>	<u>10,935</u>
Total	<u>\$ 24,303</u>	<u>\$ 1,212</u>	<u>\$ 25,515</u>

G. Financing Agreements

Other Financing Agreements

The District entered into the following agreements to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Other financing agreements at June 30, 2022 are comprised of the following:

\$195,265, Fiscal Year 2020 agreement for the acquisition of computer equipment for a term of four (4) years due in annual principal installments of \$45,260 to \$52,491, through June 30, 2023 interest rate at 5.06%	\$ 49,961
\$110,624, Fiscal Year 2020 agreement for the acquisition of computer equipment for a term of five (5) years due in annual principal installments of \$19,786 to \$24,594, through June 30, 2024 interest rate at 5.59%	<u>45,352</u>
Total	<u>\$ 95,313</u>

**EAST RUTHERFORD 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. Financing Agreements (Continued)

Other Financing Agreements (Continued)

The maturity schedule of the remaining other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 72,021	\$ 5,065	\$ 77,086
2024	<u>23,292</u>	<u>1,302</u>	<u>24,594</u>
Total	<u>\$ 95,313</u>	<u>\$ 6,367</u>	<u>\$ 101,680</u>

H. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. 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 are comprised of the following issues:

\$2,491,000, 2012 School Bonds, due in annual installments of \$200,000 to \$210,000 through July 15, 2027 interest at 2.25% to 2.75%	\$ 1,231,000
\$35,553,000, 2021 School Bonds, due in annual installments of \$1,225,000 to \$2,350,000 through July 15, 2041 interest at 2.00% to 2.25%	<u>35,553,000</u>
	<u>\$ 36,784,000</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. 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 <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 200,000	\$ 1,121,229	\$ 1,321,229
2024	1,425,000	740,258	2,165,258
2025	1,505,000	710,195	2,215,195
2026	1,535,000	678,758	2,213,758
2027	1,585,000	646,245	2,231,245
2028-2032	8,856,000	2,711,045	11,567,045
2033-3037	10,250,000	1,752,212	12,002,212
2038-2042	<u>11,428,000</u>	<u>636,679</u>	<u>12,064,679</u>
	<u>\$ 36,784,000</u>	<u>\$ 8,996,621</u>	<u>\$ 45,780,621</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 77,361,095
Less: Net Debt Issued and Authorized Not Issued	<u>36,784,000</u>
Remaining Borrowing Power	<u>\$ 40,577,095</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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 <i>(Restated)</i>	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2022	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 1,876,000	\$ 35,553,000	\$ 645,000	\$ 36,784,000	\$ 200,000
Add: Premium on Bonds	<u>5,781</u>	<u>-</u>	<u>5,781</u>	<u>-</u>	<u>-</u>
Bonds Payable, Net	1,881,781	35,553,000	650,781	36,784,000	200,000
Other Financing Agreements	163,758		68,445	95,313	72,021
Leases Payable	37,203		12,900	24,303	13,608
Compensated Absences	57,173		7,326	49,847	5,000
Net Pension Liability	<u>3,141,165</u>	<u>-</u>	<u>1,073,423</u>	<u>2,067,742</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,281,080</u>	<u>\$ 35,553,000</u>	<u>\$ 1,812,875</u>	<u>\$ 39,021,205</u>	<u>\$ 290,629</u>

For the governmental activities, the liabilities for compensated absences, other financing agreements, leases payable and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the 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.

NESBIG 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 respective insurance fund is 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.

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

NOTE 4 OTHER INFORMATION (Continued)

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.

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.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

The following represent the membership tiers for TPAF:

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2022.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 204,412	\$ 3,014,764	\$ 23,789
2021	210,719	2,044,030	22,607
2020	177,027	1,542,948	20,823

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$342, respectively for PERS and the State contributed \$1,177, \$1,048 and \$1,091, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$587,626 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$2,067,742 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .01745 percent, which was a decrease of .00181 percent from its proportionate share measured as of June 30, 2020 of .01926 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit or credit of \$372,379 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 32,611	\$ 14,803
Changes of Assumptions	10,769	736,130
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		544,698
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>208,455</u>	<u>393,146</u>
Total	<u>\$ 251,835</u>	<u>\$ 1,688,777</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (552,872)
2024	(370,531)
2025	(270,295)
2026	(235,680)
2027	(7,564)
Thereafter	<u>-</u>
	<u>\$ (1,436,942)</u>

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's 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. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality 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 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, 2014 to June 30, 2018.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The discount rate used to measure the total pension liability for PERS 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 in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>2,815,845</u>	\$ <u>2,067,742</u>	\$ <u>1,432,870</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$780,595 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$33,173,856. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .06900 percent, which was a decrease of .00010 percent from its proportionate share measured as of June 30, 2020 of .06910 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2021 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for TPAF 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 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 39,250,213</u>	<u>\$ 33,173,856</u>	<u>\$ 28,070,098</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$704,371, \$640,567 and \$572,405, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,169,235. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$34,618,337. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .05769 percent, which was a decrease of .00014 percent from its proportionate share measured as of June 30, 2020 of .05783 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) 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) 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 TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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 rates 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 4.5% 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%

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.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ 39,212,675
Changes Recognized for the Fiscal Year:	
Service Cost	1,844,140
Interest on the Total OPEB Liability	898,036
Changes in Benefit Terms	(36,847)
Differences Between Expected and Actual Experience	(6,649,378)
Changes of Assumptions	34,154
Gross Benefit Payments	(707,401)
Contributions from the Member	22,958
Net Changes	\$ (4,594,338)
Balance, June 30, 2021 Measurement Date	\$ 34,618,337

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 41,467,333	\$ 34,618,337	\$ 29,225,164

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 28,023,656	\$ 34,618,337	\$ 43,474,506

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Tax Abatements

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

For East Rutherford Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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

NOTE 5 RESTATEMENT

On July 1, 2021, the East Rutherford Board of Education implemented GASB Statement No. 87 "Leases". The East Rutherford Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2021 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the intangible right-to-use capital assets. The effect of this restatement is to increase net position of governmental activities by \$2,892 from \$8,034,424 as previously reported to \$8,037,316 as of June 30, 2021.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently known variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions to be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

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

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$2,033,254 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 16,773,530		\$ 16,773,530	\$ 16,773,530	
Tuition - Individuals	110,000		110,000	113,200	\$ 3,200
Tuition - Other LEA's	48,000		48,000		(48,000)
Interest on Investments	16,000		16,000	38,686	22,686
Interest Earned on Capital Reserve Funds	300		300		(300)
Building Rentals	26,000		26,000	1,669	(24,331)
Unrestricted Miscellaneous Revenues	47,690	-	47,690	49,511	1,821
Total Local Sources	17,021,520	-	17,021,520	16,976,596	(44,924)
State Sources					
Categorical Special Education Aid	590,043		590,043	590,043	
Categorical Security Aid	129,901		129,901	129,901	
Transportation Aid	133,577		133,577	133,577	
Extraordinary Aid	100,000		100,000	220,817	120,817
TPAF Pension Contribution (Non-Budget) Normal Cost/ Accrued Liability				2,972,822	2,972,822
TPAF Pension Contribution (Non-Budget) NCGI Premium				41,942	41,942
TPAF Contribution (Non-Budget) LTDI Premium				1,177	1,177
TPAF Contribution (Non-Budget) Post - Retirement Medical Benefits				704,371	704,371
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	587,626	587,626
Total State Sources	953,521	-	953,521	5,382,276	4,428,755
Federal Sources					
Medicaid Reimbursement	28,806	-	28,806	17,718	(11,088)
Total Federal Sources	28,806	-	28,806	17,718	(11,088)
Total Revenues	18,003,847	-	18,003,847	22,376,590	4,372,743
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	\$ 133,212	\$ (70,053)	\$ 63,159	\$ 61,476	\$ 1,683
Kindergarten	382,689	(26,000)	356,689	324,239	32,450
Grades 1-5	2,755,505	24,037	2,779,542	2,738,935	40,607
Grades 6-8	2,253,115	(142,579)	2,110,536	1,988,183	122,353
Regular Programs - Home Instruction					
Salaries of Teachers	5,700	1,000	6,700	850	5,850
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	260,549	34,127	294,676	275,875	18,801
Purchased Professional-Educational Services	221,297	3,495	224,792	82,708	142,084
Purchased Technical Services	44,824	(4,117)	40,707	36,840	3,867
Other Purchased Services	95,935	2,600	98,535	89,121	9,414
General Supplies	253,461	2,162	255,623	225,897	29,726
Textbooks	45,000	58,377	103,377	89,817	13,560
Other Objects	22,780	(53)	22,727	15,655	7,072
Total Regular Programs	6,474,067	(117,004)	6,357,063	5,929,596	427,467
Learning and/or Language Disabilities					
Salaries of Teachers	206,219	(2,163)	204,056	196,444	7,612
Other Salaries for Instruction	49,623	(622)	49,001	47,211	1,790
General Supplies	9,050	2,700	11,750	9,645	2,105
Total Learning and/or Language Disabilities	264,892	(85)	264,807	253,300	11,507

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education Instruction - Multiple Disabilities					
Salaries of Teachers	\$ 393,911	\$ 57,300	\$ 451,211	\$ 437,298	\$ 13,913
Other Salaries for Instruction	316,557	(129,962)	186,595	127,153	59,442
General Supplies	4,800	2,000	6,800	3,279	3,521
Total Special Education - Multiple Disabilities	715,268	(70,662)	644,606	567,730	76,876
Special Education Instruction - Resource Room/Center					
Salaries of Teachers	525,245	7,000	532,245	438,836	93,409
Other Salaries for Instruction	157,095	64,026	221,121	196,141	24,980
General Supplies	3,500	-	3,500	2,561	939
Total Resource Room/Resource Center	685,840	71,026	756,866	637,538	119,328
Preschool Disabilities - Part Time					
Other Salaries for Instruction		24,892	24,892	24,271	621
General Supplies	1,000	20	1,020	917	103
Total Preschool Disabilities - Part Time	1,000	24,912	25,912	25,188	724
Preschool Disabilities - Full Time					
Salaries of Teachers	137,263	(3,808)	133,455	131,278	2,177
Other Salaries for Instruction	159,723	113,529	273,252	272,332	920
General Supplies	8,000	-	8,000	7,564	436
Total Preschool Disabilities - Full Time	304,986	109,721	414,707	411,174	3,533
Home Instruction					
Purchased Professional -Educational Services	-	30,000	30,000	13,781	16,219
Total Home Instruction	-	30,000	30,000	13,781	16,219
Total Special Education	1,971,986	164,912	2,136,898	1,908,711	228,187
Basic Skills/Remedial					
Salaries of Teachers	173,202	28,300	201,502	201,430	72
General Supplies	3,140	(1,300)	1,840	1,218	622
Total Basic Skills/Remedial	176,342	27,000	203,342	202,648	694
Bilingual Education					
Salaries of Teachers	303,482	44,427	347,909	247,095	100,814
General Supplies	4,500	-	4,500	2,692	1,808
Total Bilingual Education	307,982	44,427	352,409	249,787	102,622
School Sponsored Co-Curricular Activities					
Salaries	27,141	4,559	31,700	19,577	12,123
Purchased Services	6,425	-	6,425		6,425
Supplies and Materials	2,000	2,000	4,000	2,983	1,017
Total School Sponsored Co-Curricular Activities	35,566	6,559	42,125	22,560	19,565
School Sponsored Athletics - Instruction					
Salaries	9,995	(4,558)	5,437		5,437
Purchased Services	1,700	-	1,700		1,700
Supplies and Materials	1,500	-	1,500	-	1,500
Total School Sponsored Athletics - Instruction	13,195	(4,558)	8,637	-	8,637
Summer School - Instruction					
Salaries	38,143	999	39,142	39,142	-
Other Salaries for Instruction	-	23,363	23,363	23,363	-
Total Summer School - Instruction	38,143	24,362	62,505	62,505	-
Total Instruction	9,017,281	145,698	9,162,979	8,375,807	787,172

