

**SECAUCUS BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Secaucus, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Secaucus Board of Education**

**Secaucus, New Jersey**

**For The Fiscal Year Ended June 30, 2022**

**Prepared by**

**Secaucus Board of Education  
Business Department**

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**INTRODUCTORY SECTION**



## Secaucus Public Schools

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Dr. Daniela Riser  
Acting Superintendent of Schools  
(201) 974-2000 x2052

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

January 27, 2023

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

Dear Board Members:

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

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

The Secaucus Board of Education's financial statements have been audited by Lerch, Vinci & 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 Secaucus Board of Education for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion

that the Secaucus Board of Education’s financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

1). REPORTING ENTITY AND ITS SERVICES: Secaucus Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB). All funds of the District are included in this report. The Secaucus Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational as well as special education for students with disabilities. The District completed the 2021-2022 fiscal year with an enrollment of 2,197 students. The following details the changes in the student enrollment of the District over the last ten (10) years.

<u>Fiscal Year</u>	<u>Student Count</u>	<u>Percent Change</u>
2021-2022	2,197	0.1
2020-2021	2,194	(3.3)
2019-2020	2,270	(.09)
2018-2019	2,272	3.4
2017-2018	2,197	3.9
2016-2017	2,114	(0.3)
2015-2016	2,120	(3.0)
2014-2015	2,185	0.1
2013-2014	2,183	(.1)
2012-2013	2,185	1.8

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



3). MAJOR INITIATIVES: The Secaucus School District has continued to strive toward academic improvement, through implementation of high-quality professional development, the updating of multiple curriculum documents, the acquisition of “Linkit” for data warehousing and assessment, and continuing the enactment of our progressive Mathematics program, Reveal Math with ALEKS. Specific measures completed in the school year include:

- The updating of a majority of our curriculum documents to the 2020 New Jersey Student Learning Standards
- Continuing our partnership with the Teachers College Reading and Writing Program for grades K-2 and 3-5 in both elementary schools.
- The completion of a 1:1 technology initiative, with “Ed-camp” tech training districtwide, for staff and students in grades K-12.
- Successful transition back to in-person, full-day instruction for ALL students in September of 2021

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

Class of 2022 comprised 130 students.

Class of 2022 post graduation;

- 78% attended 4-year colleges
- 8% attended 2-year colleges
- 5% Trade School
- 9% Undecided/Workforce

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2022.

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

7). DEBT ADMINISTRATION: As of June 30, 2022, the District's outstanding debt issues included \$19,550,000 of general obligation and refunding bonds.

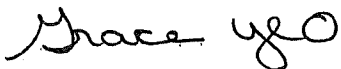
8). CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions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

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

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

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

Respectfully submitted,



Grace Yeo  
Business Administrator/Board Secretary

**Secaucus Public School District  
2021-2022  
Organizational Chart**

**Dr. Daniela Riser  
Acting Superintendent  
of Schools**

**Ann Marie Grecco  
Administrative Asst.**

**Veronica Melendez  
Administrative Asst.**

**Grace Yeo  
Business  
Administrator/Board  
Secretary**

**Judith Preinfalk  
Administrative Asst.**

**Steven Viggiani  
H.S. Principal**

**Christine Candela  
M.S. Principal**

**Robert Valente  
Huber Street School  
Principal**

**Dr. Danielle Garzon  
Clarendon School  
Principal**

**Dr. Rene Rovatar  
Interim Director of  
Curriculum &  
Instruction**

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

**C. Michael Poindexter  
Staff Accountant**

**Salvatore Cioffi  
Buildings & Grounds  
Supervisor**

**Amanda Wargocki  
Asst. Principal**

**Pasquale Cocucci  
Asst. Principal**

**Guidance**