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/in State - Special	\$ 225,740	\$ (25,580)	\$ 200,160	\$ 60,842	\$ 139,318
Tuition to CSSD and Regional Day Schools	90,420	(60,420)	30,000	26,068	3,932
Tuition to APSSD Within State	556,459	(22,031)	534,428	291,585	242,843
Total Undistributed Expenditures - Instruction	872,619	(108,031)	764,588	378,495	386,093
Attendance & Social Work					
Salaries	47,054	(3,007)	44,047	24,435	19,612
Total Attendance & Social Work	47,054	(3,007)	44,047	24,435	19,612
Health Services					
Salaries	189,526	75,005	264,531	252,007	12,524
Purchased Professional and Technical Services	10,650	(2,005)	8,645	5,070	3,575
Other Purchased Services	1,542	-	1,542	264	1,278
Supplies and Materials	13,153	-	13,153	8,248	4,905
Total Health Services	214,871	73,000	287,871	265,589	22,282
Speech, OT, PT, and Related Services					
Salaries	279,902	7,300	287,202	273,458	13,744
Purchased Prof. Ed. Services	57,478	(2,202)	55,276	43,561	11,715
Supplies and Materials	602	602	602	584	18
Other Objects	326	-	326	-	326
Total Speech, OT, PT, and Related Services	337,706	5,700	343,406	317,603	25,803
Other Support Services - Students - Extraordinary					
Salaries	123,259	(29,436)	93,823	86,099	7,724
Purchased Prof. Ed. Services	199,700	89,026	288,726	229,657	59,069
Supplies and Materials	-	9,836	9,836	3,824	6,012
Other Objects	-	974	974	150	824
Total Other Supp.Serv. Student - Extraordinary	322,959	70,400	393,359	319,730	73,629
Guidance					
Salaries of Other Professional Staff	117,048	24,000	141,048	118,752	22,296
Supplies and Materials	12,043	(1,000)	11,043	475	10,568
Total Guidance	129,091	23,000	152,091	119,227	32,864
Child Study Teams					
Salaries of Other Professional Staff	379,990	6,301	386,291	378,047	8,244
Salaries of Secretarial & Clerical Assistants	57,587	1,000	58,587	56,289	2,298
Purchased Prof. Ed. Services	42,080	4,100	46,180	21,779	24,401
Other Purchased Professional and Technical Services	4,053	-	4,053	4,053	-
Miscellaneous Purchased Services	806	-	806	575	231
Supplies and Materials	14,000	(1,200)	12,800	8,683	4,117
Total Child Study Teams	498,516	10,201	508,717	469,426	39,291

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 198,520	\$ 14,025	\$ 212,545	\$ 212,420	\$ 125
Salaries of Other Professional Staff	60,000	(5,525)	54,475	24,455	30,020
Purchased Prof. Ed. Services	45,025	(1,328)	43,697	40,700	2,997
Supplies and Materials	-	228	228	211	17
Total Improvement of Instructional Services	303,545	7,400	310,945	277,786	33,159
Educational Media/School Library					
Salaries	87,751	-	87,751	64,980	22,771
Purchased Professional and Technical Services	39,580	(16,141)	23,439	22,584	855
Total Educational Media/School Library	127,331	(16,141)	111,190	87,564	23,626
Instructional Staff Training Services					
Other Purchased Services	2,000	400	2,400	1,633	767
Total Instructional Staff Training Services	2,000	400	2,400	1,633	767
Support Services General Administration					
Salaries	280,304	250	280,554	280,446	108
General Admin Salaries-Governance Staff	5,000	-	5,000	5,000	-
Legal Services	46,710	4,800	51,510	39,687	11,823
Audit Fees	29,800	28,053	57,853	32,822	25,031
Architectural/Engineering Services	13,000	(50)	12,950	-	12,950
Other Purchased Professional Services	37,540	(5,800)	31,740	22,246	9,494
Purchased Technical Services	26,025	11,500	37,525	37,427	98
Communications/Telephone	111,144	5,257	116,401	102,565	13,836
Miscellaneous Purchased Services	15,680	4,594	20,274	17,615	2,659
BOE Other Purchased Services	7,901	(220)	7,681	7,007	674
General Supplies	3,500	(580)	2,920	1,576	1,344
Miscellaneous Expenditures	3,760	239	3,999	3,735	264
BOE Membership Dues and Fees	7,800	-	7,800	6,978	822
Total Support Services General Administration	588,164	48,043	636,207	557,104	79,103
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	343,680	2,900	346,580	346,510	70
Salaries of Other Professional Staff	1,012	500	1,512	1,512	-
Salaries of Secretarial and Clerical Assistants	157,463	25,900	183,363	174,998	8,365
Purchased Professional and Technical Services	13,691	1,328	15,019	13,769	1,250
Other Purchased Services	6,600	(2,800)	3,800	-	3,800
Supplies and Materials	22,025	4,766	26,791	18,780	8,011
Other Objects	5,300	1,141	6,441	2,823	3,618
Total Support Services School Administration	549,771	33,735	583,506	558,392	25,114
Central Services					
Salaries	351,784	600	352,384	349,828	2,556
Unused Vacation Payment to Terminated/Retired Staff	-	10,595	10,595	-	10,595
Purchased Technical Services	24,305	43,525	67,830	59,844	7,986
Miscellaneous Purchased Services	5,795	(4,620)	1,175	-	1,175
Supplies and Materials	4,455	3,288	7,743	6,473	1,270
Miscellaneous Expenditures	1,600	-	1,600	1,480	120
Total Central Services	387,939	53,388	441,327	417,625	23,702
Administration Information Technology					
Salaries	12,894	5,276	18,170	8,664	9,506
Purchased Technical Services	206,811	(12,276)	194,535	171,180	23,355
Total Administration Information Technology	219,705	(7,000)	212,705	179,844	32,861

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 82,326	\$ 19,416	\$ 101,742	\$ 95,346	\$ 6,396
Cleaning, Repair and Maintenance Services	361,200	(53,399)	307,801	134,815	172,986
Lead Testing of Drinking Water		3,025	3,025	3,025	-
General Supplies	38,200	-	38,200	15,640	22,560
Other Objects	-	230	230	230	-
Total Required Maintenance for School Facilities	481,726	(30,728)	450,998	249,056	201,942
Custodial Services					
Salaries	470,740	59,774	530,514	489,588	40,926
Salaries of Non-Instructional Aides	6,000	-	6,000	1,545	4,455
Purchased Professional and Technical Services	2,400	-	2,400		2,400
Cleaning, Repair and Maintenance Services	25,900	(1,000)	24,900	13,501	11,399
Other Purchased Property Services	15,000	238	15,238	15,238	-
Insurance	196,706	(32,800)	163,906	148,945	14,961
General Supplies	68,100	1,000	69,100	67,696	1,404
Energy (Natural Gas)	130,000	-	130,000	62,382	67,618
Energy (Electricity)	205,000	-	205,000	105,392	99,608
Other Objects	1,000	762	1,762	1,423	339
Total Custodial Services	1,120,846	27,974	1,148,820	905,710	243,110
Care and Upkeep of Grounds					
Salaries	2,500		2,500	140	2,360
Cleaning, Repair and Maintenance Services	1,500	(1,500)			-
General Supplies	400	(400)			-
Total Care and Upkeep of Grounds	4,400	(1,900)	2,500	140	2,360
Security					
Purchased Professional and Technical Services	3,300	6,000	9,300	6,960	2,340
General Supplies	1,600	-	1,600		1,600
Total Security	4,900	6,000	10,900	6,960	3,940
Student Transportation Services					
Salaries of Non-Instructional Aides	67,998	11,282	79,280	56,446	22,834
Salaries for Pupil Trans. (Bet Home & Sch)-Reg	74,804	13,116	87,920	63,225	24,695
Salaries for Pupil Trans. (Bet Home & Sch)-Sp Ed	38,636	3,184	41,820	41,820	-
Salaries for Pupil Trans. (Other than Bet Home & Sch)	4,310	(2,400)	1,910	761	1,149
Other Employee Benefits	1,735	-	1,735	441	1,294
Other Purchased Professional and Technical Services	9,245	(8,090)	1,155	1,125	30
Cleaning, Repair & Maintenance Service	22,620	4,525	27,145	18,710	8,435
Contr Serv - Aid in Lieu Pymts - Non Public School	2,000	(1,500)	500		500
Contr Serv - Aid in Lieu Pymts - Charter School	2,000	(1,000)	1,000	400	600
Contr Serv (Bet Home & School)-Vendors	8,850	(8,800)	50		50
Contr Serv (Special Ed Students)-Joint Agreements	248,500	(46,818)	201,682	182,717	18,965
General Supplies	3,850	(791)	3,059		3,059
Transportation Supplies	17,400	7,290	24,690	23,954	736
Other Objects	1,300	-	1,300	802	498
Total Student Transportation Services	503,248	(30,002)	473,246	390,401	82,845

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
Unallocated Benefits - Employee Benefits					
Group Insurance	\$ 5,500	\$ 2,700	\$ 8,200	\$ 7,702	\$ 498
Social Security Contributions	215,000	27,000	242,000	241,440	560
TPAF/PERS - Special Assessments	1,000	-	1,000	455	545
Other Retirement Contributions - PERS	212,000	(2,000)	210,000	204,412	5,588
Other Retirement Contributions - DCRP	23,000	1,000	24,000	23,789	211
Unemployment Compensation	45,000	-	45,000	35,405	9,595
Worker's Compensation	66,528	17,535	84,063	50,013	34,050
Health Benefits	2,237,596	(330,972)	1,906,624	1,879,306	27,318
Tuition Reimbursement	34,000	900	34,900	12,409	22,491
Other Employee Benefits	15,000	4,196	19,196	19,196	-
Unused Sick Payment to Terminated/Retired Staff	30,000	-	30,000	-	30,000
Total Unallocated Benefits	2,884,624	(279,641)	2,604,983	2,474,127	130,856
On - Behalf Payments					
TPAF Pension Contribution (Non-Budget) Normal Cost/Accrued Liability				2,972,822	(2,972,822)
TPAF Pension Contribution (Non-Budget) NCGI Premium				41,942	(41,942)
TPAF Contribution (Non-Budget) LTDI Premium				1,177	(1,177)
TPAF Contribution (Non-Budget) Post - Retirement Medical Benefits				704,371	(704,371)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	587,626	(587,626)
Total On-Behalf	-	-	-	4,307,938	(4,307,938)
Total Undistributed Expenditures	9,601,015	(117,209)	9,483,806	12,308,785	(2,824,979)
Total Current Expenditures	18,618,296	28,489	18,646,785	20,684,592	(2,037,807)
CAPITAL OUTLAY					
Equipment					
Grade 1-5	31,346	5,616	36,962	36,962	-
School Buses - Regular	-	108,318	108,318	105,619	2,699
Total Equipment	31,346	113,934	145,280	142,581	2,699
Facilities Acq. And Construction Services					
Architectural/Engineering Services		5,334	5,334	5,334	-
Other Purchased Professional and Technical Services		14,522	14,522	14,522	-
Construction Services		877,000	877,000	816,625	60,375
Assessment for Debt Service on SDA Funding	32,079	-	32,079	32,079	-
Total Facilities Acq. And Construction Services.	32,079	896,856	928,935	868,560	60,375
Interest Deposit to Capital Reserve	300	-	300	-	300
Total Capital Outlay	63,725	1,010,790	1,074,515	1,011,141	63,374

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
Transfer of Funds to Charter Schools	\$ 15,626	\$ 21,031	\$ 36,657	\$ 36,657	-
Total General Fund	18,697,647	1,060,310	19,757,957	21,732,390	\$ (1,974,433)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(693,800)	(1,060,310)	(1,754,110)	644,200	2,398,310
Other Financing Sources(Uses)					
Transfer Out - Food Service Fund	(3,000)	-	(3,000)	-	3,000
Total Other Financing Sources(Uses)	(3,000)	-	(3,000)	-	3,000
Net Change in Fund Balance	(696,800)	(1,060,310)	(1,757,110)	644,200	2,401,310
Fund Balance, Beginning of Year	5,597,669	-	5,597,669	5,597,669	-
Fund Balance, End of Year	\$ 4,900,869	\$ (1,060,310)	\$ 3,840,559	\$ 6,241,869	\$ 2,401,310
Restricted Fund Balances					
Capital Reserve				\$ 3,387,411	
Maintenance Reserve				740,082	
Excess Surplus				600,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				600,000	
Assigned Fund Balance					
Year End Encumbrances				96,581	
Unassigned Fund Balance				817,795	
				6,241,869	
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue Not Recognized on a GAAP Basis				(295,344)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,946,525	

**EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources	\$ 10,941	\$ 625	\$ 11,566	\$ 11,566	
Federal Sources	<u>318,712</u>	<u>1,162,957</u>	<u>1,481,669</u>	<u>1,230,558</u>	\$ (251,111)
Total Revenues	<u>329,653</u>	<u>1,163,582</u>	<u>1,493,235</u>	<u>1,242,124</u>	<u>(251,111)</u>
EXPENDITURES					
Instruction					
Salaries	\$ 54,557	\$ 149,018	\$ 203,575	\$ 122,172	\$ 81,403
Tuition	182,754	15,340	198,094	198,094	-
General Supplies	55,611	78,451	134,062	132,850	1,212
Co-Curricular/Extra-Curricular Activities	<u>10,941</u>	<u>763</u>	<u>11,704</u>	<u>11,704</u>	<u>-</u>
Total Instruction	<u>303,863</u>	<u>243,572</u>	<u>547,435</u>	<u>464,820</u>	<u>82,615</u>
Support Services					
Salaries		162,150	162,150	28,338	133,812
Other Salaries		1,000	1,000	135	865
Personal Services-Employee Benefits		16,254	16,254	13,280	2,974
Purchased Prof. and Tech. Services	15,657	251,626	267,283	236,438	30,845
Purchased Prof. and Educ. Services		-	-	-	-
Rental of Land and Buildings		114,968	114,968	114,968	-
Other Purchased Services	10,133	1,967	12,100	12,100	-
General Supplies	<u>-</u>	<u>65,232</u>	<u>65,232</u>	<u>65,232</u>	<u>-</u>
Total Support Services	<u>25,790</u>	<u>613,197</u>	<u>638,987</u>	<u>470,491</u>	<u>168,496</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	177,325	177,325	177,325	-
Non-Instructional Equipment	<u>-</u>	<u>129,626</u>	<u>129,626</u>	<u>129,626</u>	<u>-</u>
Total Facilities Acquisition and Construction	<u>-</u>	<u>306,951</u>	<u>306,951</u>	<u>306,951</u>	<u>-</u>
Total Expenditures	<u>329,653</u>	<u>1,163,720</u>	<u>1,493,373</u>	<u>1,242,262</u>	<u>251,111</u>
Net Change in Fund Balances	-	(138)	(138)	(138)	-
Fund Balances, Beginning of Year	<u>10,899</u>	<u>-</u>	<u>10,899</u>	<u>10,899</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 10,899</u>	<u>\$ (138)</u>	<u>\$ 10,761</u>	<u>\$ 10,761</u>	<u>\$ -</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				<u>\$ 10,761</u>	
				<u>\$ 10,761</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 22,376,590	\$ 1,242,124
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
June 30, 2022 Encumbrances		
June 30, 2021 Encumbrances, Net		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2020-2021)	239,791	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2021-2022)	(295,344)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 22,321,037</u>	<u>\$ 1,242,124</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 21,732,390	\$ 1,242,262
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		
June 30, 2022 Encumbrances		
June 30, 2021 Encumbrances	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 21,732,390</u>	<u>\$ 1,242,262</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

EAST RUTHERFORD 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*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.01745%	0.01926%	0.01820%	0.01855%	0.01761%	0.01979%	0.01955%	0.01914%	0.01881%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,067,742	\$ 3,141,165	\$ 3,279,264	\$ 3,653,064	\$ 4,098,175	\$ 5,861,246	\$ 4,389,482	\$ 3,583,999	\$ 3,595,890
District's Covered Payroll	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984	\$ 1,344,847	\$ 1,285,655
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	157.20%	240.58%	242.43%	276.71%	326.23%	486.24%	322.29%	266.50%	279.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	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.

EAST RUTHERFORD BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT 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	\$ 204,412	\$ 210,719	\$ 177,027	\$ 184,546	\$ 163,092	\$ 175,812	\$ 168,185	\$ 159,102	\$ 141,766
Contributions in Relation to the Contractually Required Contribution	<u>204,412</u>	<u>210,719</u>	<u>177,027</u>	<u>184,546</u>	<u>163,092</u>	<u>175,812</u>	<u>168,185</u>	<u>159,102</u>	<u>141,766</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	\$ 1,418,767	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984	\$ 1,344,847
Contributions as a Percentage of Covered Payroll	14.41%	16.02%	13.56%	13.64%	12.35%	14.00%	13.95%	11.68%	10.54%

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.

**EAST RUTHERFORD 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>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%	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>33,173,856</u>	<u>45,506,062</u>	<u>43,138,324</u>	<u>44,518,479</u>	<u>45,023,783</u>	<u>52,120,602</u>	<u>42,664,437</u>	<u>35,785,741</u>	<u>34,032,535</u>
Total	<u>\$ 33,173,856</u>	<u>\$ 45,506,062</u>	<u>\$ 43,138,324</u>	<u>\$ 44,518,479</u>	<u>\$ 45,023,783</u>	<u>\$ 52,120,602</u>	<u>\$ 42,664,437</u>	<u>\$ 35,785,741</u>	<u>\$ 34,032,535</u>
District's Covered Payroll	\$ 8,041,767	\$ 8,093,452	\$ 7,376,698	\$ 7,347,005	\$ 7,480,593	\$ 6,811,104	\$ 6,766,187	\$ 6,599,168	\$ 6,666,323
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of 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.

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

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

**EAST RUTHERFORD 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>
Total OPEB Liability					
Service Cost	\$ 1,844,140	\$ 996,664	\$ 991,269	\$ 1,057,898	\$ 1,275,197
Interest on the Total OPEB Liability	898,036	826,933	1,019,828	1,068,144	922,504
Changes in Benefit Terms	(36,847)				
Differences Between Expected and Actual Experience	(6,649,378)	7,930,101	(4,410,957)	(1,921,243)	
Changes of Assumptions	34,154	7,162,808	342,308	(2,949,151)	(3,845,501)
Gross Benefit Payments	(707,401)	(682,660)	(704,746)	(687,197)	(661,908)
Contribution from the Member	<u>22,958</u>	<u>20,691</u>	<u>20,891</u>	<u>23,751</u>	<u>24,373</u>
Net Change in Total OPEB Liability	(4,594,338)	16,254,537	(2,741,407)	(3,407,798)	(2,285,335)
Total OPEB Liability - Beginning	<u>39,212,675</u>	<u>22,958,138</u>	<u>25,699,545</u>	<u>29,107,343</u>	<u>31,392,678</u>
Total OPEB Liability - Ending	<u>\$ 34,618,337</u>	<u>\$ 39,212,675</u>	<u>\$ 22,958,138</u>	<u>\$ 25,699,545</u>	<u>\$ 29,107,343</u>
District's Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share	<u>34,618,337</u>	<u>39,212,675</u>	<u>22,958,138</u>	<u>25,699,545</u>	<u>29,107,343</u>
Total OPEB Liability - Ending	<u>\$ 34,618,337</u>	<u>\$ 39,212,675</u>	<u>\$ 22,958,138</u>	<u>\$ 25,699,545</u>	<u>\$ 29,107,343</u>
Covered Payroll	\$ 9,357,110	\$ 9,399,139	\$ 8,729,378	\$ 8,667,179	\$ 8,736,829
Total OPEB Liability as a Percentage of Covered Payroll:	369.97%	417.19%	263.00%	296.52%	333.16%

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.

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

SPECIAL REVENUE FUND

EAST RUTHERFORD BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>ESEA Title I</u>	<u>ESEA Title II A</u>	<u>ESEA Title III</u>	<u>ESEA Title III Immigrant</u>	<u>ESEA Title IV</u>	<u>I.D.E.A. Part B</u>	<u>I.D.E.A. Part B Preschool</u>	<u>American Rescue Plan - I.D.E.A. Part B</u>		<u>Student Activities</u>	<u>Total to Exhibit E-1A</u>
								<u>Basic</u>	<u>Preschool</u>		
REVENUES											
Intergovernmental											
Federal	\$ 112,120	\$ 10,000			\$ 10,910	\$ 198,094	\$ 6,335		\$ 3,052		\$ 340,511
Local	-	-	-	-	-	-	-	-	-	\$ 11,566	11,566
Total Revenues	\$ 112,120	\$ 10,000	\$ -	\$ -	\$ 10,910	\$ 198,094	\$ 6,335	\$ -	\$ 3,052	\$ 11,566	\$ 352,077
EXPENDITURES											
Instruction											
Salaries	\$ 25,725										\$ 25,725
Tuition						\$ 198,094					198,094
General Supplies	4,865						\$ 6,335	\$ 3,052			14,252
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	-	-	\$ 11,704	11,704
Total Instruction	30,590	-	-	-	-	198,094	6,335	-	3,052	11,704	249,775
Support Services											
Personal Services-Employee Benefits	13,280										13,280
Purchased Prof. and Tech. Services	68,250	\$ 10,000	-	-	\$ 10,910	-	-	-	-	-	89,160
Total Support Services	81,530	10,000	-	-	10,910	-	-	-	-	-	102,440
Capital Outlay											
Instructional Equipment											-
Construction Services	-	-	-	-	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 112,120	\$ 10,000	\$ -	\$ -	\$ 10,910	\$ 198,094	\$ 6,335	\$ -	\$ 3,052	\$ 11,704	\$ 352,215
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	(138)	(138)
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-	10,899	10,899
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,761	\$ 10,761

EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Exhibit E-1 Total	SDA Emergent & Capital Maint. Needs	ESSER II			American Rescue Plan - ESSER III					Grand Total
			CRRSA Act	Learning Acceleration	Mental Health	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	NJTSS	
REVENUES											
Intergovernmental											
Federal	\$ 340,511		\$ 88,597	\$ 12,314	\$ 29,813	\$ 759,323					\$ 1,230,558
Local	11,566	-	-	-	-	-	-	-	-	-	11,566
Total Revenues	\$ 352,077	\$ -	\$ 88,597	\$ 12,314	\$ 29,813	\$ 759,323	\$ -	\$ -	\$ -	\$ -	\$ 1,242,124
EXPENDITURES											
Instruction											
Salaries	\$ 25,725		\$ 88,597			\$ 7,850					\$ 122,172
Tuition	198,094										198,094
General Supplies	14,252			\$ 12,314		106,284					132,850
Co-Curricular/Extra-Curricular Activities	11,704	-	-	-	-	-	-	-	-	-	11,704
Total Instruction	249,775	-	88,597	12,314	-	114,134	-	-	-	-	464,820
Support Services											
Salaries	-				\$ 4,813	23,525					28,338
Other Salaries	-					135					135
Personal Services-Employee Benefits	13,280										13,280
Purchased Prof. and Tech. Services	89,160				25,000	122,278					236,438
Rental of Land and Building	-					114,968					114,968
Other Purchased Services	-					12,100					12,100
General Supplies	-	-	-	-	-	65,232	-	-	-	-	65,232
Total Support Services	102,440	-	-	-	29,813	338,238	-	-	-	-	470,491
Capital Outlay											
Instructional Equipment	-					177,325					177,325
Construction Services	-					129,626					129,626
Total Capital Outlay	-	-	-	-	-	306,951	-	-	-	-	306,951
Total Expenditures	\$ 352,215	\$ -	\$ 88,597	\$ 12,314	\$ 29,813	\$ 759,323	\$ -	\$ -	\$ -	\$ -	\$ 1,242,262
Net Change in Fund Balances	(138)	-	-	-	-	-	-	-	-	-	(138)
Fund Balances, Beginning of Year	10,899	-	-	-	-	-	-	-	-	-	10,899
Fund Balances, End of Year	\$ 10,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,761

**EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2022</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2020 School Bond Referendum Faust Intermediate School, Faust Annex and, McKenzie School Renovations and Addition to Faust Intermediate School	\$ 35,553,000	\$ 8,969,842	\$ 19,241,082	\$ 7,342,076
	-	-	-	-
	<u>\$ 35,553,000</u>	<u>\$ 8,969,842</u>	<u>\$ 19,241,082</u>	<u>\$ 7,342,076</u>
 <u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2022				\$ <u>7,342,076</u>
Fund Balance (Deficit), June 30, 2022 - GAAP Basis				\$ <u>7,342,076</u>
 <u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 6,892,937
Available for Capital Projects				<u>449,139</u>
Total Fund Balance (Deficit), GAAP Basis				<u>\$ 7,342,076</u>

**EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing Sources

Other Financing Sources	
Serial Bond Proceeds	\$ 35,553,000
Total Revenues and Other Financing Sources	<u>35,553,000</u>
Expenditures and Other Financing Uses	
Expenditures	
Architect and Engineering Services	\$ 268,613
Legal and Professional Fees	58,576
Other Purchased Professional and Technical Services	404,039
Construction Services	18,129,492
General Supplies	206,963
Miscellaneous Expenditures	73,399
Interest on Note	<u>100,000</u>
Total Expenditures and Other Financing Uses	<u>19,241,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,311,918
Fund Balance (Deficit), Beginning of Year	<u>(8,969,842)</u>
Fund Balance, End of Year	<u>\$ 7,342,076</u>

Reconciliation to GAAP:

Fund Balance, June 30, 2022 - Budgetary Basis	\$ 7,342,076
Fund Balance, June 30, 2022 - GAAP Basis	<u>\$ 7,342,076</u>

**EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
2020 BOND REFERENDUM
VARIOUS REVNOVATIONS TO ALL DISTRICT SCHOOLS AND ADDITION TO FAUST SCHOOL
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	-	\$ 35,553,000	\$ 35,553,000	\$ 35,553,000
Total Revenues	-	35,553,000	35,553,000	35,553,000
EXPENDITURES AND OTHER FINANCING SOURCES				
Expenditures				
Architect and Engineering Services	\$ 2,220,621	\$ 268,613	\$ 2,489,234	2,580,000
Legal and Professional Services	24,476	58,576	83,052	392,000
Other Professional and Technical Services	325,568	404,039	729,607	2,055,000
Construction Services	6,364,427	18,129,492	24,493,919	29,400,000
General Supplies	-	206,963	206,963	300,000
Miscellaneous Expenditures	34,750	73,399	108,149	726,000
Interest on Capital Note	-	100,000	100,000	100,000
Total Expenditures and Other Financing Uses	8,969,842	19,241,082	28,210,924	35,553,000
Excess / (Deficiency) of Revenues over / (under) Expenditures	\$ (8,969,842)	\$ 16,311,918	\$ 7,342,076	\$ -

Additional Project Information:

Project Numbers	1230-N01-19-1000/1230-040-19-1000/1230-080-19-1000
SDA Grant Date	N/A
Bond Authorization (Referendum) Date	1/28/2020
Bonds Authorized	\$ 35,553,000
Bond Issued	-
Original Authorized Cost	35,553,000
Increase/(Decrease)	-
Revised Authorized Cost	35,553,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	79.35%
Original Target Completion Date	August 30, 2022
Revised Completion Date	August 30, 2023

PROPRIETARY FUNDS

EXHIBIT G-1

**EAST RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

EXHIBITS G-4, G-5 AND G-6

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
School Refunding Bonds	3/17/2010	\$ 4,575,000				\$ 455,000		\$ 455,000	
School Bonds, Series 2012	8/2/2012	2,491,000	7/15/2022	\$ 200,000	2.250%				
			7/15/2023	200,000	2.250%				
			7/15/2024	205,000	2.500%				
			7/15/2025	210,000	2.500%				
			7/15/2026	210,000	2.750%				
			7/15/2027	206,000	2.750%	1,421,000		190,000	\$ 1,231,000
School Bonds, Series 2021	7/15/2021	35,553,000	7/15/2023	1,225,000	2.000%				
			7/15/2024	1,300,000	2.000%				
			7/15/2025	1,325,000	2.000%				
			7/15/2026	1,375,000	2.000%				
			7/15/2027	1,425,000	2.000%				
			7/15/2028	1,725,000	2.000%				
			7/15/2029	1,775,000	2.000%				
			7/15/2030	1,825,000	2.000%				
			7/15/2031	1,900,000	2.000%				
			7/15/2032	1,950,000	2.000%				
			7/15/2033	2,000,000	2.000%				
			7/15/2034	2,050,000	2.000%				
			7/15/2035	2,100,000	2.000%				
			7/15/2036	2,150,000	2.000%				
			7/15/2037	2,200,000	2.000%				
			7/15/2038	2,250,000	2.125%				
			7/15/2039	2,300,000	2.125%				
			7/15/2040	2,350,000	2.250%				
			7/15/2041	2,328,000	2.250%				
						-	\$ 35,553,000	-	\$ 35,553,000
						<u>\$ 1,876,000</u>	<u>\$ 35,553,000</u>	<u>\$ 645,000</u>	<u>\$ 36,784,000</u>
								<u>\$ 645,000</u>	
									Paid by Budget Appropriation

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2021 (Restated)</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
<u>Other Financing Agreements</u>						
Computer Equipment (Supplies)	\$ 110,624	5.59%	\$ 66,244		\$ 20,892	\$ 45,352
Computer Equipment (Supplies)	195,265	5.06%	<u>97,514</u>	<u>-</u>	<u>47,553</u>	<u>49,961</u>
Total Other Financing Agreements			<u>\$ 163,758</u>	<u>\$ -</u>	<u>\$ 68,445</u>	<u>\$ 95,313</u>
<u>Leases Payable</u>						
Copiers	72,900	5.36%	<u>\$ 37,203</u>	<u>-</u>	<u>\$ 12,900</u>	<u>\$ 24,303</u>
Total Leases Payable			<u>\$ 37,203</u>	<u>\$ -</u>	<u>\$ 12,900</u>	<u>\$ 24,303</u>

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final To Actual</u>
REVENUES:					
Local Sources:					
Property Tax Levy	\$ 654,387		\$ 654,387	\$ 654,387	
State Sources					
Debt Service Aid	32,602		32,602	32,602	-
Total Revenues	<u>686,989</u>	<u>-</u>	<u>686,989</u>	<u>686,989</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	41,991		41,991	41,990	\$ 1
Redemption of Principal	645,000		645,000	645,000	
Total Regular Debt Service	<u>686,991</u>	<u>-</u>	<u>686,991</u>	<u>686,990</u>	<u>1</u>
Total Expenditures	<u>686,991</u>	<u>-</u>	<u>686,991</u>	<u>686,990</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2)		(2)	(1)	1
Fund Balance, Beginning of Year	<u>2</u>	<u>-</u>	<u>2</u>	<u>43,729</u>	<u>43,727</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,728</u>	<u>\$ 43,728</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures				\$ 43,727	
Available for Expenditures				<u>1</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 43,728</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	<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>	<u>2013</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 8,483,272	\$ 8,017,259	\$ 6,524,828	\$ 4,106,628	\$ 4,130,155	\$ 4,088,243	\$ 4,016,618	\$ 3,642,511	\$ 3,084,184	\$ 2,654,693
Restricted	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078	1,079,538	1,004,789
Unrestricted	<u>(2,512,779)</u>	<u>(2,939,479)</u>	<u>(4,693,635)</u>	<u>(4,429,988)</u>	<u>(3,839,305)</u>	<u>(4,174,823)</u>	<u>(3,837,299)</u>	<u>(3,683,762)</u>	<u>(3,121,463)</u>	<u>320,738</u>
Total Governmental Activities Net Position	\$ 10,152,475	\$ 8,037,316	\$ 4,606,258	\$ 1,699,562	\$ 1,193,727	\$ 814,326	\$ 1,190,397	\$ 969,827	\$ 1,042,259	\$ 3,980,220
Business-Type Activities										
Net Investment in Capital Assets	\$ 38,021	\$ 41,746	\$ 30,915	\$ 60,729	\$ 15,961	\$ 13,293	\$ 10,697	\$ 13,663	\$ 16,630	\$ 15,840
Restricted										
Unrestricted	<u>548,817</u>	<u>362,134</u>	<u>50,920</u>	<u>48,749</u>	<u>102,244</u>	<u>126,469</u>	<u>144,481</u>	<u>118,009</u>	<u>110,616</u>	<u>91,137</u>
Total Business-Type Activities Net Position	\$ 586,838	\$ 403,880	\$ 81,835	\$ 109,478	\$ 118,205	\$ 139,762	\$ 155,178	\$ 131,672	\$ 127,246	\$ 106,977
District-Wide										
Net Investment in Capital Assets	\$ 8,521,293	\$ 8,059,005	\$ 6,555,743	\$ 4,167,357	\$ 4,146,116	\$ 4,101,536	\$ 4,027,315	\$ 3,656,174	\$ 3,100,814	\$ 2,670,533
Restricted	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078	1,079,538	1,004,789
Unrestricted	<u>(1,963,962)</u>	<u>(2,577,345)</u>	<u>(4,642,715)</u>	<u>(4,381,239)</u>	<u>(3,737,061)</u>	<u>(4,048,354)</u>	<u>(3,692,818)</u>	<u>(3,565,753)</u>	<u>(3,010,847)</u>	<u>411,875</u>
Total District Net Position	\$ 10,739,313	\$ 8,441,196	\$ 4,688,093	\$ 1,809,040	\$ 1,311,932	\$ 954,088	\$ 1,345,575	\$ 1,101,499	\$ 1,169,505	\$ 4,087,197

Note 1 - Net Pension at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities" and revisions to capital assets.

Note 3 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases" and revisions to capital assets and long-term debt.

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 8,824,944	\$ 9,846,176	\$ 9,725,101	\$ 10,439,386	\$ 11,106,537	\$ 10,254,758	\$ 8,990,945	\$ 8,641,143	\$ 6,935,179	\$ 7,163,564
Special Education	3,322,301	3,666,402	3,664,533	3,802,799	3,770,674	3,571,227	2,964,763	2,491,806	2,214,521	1,861,232
Other Instruction	997,472	947,571	764,007	778,939	695,277	707,483	840,300	874,386	921,231	912,039
School Sponsored Activities and Athletics	44,745	35,645	59,031	55,441	66,901	68,727	94,929	103,915	70,145	68,425
Support Services:										
Student & Instruction Related Services	2,720,286	2,892,696	2,571,643	2,593,632	2,695,911	2,845,665	2,571,607	2,447,507	2,088,691	2,093,454
General Administration Services	744,518	808,905	695,506	675,413	579,582	600,194	631,864	634,754	410,895	389,998
School Administrative Services	795,742	899,588	784,386	792,724	859,478	887,991	728,173	699,086	704,940	735,117
Central and Other Support Services	732,396	676,564	628,768	619,933	624,382	601,493	492,472	514,716	430,612	326,510
Plant Operations And Maintenance	2,009,478	1,854,800	1,342,968	1,479,819	1,347,905	1,467,855	1,377,893	1,545,552	1,437,216	1,458,189
Pupil Transportation	460,519	274,410	360,496	527,273	569,592	491,074	452,825	425,730	448,602	344,157
Interest On Long-Term Debt	713,285	121,478	79,385	101,540	125,925	150,211	171,474	174,626	188,956	203,757
Total Governmental Activities Expenses	21,365,686	22,024,235	20,675,824	21,866,899	22,442,164	21,646,678	19,317,245	18,553,221	15,850,988	15,556,442
Business-Type Activities:										
Food Service	532,587	313,401	215,926	328,939	375,553	356,201	340,009	314,627	300,216	303,506
Total Business-Type Activities Expense	532,587	313,401	215,926	328,939	375,553	356,201	340,009	314,627	300,216	303,506
Total District Expenses	\$ 21,898,273	\$ 22,337,636	\$ 20,891,750	\$ 22,195,838	\$ 22,817,717	\$ 22,002,879	\$ 19,657,254	\$ 18,867,848	\$ 16,151,204	\$ 15,859,948
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 126,435	\$ 77,308	\$ 222,987	\$ 60,140	\$ 86,489	\$ 84,200	\$ 53,878	\$ 113,563	\$ 95,909	\$ 93,889
Operating Grants And Contributions	5,500,736	7,049,745	5,117,421	5,659,388	6,761,551	6,255,122	4,937,922	4,168,902	2,511,680	2,660,482
Capital Grants And Contributions	306,951	1,135,048	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	5,934,122	8,262,101	5,340,408	5,719,528	6,848,040	6,339,322	4,991,800	4,282,465	2,607,589	2,754,371
Business-Type Activities:										
Charges For Services	2,503	10,877	84,767	141,821	149,445	134,751	147,164	138,430	148,695	148,764
Operating Grants And Contributions	713,042	624,569	130,845	178,391	204,551	206,034	216,351	180,557	171,298	169,044
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	715,545	635,446	215,612	320,212	353,996	340,785	363,515	318,987	319,993	317,808
Total District Program Revenues	\$ 6,649,667	\$ 8,897,547	\$ 5,556,020	\$ 6,039,740	\$ 7,202,036	\$ 6,680,107	\$ 5,355,315	\$ 4,601,452	\$ 2,927,582	\$ 3,072,179

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net (Expense)/Revenue										
Governmental Activities	\$ (15,431,564)	\$ (13,762,134)	\$ (15,335,416)	\$ (16,147,371)	\$ (15,594,124)	\$ (15,307,356)	\$ (14,325,445)	\$ (14,270,756)	\$ (13,243,399)	\$ (12,802,071)
Business-Type Activities	<u>182,958</u>	<u>322,045</u>	<u>(314)</u>	<u>(8,727)</u>	<u>(21,557)</u>	<u>(15,416)</u>	<u>23,506</u>	<u>4,360</u>	<u>19,777</u>	<u>14,302</u>
Total District-Wide Net Expense	<u>\$ (15,248,606)</u>	<u>\$ (13,440,089)</u>	<u>\$ (15,335,730)</u>	<u>\$ (16,156,098)</u>	<u>\$ (15,615,681)</u>	<u>\$ (15,322,772)</u>	<u>\$ (14,301,939)</u>	<u>\$ (14,266,396)</u>	<u>\$ (13,223,622)</u>	<u>\$ (12,787,769)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 16,773,530	\$ 16,444,637	\$ 16,122,193	\$ 15,806,072	\$ 15,042,487	\$ 14,087,500	\$ 13,677,157	\$ 13,408,977	\$ 13,146,056	\$ 12,888,592
Debt Service	654,387	699,978	711,353	726,547	733,672	723,714	723,665	721,866	741,700	551,250
Unrestricted Federal and State Aid				1,362	24,507	24,235	15,292	14,156		
State Aid Restriced for Debt Service	30,609									
Investment Earnings								-	-	8,032
Insurance Recoveries					94,292					
Miscellaneous Income	88,197	45,685	75,088	119,225	78,567	95,836	129,901	53,325	13,572	33,273
Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>17,546,723</u>	<u>17,190,300</u>	<u>16,908,634</u>	<u>16,653,206</u>	<u>15,973,525</u>	<u>14,931,285</u>	<u>14,546,015</u>	<u>14,198,324</u>	<u>13,901,328</u>	<u>13,481,147</u>
Business-Type Activities:										
Investment Earnings							66	492	378	256
Miscellaneous Income										
Transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>492</u>	<u>378</u>	<u>256</u>
Total District-Wide	<u>\$ 17,546,723</u>	<u>\$ 17,190,300</u>	<u>\$ 16,908,634</u>	<u>\$ 16,653,206</u>	<u>\$ 15,973,525</u>	<u>\$ 14,931,285</u>	<u>\$ 14,546,081</u>	<u>\$ 14,198,816</u>	<u>\$ 13,901,706</u>	<u>\$ 13,481,403</u>
Change in Net Position										
Governmental Activities	\$ 2,115,159	\$ 3,428,166	\$ 1,573,218	\$ 505,835	\$ 379,401	\$ (376,071)	\$ 220,570	\$ (72,432)	\$ 657,929	\$ 679,076
Business-Type Activities	<u>182,958</u>	<u>322,045</u>	<u>(314)</u>	<u>(8,727)</u>	<u>(21,557)</u>	<u>(15,416)</u>	<u>23,572</u>	<u>4,852</u>	<u>20,155</u>	<u>14,558</u>
Total District	<u>\$ 2,298,117</u>	<u>\$ 3,750,211</u>	<u>\$ 1,572,904</u>	<u>\$ 497,108</u>	<u>\$ 357,844</u>	<u>\$ (391,487)</u>	<u>\$ 244,142</u>	<u>\$ (67,580)</u>	<u>\$ 678,084</u>	<u>\$ 693,634</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Fiscal Year Ended June 30,</u>		<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
					<u>2018</u>	<u>2017</u>				
General Fund										
Restricted	\$ 5,327,493	\$ 3,879,908	\$ 3,138,271	\$ 2,022,920	\$ 902,676	\$ 900,906	\$ 1,011,077	\$ 711,302	\$ 854,487	\$ 1,227,945
Committed		1,005,174			94,292					
Assigned	96,581	55,135	390,138	149,924	394,547	208,664	207,572	274,501	327,890	228,789
Unassigned	<u>522,451</u>	<u>417,661</u>	<u>139,404</u>	<u>102,833</u>	<u>121,891</u>	<u>48,212</u>	<u>14,952</u>	<u>37,006</u>	<u>62,820</u>	<u>50,340</u>
Total General Fund	<u>\$ 5,946,525</u>	<u>\$ 5,357,878</u>	<u>\$ 3,667,813</u>	<u>\$ 2,275,677</u>	<u>\$ 1,513,406</u>	<u>\$ 1,157,782</u>	<u>\$ 1,233,601</u>	<u>\$ 1,022,809</u>	<u>\$ 1,245,197</u>	<u>\$ 1,507,074</u>
All Other Governmental Funds										
Restricted										
Special Revenue Fund	\$ 10,761	\$ 10,899	\$ 11,791							
Capital Projects Fund	7,342,076						\$ 299,775	\$ 448,210	\$ 427,759	
Debt Service Fund	43,728	43,729	3	\$ 2	\$ 201		1		3	
Unassigned	<u>-</u>	<u>(8,969,842)</u>	<u>(1,059,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 7,396,565</u>	<u>\$ (8,915,214)</u>	<u>\$ (1,047,745)</u>	<u>\$ 2</u>	<u>\$ 201</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 299,776</u>	<u>\$ 448,210</u>	<u>\$ 427,762</u>

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Local Sources:										
Tax Levy	\$ 17,427,917	\$ 17,144,615	\$ 16,833,546	\$ 16,532,619	\$ 15,776,159	\$ 14,811,214	\$ 14,400,822	\$ 14,130,843	\$ 13,887,756	\$ 13,439,842
Tuition	113,200	63,440	195,487	48,500	67,329	59,000	53,878	113,563	95,909	93,889
Interest Earnings	38,686	15,142								8,032
Rents	1,669	13,750	27,500	11,640	19,160	25,200				
Miscellaneous	61,077	38,955	75,177	121,325	119,239	99,336	129,901	53,325	13,572	33,350
State Sources	5,359,325	4,137,009	3,606,202	3,437,906	3,117,643	2,691,011	2,473,063	2,220,829	2,079,089	2,295,002
Federal Sources	1,248,276	949,899	441,531	446,620	451,400	419,823	405,569	401,563	432,591	365,403
Total Revenue	<u>24,250,150</u>	<u>22,362,810</u>	<u>21,179,443</u>	<u>20,598,610</u>	<u>19,550,930</u>	<u>18,105,584</u>	<u>17,463,233</u>	<u>16,920,123</u>	<u>16,235,518</u>	<u>16,235,518</u>
Expenditures										
Instruction										
Regular Instruction	9,456,477	8,793,511	8,442,443	8,721,828	8,464,417	7,762,376	7,506,760	7,511,623	6,763,419	6,999,343
Special Education Instruction	3,548,433	3,306,484	3,529,845	3,554,842	3,411,327	3,149,884	2,724,921	2,329,115	2,215,264	1,861,789
Other Instruction	1,059,237	851,241	708,559	688,195	556,128	553,449	715,735	767,899	921,798	912,477
School Sponsored Activities and Athletics	47,111	29,904	54,930	49,848	55,230	55,683	71,863	87,696	70,230	68,492
Support Services:										
Student and Inst. Related Services	2,877,018	2,588,754	2,443,635	2,363,221	2,271,313	2,313,651	2,237,165	2,203,305	2,063,639	2,067,987
General Administrative Services	775,193	749,513	663,673	635,503	514,050	522,621	577,055	594,622	403,371	383,749
School Administrative Services	855,959	799,015	750,079	720,832	720,190	718,849	636,800	638,369	705,400	735,494
Central and Other Support Services	761,145	615,394	617,012	582,627	543,462	506,895	443,185	482,781	430,823	326,664
Plant Operations And Maintenance	1,761,850	1,449,113	1,351,165	1,434,766	1,255,921	1,337,820	1,314,533	1,521,854	1,427,160	1,422,775
Pupil Transportation	454,551	226,185	348,162	461,404	496,958	442,395	407,597	403,241	424,990	342,245
Capital Outlay	20,427,095	8,397,763	1,148,905	139,847	204,162	31,298	130,169	256,565	564,810	2,424,653
Debt Service:										
Interest and Other Charges	726,345	700,046	702,085	680,370	663,063	630,845	613,712	176,865	217,546	147,890
Principal	152,310	77,017	86,352	109,144	133,176	155,638	172,721	607,768	541,896	421,099
Total Expenditures	<u>42,902,724</u>	<u>28,583,940</u>	<u>20,846,845</u>	<u>20,142,427</u>	<u>19,289,397</u>	<u>18,181,404</u>	<u>17,552,216</u>	<u>17,581,703</u>	<u>18,114,657</u>	<u>18,114,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,652,574)</u>	<u>(6,221,130)</u>	<u>332,598</u>	<u>456,183</u>	<u>261,533</u>	<u>(75,820)</u>	<u>(88,983)</u>	<u>(241,429)</u>	<u>(1,879,139)</u>	<u>(1,879,139)</u>

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

	Fiscal Year Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other Financing Sources (Uses)										
Bond Proceeds	\$ 35,553,000									\$ 2,491,000
Note Premium		\$ 43,726								
Capital Lease Proceeds				\$ 305,889				\$ 290,758		
Insurance Recoveries					\$ 94,292					
Transfers In		43,726					\$ 299,775		\$ 530,000	273,422
Transfers Out	-	(43,726)	-	-	-	-	(299,775)	-	(530,000)	(273,422)
Total Other Financing Sources (Uses)	<u>35,553,000</u>	<u>43,726</u>	<u>-</u>	<u>305,889</u>	<u>94,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,491,000</u>	<u>2,491,000</u>
Net Change in Fund Balances	<u>\$ 16,900,426</u>	<u>\$ (6,177,404)</u>	<u>\$ 332,598</u>	<u>\$ 762,072</u>	<u>\$ 355,825</u>	<u>\$ (75,820)</u>	<u>\$ (88,983)</u>	<u>\$ (241,429)</u>	<u>\$ 611,861</u>	<u>\$ 611,861</u>
Debt Service as a Percentage of										
Noncapital Expenditures	3.91%	3.85%	4.00%	3.95%	4.17%	4.33%	4.51%	4.53%	4.33%	3.63%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Prior Year Voided Checks</u>	<u>Prior Year Refunds</u>	<u>BMED Dividend</u>	<u>Tuition</u>	<u>Facility Rentals</u>	<u>Indirect Cost Reimbursement</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2022	\$ 16,070	\$ 14,294	\$ 14,883	\$ 113,200	\$ 1,669		\$ 38,686	\$ 4,264	\$ 203,066
2021		27,937		63,440	13,750		15,142	2,606	122,875
2020		18,024		195,487	27,500		18,530	38,534	298,075
2019		70,364		48,500	11,640	\$ 22,901	16,658	9,302	179,365
2018		11,508		67,329	19,160	25,769	6,926	34,364	165,056
2017	787	60,837		59,000	25,200		4,547	29,665	180,036
2016	16,639	66,253		53,878			3,241	43,768	183,779
2015	22,536			113,563			3,474	27,315	166,888
2014				95,909			4,678	8,894	109,481
2013				93,889				36,673	130,562

Source: District's financial records

EAST RUTHERFORD BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 28,711,500	\$ 620,449,400			\$ 527,779,400	\$ 664,250,800	\$ 128,040,300	\$ 1,969,231,400	\$ 4,040,959	\$ 1,973,272,359	\$ 2,387,996,042	\$ 0.675
2014	29,874,100	619,122,800			420,711,800	653,342,200	128,040,300	1,851,091,200	3,752,509	1,854,843,709	1,897,754,949	0.704
2015	33,244,900	620,552,400			418,328,100	647,161,000	126,574,700	1,845,861,100	3,687,646	1,849,548,746	2,174,418,518	0.762
2016	32,423,900	619,817,100			476,992,500	633,405,000	126,427,400	1,889,065,900	4,161,949	1,893,227,849	2,449,372,901	0.779
2017	33,919,400	620,007,200			390,632,800	632,456,800	190,853,400	1,867,869,600	4,069,535	1,871,939,135	2,502,356,056	0.783
2018	38,695,300	701,720,900			495,793,000	599,137,100	255,007,700	2,090,354,000	4,657,962	2,095,011,962	2,037,938,982	0.843
2019	43,130,000	769,090,400			493,955,600	672,542,900	243,343,500	2,222,062,400	4,657,962	2,226,720,362	2,292,227,281	0.789
2020	42,654,100	765,683,300			496,912,600	715,514,200	250,188,900	2,270,953,100	4,517,960	2,275,471,060	2,361,376,820	0.756
2021	42,150,500	789,556,700			517,837,700	763,106,500	259,625,400	2,372,276,800	4,531,110	2,376,807,910	2,519,937,873	0.754
2022	28,824,500	842,373,300			543,194,800	802,330,500	335,805,600	2,552,528,700	4,589,279	2,557,117,979	2,709,785,940	0.713

Source: County Abstract of Ratables

a Tax rates are per \$100

(A) - Borough underwent a revaluation of real property effective January 1, 2010

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

<u>Calendar Year</u>	<u>Total</u>	<u>Total Direct Rate</u>	<u>Overlapping Rates</u>		
		<u>Local School District</u>	<u>Regional School</u>	<u>Municipality</u>	<u>County</u>
2022	\$ 1.751	\$ 0.713	\$ 0.287	\$ 0.495	\$ 0.256
2021	1.797	0.734	0.275	0.521	0.267
2020	1.819	0.754	0.291	0.518	0.256
2019	1.832	0.756	0.274	0.550	0.252
2018	1.778	0.789	0.268	0.530	0.191
2017	2.074	0.843	0.294	0.608	0.329
2016	1.967	0.783	0.283	0.566	0.313
2015	1.967	0.779	0.323	0.584	0.281
2014	1.904	0.762	0.318	0.590	0.234
2013	1.845	0.704	0.297	0.565	0.279

Source: Tax Duplicate, Borough of East Rutherford

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

Taxpayer	2022		Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Federal Reserve Bank	\$ 221,810,800	8.67%	Federal Reserve Bank	\$ 321,169,300	16.28%
One Met Center LLC	102,157,900	4.00%	KBII One Meadowlands Plaza LP	75,000,000	3.80%
Waterside Gardens at Brick LLC	77,746,300	3.04%	Branca Properties	31,030,700	1.57%
Central and Oak Multi Family LLC	55,419,000	2.17%	Racioppi, (etals)	23,500,000	1.19%
201 Railroad Ave. LLC	42,073,500	1.65%	BPG Hotel XVII c/o Sheraton	42,500,000	2.15%
Honeywell International Inc.	38,190,700	1.49%	Liberty Terrace	23,300,000	1.18%
Brancasons	37,283,300	1.46%	Vornado Realty Trust	37,207,300	1.89%
Liberty Terrace, LLC	34,266,400	1.34%	Avalon NJ Value II LLC	35,715,600	1.81%
ML Plaza Owner LLC Hilton	33,030,000	1.29%	Liberty Commons	22,984,000	1.16%
450 Murry Hill Corp.	31,833,200	1.24%	Bransons	19,534,900	0.99%
Total	\$ 673,811,100	26.35%		\$ 631,941,800	32.03%

Source: Municipal Tax Assessor

**EAST RUTHERFORD 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	
2022	\$ 17,427,917	\$ 17,427,917	100%	
2021	17,144,615	17,144,615	100%	
2020	16,833,546	16,833,546	100%	
2019	16,532,619	16,532,619	100%	
2018	15,776,159	15,776,159	100%	
2017	14,811,214	14,811,214	100%	
2016	14,400,822	14,400,822	100%	
2015	14,130,843	14,130,843	100%	
2014	13,887,756	13,887,756	100%	
2013	13,439,842	13,439,842	100%	

Source: District's financial records

EAST RUTHERFORD BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities								
Fiscal Year Ended June 30,	General Obligation Bonds	Leases	Financing Agreements	Bond Anticipation Notes (BANs)	Total District	Population	Per Capita	
2022	\$ 36,784,000	\$ 24,303	\$ 95,313		\$ 36,903,616	9,953	\$ 3,708	
2021	1,876,000	37,203	163,758	\$ 8,000,000	10,076,961	9,646	1,045	
2020	2,511,000		228,804		2,739,804	9,688	283	
2019	3,136,000		305,889		3,441,889	9,725	354	
2018	3,756,000		60,370		3,816,370	9,760	391	
2017	4,361,000		118,433		4,479,433	9,742	460	
2016	4,936,000		174,278		5,110,278	9,045	565	
2015	5,496,000		227,990		5,723,990	9,020	635	
2014	6,041,000				6,041,000	9,006	671	
2013	6,566,000		16,896		6,582,896	8,986	733	

Source: District records

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2022	\$ 36,784,000	\$ 43,728	\$ 36,740,272	1.44%	\$ 3,691
2021	1,876,000	43,729	1,832,271	0.08%	190
2020	2,511,000	3	2,510,997	0.11%	259
2019	3,136,000	2	3,135,998	0.14%	322
2018	3,756,000		3,756,000	0.18%	385
2017	4,361,000		4,361,000	0.23%	448
2016	4,936,000		4,936,000	0.26%	546
2015	5,496,000		5,496,000	0.30%	609
2014	6,041,000		6,041,000	0.33%	671
2013	6,566,000		6,566,000	0.33%	731

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**EAST RUTHERFORD BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of East Rutherford	\$ 35,255,982
East Rutherford Board of Education (As of June 30, 2022)	<u>36,784,000</u>
Total Direct Debt	<u>72,039,982</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (3);(A):	
County of Bergen (A)	19,992,847
Bergen County Utilities Authority - Water Pollution (B)	<u>3,364,408</u>
Total Overlapping Debt	<u>23,357,255</u>
Total Direct and Overlapping Debt	<u><u>\$ 95,397,237</u></u>

(A) The debt for this entity was apportioned to the Borough of East Rutherford by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

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

Sources:

- (1) Borough of East Rutherford 2021 Annual Debt Statement
- (2) BCUA 2021 Audit
- (3) Bergen County 2021 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis

2021	\$ 2,728,636,761
2020	2,609,391,129
2019	<u>2,398,081,589</u>
	<u>\$ 7,736,109,479</u>

Average equalized valuation of taxable property	\$ 2,578,703,160
Debt limit (3% of average equalization value)	77,361,095 ^a
Total Net Debt Applicable to Limit	<u>36,784,000</u>
Legal debt margin	<u>\$ 40,577,095</u>

Fiscal Year

	<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	\$ 59,221,606	\$ 58,682,966	\$ 60,414,392	\$ 60,524,764	\$ 62,341,600	\$ 61,412,512	\$ 64,712,042	\$ 66,873,584	\$ 73,101,319	\$ 77,361,095
Total Net Debt Applicable to Limit	<u>7,096,951</u>	<u>6,041,951</u>	<u>5,496,951</u>	<u>4,936,000</u>	<u>4,361,000</u>	<u>3,756,000</u>	<u>3,136,000</u>	<u>38,064,000</u>	<u>37,429,000</u>	<u>36,784,000</u>
Legal Debt Margin	<u>\$ 52,124,655</u>	<u>\$ 52,641,015</u>	<u>\$ 54,917,441</u>	<u>\$ 55,588,764</u>	<u>\$ 57,980,600</u>	<u>\$ 57,656,512</u>	<u>\$ 61,576,042</u>	<u>\$ 28,809,584</u>	<u>\$ 35,672,319</u>	<u>\$ 40,577,095</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.98%	10.30%	9.10%	8.16%	7.00%	6.12%	4.85%	56.92%	51.20%	47.55%

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

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

EAST RUTHERFORD BOARD OF EDUCATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS
 (Unaudited)

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Personal Income</u>	<u>Population</u>
2022	6.5%	\$ 91,972 (E)	9,953
2021	9.6%	91,972 (E)	9,646
2020	3.1%	91,972	9,688
2019	3.7%	88,241	9,725
2018	3.8%	85,191	9,760
2017	3.8%	81,024	9,742
2016	4.9%	78,836	9,045
2015	4.9%	77,323	9,020
2014	5.9%	73,883	9,006
2013	5.2%	71,286	8,986

(E) Estimate

Source: United States Bureau of Census
 School District Records

(1) Bergen County Per Capita Income

**EAST RUTHERFORD BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)**

	<u>2022</u>		<u>2013</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction										
Regular	63.0	63.0	63.0	63.0	57.0	58.0	55.0	53.0	53.0	52.0
Special Education	14.0	14.0	14.0	15.0	14.0	15.0	17.0	17.0	17.0	17.0
Other Special Education	15.0	15.0	17.0	18.5	14.0	14.0	12.0	10.0	10.0	11.0
Other Instruction	6.0	6.0	6.0	6.0	5.0	6.0	4.0	3.0	2.0	2.1
Support Services:										
Student and Instruction Related Services	12.0	13.0	13.0	13.0	14.0	15.0	15.0	15.0	15.0	15.1
General and Business Administration Services	4.0	4.0	6.0	6.0	6.0	5.0	5.0	4.0	3.0	3.0
School Administrative Services	9.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	6.0
Plant Operations And Maintenance	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.1
Pupil Transportation	4.0	4.0	3.0	4.0	5.0	5.0	5.0	4.0	4.0	4.4
Total	<u>136.0</u>	<u>136.0</u>	<u>139.0</u>	<u>142.5</u>	<u>132.0</u>	<u>135.0</u>	<u>130.0</u>	<u>122.0</u>	<u>120.0</u>	<u>119.7</u>

Source: District Personnel Records

**EAST RUTHERFORD BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage	
						Elementary/Middle School						
2022	749	\$ 21,596,974	\$ 28,834	14.24%	92.00	Not Available		749	719	*	-4.34%	95.99%
2021	769	19,409,114	25,239	3.18%	92.00	Not Available		783	741		-2.00%	94.64%
2020	773	18,909,503	24,462	2.37%	94.00	Not Available		799	760		-2.44%	95.12%
2019	804	19,213,066	23,897	6.88%	95.00	Not Available		819	781		0.61%	95.36%
2018	818	18,288,996	22,358	4.04%	86.00	Not Available		814	776		0.00%	95.33%
2017	808	17,363,623	21,490	3.47%	86.00	Not Available		814	776		3.69%	95.33%
2016	801	16,635,614	20,769	-1.18%	83.00	Not Available		785	751		1.16%	95.67%
2015	787	16,540,505	21,017	1.37%	83.00	Not Available		776	744		0.13%	95.88%
2014	744	15,426,094	20,734	5.31%	82.00	Not Available		775	743		1.31%	95.87%
2013	768	15,121,015	19,689	4.24%	82.10	Not Available		765	731		-1.03%	95.56%

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.
 - * Estimate

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

	<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>	<u>2013</u>
<u>District Building</u>										
<u>Elementary</u>										
McKenzie Elementary										
Square Feet	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500
Capacity (students)	411	411	411	411	411	411	411	411	411	411
Enrollment	456	474	459	471	472	472	475	454	451	467
<u>Middle School</u>										
Faust Intermediate										
Square Feet	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	293	295	302	305	346	342	326	333	293	297
<u>Other</u>										
Faust Annex										
Square Feet	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
Capacity (students)	Included	Included	Included	Included	Included	Included	Included	Included	Included	Included
Enrollment	Included	Included	Included	Included	Included	Included	Included	Included	Included	Included
Number of Schools at June 30, 2022										
Elementary = 1										
Middle School = 1										
Other = 1										

Source: District Records

EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	<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>	<u>2013</u>
School Facilities										
McKenzie	\$ 104,908	\$ 126,203	\$ 130,624	\$ 115,936	\$ 79,693	\$ 107,566	\$ 85,512	\$ 82,921	\$ 59,123	\$ 70,347
Faust Annex	9,528	6,308	11,864	9,152	6,291	8,491	6,750	6,546	4,668	5,554
Faust	<u>134,620</u>	<u>122,361</u>	<u>167,618</u>	<u>180,005</u>	<u>123,734</u>	<u>167,009</u>	<u>132,768</u>	<u>128,745</u>	<u>91,796</u>	<u>109,222</u>
Grand Total	<u>\$ 249,056</u>	<u>\$ 254,872</u>	<u>\$ 310,106</u>	<u>\$ 305,093</u>	<u>\$ 209,718</u>	<u>\$ 283,066</u>	<u>\$ 225,030</u>	<u>\$ 218,212</u>	<u>\$ 155,587</u>	<u>\$ 185,123</u>

Source: District records

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
School Package Policy			
Property Blanket Building & Contents-		\$ 34,084,382	\$ 5,000
Flood & Earthquake: \$5,000,000 per occurrence/\$5,000,000 annual aggregate per member			100,000
Flood: Zone A & V \$2,000,000 per occurrence/\$2,000,000 annual aggregate per member			500,000
Extra Expense		5,000,000	
Ordinance or Law Coverage A: Included			
Building Ordinance Demolition Cost incl. Cost of Construction		1,000,000	
Pollutant Clean Up & Removal		250,000	
Broadened Water-Direct Damage: \$100,000 or Limit of Insurance whichever is less			
Broadened Water: Loss of Income Planned Events and Tuition Fees		100,000	
Claim Data Expenses		25,000	
Fire Department Service Charge		50,000	
Fire Protection Device Charge		5,000	
Food Contamination Shutdown-Planned Events		10,000	
Lock Replacement		25,000	per occurrence
Loss of Income Planned Events - Actual Loss Sustained			
Loss of Reduction Rewards: 10% of loss or \$25,000			
Newly Acquired or Constructed Property-Building		1,000,000	
Newly Acquired Property Type: Personal Property		500,000	
Non-owned Detached Trailers		50,000	per occurrence
Outdoor Property		150,000	
Outside Signs		100,000	
Outdoor trees		5,000/25,000	per tree/per occurrence
Personal Effects & Property of Others		1,000/25,000	per person/annual aggregate
Pollutant Cleanup and Removal: Planned Events		10,000	
Premises Extension Property: 1,000 Feet			
Property Off Premises		100,000	
Roof Protection		1,000	
Specified Appurtenant Structures: Public Use \$100,000, Your Use \$10,000, Contents \$1,000			
Transportation		100,000	
Tuition and Fees		20,000	
Utility Services Direct Damage		50,000	
Utility Services: Planned Events: Direct Damage		25,000	
Valuable Papers & Records		5,000,000	
Accounts Receivable		250,000	
Fine Arts		50,000	
Computer Equipment		2,500,000	
Musical Instruments, Band Uniforms, Athletic Equipment & Theatrical Equipment		250,000	
Cameras, Audio/Video Equipment owned, leased or rented for use in your normal school operations		250,000	

Source: District Records

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Misc School Property	lighting, radio/TV antennas, playground equipment outdoor benches, flagpoles, etc.	\$ 100,000	
Contractors Equipment	Includes leased equip, RC & \$5,000 rental reimbursement PROVIDE SCHEDULE OF EQUIPMENT	250,000	
Cameras, Audio/Video Equipment owned,	leased or rented for use in your normal school operations	250,000	
Systems Power Pac- Equipment Breakdown (Boiler & Machinery)		Inc. in Prop. Limit	
Expediting Expenses		250,000	
Hazardous Substances		250,000	
Spoilage		250,000	
Theft, Disappearance & Destruction (per member)		50,000	\$ 1,000
Computer Fraud (per member)		50,000	1,000
Public Employee Dishonesty - Per Employee		100,000	5,000
Public Employee Dishonesty - Per Loss		500,000	100,000
GENERAL LIABILITY			
General Aggregate		1,000,000	
Products & Completed Operations		1,000,000	
Personal & Advertising Injury		1,000,000	
Each Occurrence		1,000,000	
Fire Legal Liability Limit		1,000,000	
Medical Expense		10,000	
GENERAL LIABILITY FORMS AND CONDITIONS			
Employee Benefits Liability	Claims Made	1,000,000/2,000,000	10,000
Sexual Abuse & Molestation:	\$1,000,000 per occurrence/\$2,000,000 annual aggregate per member		
CYBER LIABILITY COVERAGES			
Third Party Liability Coverage		1,000,000	25,000
First Party Coverage		1,000,000	25,000
SURETY BOND COVERAGES			
Board Secretary/School Business Administrator		200,000	
Treasurer of School Monies		225,000	

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
East Rutherford Board of Education
East Rutherford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the East Rutherford Board of Education’s basic financial statements and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Rutherford Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2022-001.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the East Rutherford Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 25, 2023.

East Rutherford Board of Education’s Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the East Rutherford Board of Education’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The East Rutherford Board of Education’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 East Rutherford Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the East Rutherford Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP

Certified Public Accountants

Public School Accountants


Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
East Rutherford Board of Education
East Rutherford, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the East Rutherford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the East Rutherford Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The East Rutherford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the East Rutherford Board of Education 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 fiscal 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the East Rutherford Board of Education 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 East Rutherford Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the East Rutherford Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. 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 omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the East Rutherford Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement 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 East Rutherford Board of Education'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 East Rutherford Board of Education'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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the East Rutherford Board of Education'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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2022-02 and 2022-03. 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 East Rutherford Board of Education's responses to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The East Rutherford Board of Education's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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

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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 25, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 25, 2023

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2021		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	June 30, 2022		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	
U.S. Dept. of Agriculture Passed-through State Department of Education													
Food Service Fund													
National School Lunch Program	10.555												
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	\$ 26,111					\$ 26,111	\$ 25,987		\$ 124	
Non-Cash Assistance (Food Distribution)		211NJ304N1099	7/1/20-6/30/21	28,544		\$ 42				42			
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	457,979					419,409	457,980	\$ (38,571)		\$ (38,571)
Cash Assistance		211NJ304N1099	7/1/20-6/30/21	342,445	\$ (24,133)				24,133				
Emergency Operational Cost Program		202121H170341	7/1/20-6/30/21	17,466	(17,466)				17,466				
P-EBT Administrative Cost Program	10.649	212125900941	7/1/21-6/30/22	628					628	628	-		-
P-EBT Administrative Cost Program	10.649	202125900941	7/1/20-6/30/21	614	(614)				614				
School Breakfast Program	10.553	221NJ304N1099	7/1/21-6/30/22	217,637					199,092	217,637	(18,545)		(18,545)
School Breakfast Program	10.553	211NJ304N1099	7/1/20-6/30/21	216,180	(15,235)				15,235				
Total Child Nutrition Cluster/Food Service Fund					(57,448)	42	-	-	702,688	702,274	(57,116)	124	(57,116)
U.S. Department of Education Passed-through State Dept. of Education General Fund													
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	7/1/21-6/30/22	17,718	-	-	-	-	17,718	17,718	-	-	-
Total General Fund					-	-	-	-	17,718	17,718	-	-	-
U.S. Department of Education Passed-through State Dept. of Education Special Revenue Fund													
IDEA Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	198,497					169,129	198,094	(29,368)	403	(28,965)
IDEA Part B, Basic	84.027A	H027A200100	7/1/20-9/30/21	206,795	(18,430)				18,430				-
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	35,816							(35,816)	35,816	-
IDEA Preschool	84.173A	H173A210114	7/1/21-9/30/22	6,876					990	6,335	(5,886)	541	(5,345)
IDEA Preschool	84.173A	H173A200114	7/1/20-9/30/21	6,840	(3,281)				3,281				-
ARP IDEA - Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,052						3,052	(3,052)		(3,052)
Total Special Education Cluster (IDEA)					(21,711)	-	-	-	191,830	207,481	(74,122)	36,760	(37,362)
Title III	84.365	S365A210030	7/1/21-9/30/22				\$ (776)	\$ 776			(776)	776	-
Title III	84.365	S365A200030	7/1/20-9/30/21		(1,030)	776	776	(776)	254				-
Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22				(24)	24			(24)	24	-
Title III - Immigrant	84.365	S365A200030	7/1/20-9/30/21		(1,468)	24	24	(24)	1,444				-
Total Title III Cluster					(2,498)	800	-	-	1,698	-	(800)	800	-
Title I - Part A	84.010	S010A210030	7/1/21-9/30/22	126,755			(145)	145	50,060	112,120	(76,840)	14,780	(62,060)
Title I - Part A	84.010	S010A200030	7/1/20-9/30/21	149,468	(63,605)	145	145	(145)	63,460				-
Title II - Part A	84.367A	S367A210029	7/1/21-9/30/22	15,234			(3,174)	3,174		10,000	(18,408)	8,408	(10,000)
Title II - Part A	84.367A	S367A200029	7/1/20-9/30/21	20,817	(20,860)	3,340	3,174	(3,174)	17,520				-
Title IV - Part A	84.424	S424A210031	7/1/21-9/30/22	10,910			(5)	5		10,910	(5)	5	-
Title IV - Part A	84.424	S424A200031	7/1/20-9/30/21	10,986	(7,544)	5	5	(5)	7,539				-
Total ESEA Programs					(94,507)	4,290	-	-	151,187	133,030	(96,053)	23,993	(72,060)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2021		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	June 30, 2022		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	\$ 126,147	\$ (22,189)				\$ 22,189				-
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	489,925	(489,925)	\$ 189,925		388,597	\$ 88,597	\$ (101,328)	\$ 101,328		-
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	31,441	(31,441)	31,441		749	12,314	(30,692)	19,127		\$ (11,565)
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(45,000)	45,000		25,128	29,813	(19,872)	15,187		(4,685)
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,101,074					759,323	(1,101,074)	341,751		(759,323)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	69,881						(69,881)	69,881		-
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000						(40,000)	40,000		-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the Schoo	84.425U	S425U210027	3/13/20-9/30/24	40,000						(40,000)	40,000		-
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000						(45,000)	45,000		-
American Rescue Plan (ARP) - Homeless Children and Youth (HCY)	84.425W	S425W210031	4/13/21-9/30/23	5,918	-	-	-	-	-	(5,918)	5,918		-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(588,555)	266,366	-	-	436,663	890,047	(1,453,765)	678,192	(775,573)
Total Special Revenue Fund					(704,773)	270,656	-	-	779,680	1,230,558	(1,623,940)	738,945	(884,995)
Total Federal Financial Assistance					\$ (762,221)	\$ 270,698	\$ -	\$ -	\$ 1,500,086	\$ 1,950,550	\$ (1,681,056)	\$ 739,069	\$ (942,111)

EAST RUTHERFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2021</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>June 30, 2022</u>		<u>MEMO</u>	
							<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>GAAP Receivable</u>	<u>Budgetary Expenditures</u>
State Department of Education										
General Fund										
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 590,043		\$ 538,522	\$ 590,043	\$ (51,521)			\$ 590,043
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	500,204	\$ (47,920)	47,920					
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	129,901		118,558	129,901	(11,343)			129,901
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	129,901	(12,444)	12,444	-	-	-	-	-
Total State Aid Public Cluster				(60,364)	717,444	719,944	(62,864)	-	-	719,944
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	133,577		121,914	133,577	(11,663)			133,577
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	133,577	(12,797)	12,797					
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	220,817			220,817	(220,817)			220,817
Extraordinary Aid	21-100-034-5120-044	7/1/20-6/30/21	166,630	(166,630)	166,630					
On-behalf TPAF Pension Contributions - Normal Cost/Accrued Liability	22-495-034-5094-002	7/1/21-6/30/22	2,972,822		2,972,822	2,972,822				2,972,822
On-behalf TPAF Pension Contributions - NCGI Premiums	22-495-034-5094-004	7/1/21-6/30/22	41,942		41,942	41,942				41,942
On-behalf TPAF Contributions - LTDI Premiums	22-495-034-5094-004	7/1/21-6/30/22	1,177		1,177	1,177				1,177
On-behalf TPAF Contributions - Post-Retirement Medical Benefits	22-495-034-5094-001	7/1/21-6/30/22	704,371		704,371	704,371				704,371
Reimbursed TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	587,626		558,998	587,626	(28,628)		\$ (28,628)	587,626
Reimbursed TPAF Social Security	21-495-034-5094-003	7/1/20-6/30/21	580,619	(28,887)	28,887	-	-	-	-	-
Total General Fund				(268,678)	5,326,982	5,382,276	(323,972)	-	(28,628)	5,382,276
Special Revenue Fund										
School Security Grant	N/A	9/1/21-8/31/22	41,739				(41,739)	\$ 41,739		
Schools Development Authority Emergent and Capital Maintenance Needs	N/A	N/A	17,871	-	17,871	-	-	17,871	-	-
Total Special Revenue Fund				-	17,871	-	(41,739)	59,610	-	-
Debt Service Fund										
Type II Debt Service Aid	22-495-034-5120-075	7/1/21-6/30/22	32,602	-	32,602	32,602	-	-	-	32,602
Total Debt Service Fund				-	32,602	32,602	-	-	-	32,602
Food Service Fund										
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	10,768		9,880	10,768	(888)		(888)	10,768
State School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	18,433	(4,015)	4,015	-	-	-	-	-
Total Food Service Fund				(4,015)	13,895	10,768	(888)	-	(888)	10,768
Total State Financial Assistance Subject to Single Audit Determination				(272,693)	5,391,350	5,425,646	(366,599)	59,610	(29,516)	5,425,646

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of this Statement

EAST RUTHERFORD BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2021</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>June 30, 2022</u>		<u>MEMO</u>	
							<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>GAAP Receivable</u>	<u>Budgetary Expenditures</u>
State Financial Assistance Not Subject to Major Program Determination:										
<u>General Fund</u>										
TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	\$ 2,972,822		\$ (2,972,822)	\$ (2,972,822)				\$ (2,972,822)
TPAF Pension - NCGI Premiums	22-495-034-5094-004	7/1/21-6/30/22	41,942		(41,942)	(41,942)				(41,942)
TPAF - LTDI Premiums	22-495-034-5094-004	7/1/21-6/30/22	1,177		(1,177)	(1,177)				(1,177)
TPAF Post Retirement Medical Benefits	22-495-034-5094-001	7/1/21-6/30/22	704,371	-	(704,371)	(704,371)	-	-	-	(704,371)
Total State Financial Assistance for Major Program Determination				<u>\$ (272,693)</u>	<u>\$ 1,671,038</u>	<u>\$ 1,705,334</u>	<u>\$ (366,599)</u>	<u>\$ 59,610</u>	<u>\$ (29,516)</u>	<u>\$ 1,705,334</u>

**EAST RUTHERFORD 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 East Rutherford Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$55,553 for the General 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	\$ 17,718	\$ 5,326,723	\$ 5,344,441
Special Revenue Fund	1,230,558		1,230,558
Debt Service Fund		32,602	32,602
Food Service Fund	<u>702,274</u>	<u>10,768</u>	<u>713,042</u>
Total Awards Financial Assistance	<u>\$ 1,950,550</u>	<u>\$ 5,370,093</u>	<u>\$ 7,320,643</u>

**EAST RUTHERFORD 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 \$587,626 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 \$3,014,764, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$704,371 and TPAF Long-Term Disability Insurance in the amount of \$1,177 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.

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditors' report issued: Unmodified

B) Internal control over financial reporting:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? X yes no

C) Noncompliance material to the basic financial statements noted? X yes no

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>Coronavirus Relief, and Economic Security Act - Elementary and Secondary School Emergency Relief Funds (CARES-ESSER I)</u>
<u>84.425D</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)</u>
<u>84.425U</u>	<u>American Rescue Plan - Elementary and Secondary Schools - Emergency Relief Fund (ARP-ESSER)</u>
<u>84.425W</u>	<u>American Rescue Plan - Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)</u>

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

Auditee qualified as low-risk auditee? yes X no

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

State Awards Section

Type of auditors' report on compliance for major programs: Unmodified

Internal Control over compliance:

- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
22-495-034-5120-084	Security Aid
22-495-034-5120-089	Special Education Categorical Aid

Dollar threshold used to determine Type A programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding 2022-001

Our audit of year end purchase orders in the General Fund revealed certain encumbrances that were deemed overstated at June 30, 2022. Additionally, we noted an unrecorded accounts payable at year end in the Special Revenue Fund.

Criteria or Specific Requirement

State Department of Education’s GAAP Technical System Manual, Generally Accepted Accounting Principles

Condition

Encumbrances reported in the General Fund at June 30, 2022 were deemed invalid and should have been cancelled at year. An account payable was not recorded at year end in the Special Revenue Fund for the TPAF reimbursement for salaries funded by federal programs in the 2021/2022 school year.

Context

- Invalid encumbrances totaling \$200,954 were reported in the General Fund at June 30, 2022.
- Unrecorded accounts payable totaled \$13,280 in the Speical Revenue Fund at June 30, 2022.

Effect

The District’s financial statements may be misstated with respect to encumbrances and accounts payable at year end. Audit adjustments were made to correct known material misstatements.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for validity and invalid encumbrances be cancelled accordingly in the General Fund. In addition, greater care be exercised at year end to ensure all accounts payable are recorded in the Special Revenue Fund.

View of Responsible Officials and Planned Corrective Action

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

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance including questioned costs related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB’s Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Finding 2022-002

Our audit of the Federal CARES-ESSER, CRRSA-ESSER and ARP-ESSER grant programs revealed the following with respect to compliance with purchasing and contract awards:

- Required procedures and documentation were not adhered to or made available for audit for the purchase and installation of security cameras through a National Cooperative Purchasing Program.
- Exceptions were noted for cooperative purchasing program vendors who were paid in excess of the bid threshold that were not approved in the minutes.
- Noted a professional service contract for an ABA Therapist paid in excess of the bid threshold whose contract award was not publicly advertised as required.

Information on Federal Program

CARES-ESSER I	84.425D
CRRSA-ESSER II	84.425D
ARP-ESSER	84.425U

Criteria or Specific Requirement

Federal Procurement Code 2 CFR 200.318

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Federal Procurement Code.

Questioned Costs

Unknown.

Context

See Finding 2022-002.

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance including questioned costs related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Finding 2022-002 (Continued)

Effect

Noncompliance with requirements of the Federal Procurement Code procedures.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure purchases and contract awards are procured and approved in accordance with the Public School Contracts Law and Federal and State procurement regulations.

View of Responsible Officials and Planned Corrective Action

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

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2022-003

Our audit of compliance with purchasing and contract award procedures revealed the following:

- Required procedures and documentation were not adhered to or made available for audit for the purchase and installation of security cameras through a National Cooperative Purchasing Program.
- Exceptions were noted for cooperative purchasing program vendors who were paid in excess of the bid threshold that were not approved in the minutes.
- Noted a professional service contract for an ABA Therapist paid in excess of the bid threshold whose contract award was not publicly advertised as required.

State Program Information

Security Aid	22-495-034-5120-084
Special Education Aid	22-495-034-5120-089

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Test and Provisions
NJSA 18A:18A – Public School Contracts Law

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law and State procurement regulations.

Questioned Costs

Unknown.

Context

See Finding 2022-003.

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance including questioned costs related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2022-003 (Continued)

Effect

Noncompliance with requirements of the Public School Contracts Law and State procurement regulations.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure purchases and contract awards are procured and approved in accordance with the Public School Contracts Law and State procurement regulations.

View of Responsible Officials and Planned Corrective Action

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

**EAST RUTHERFORD BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.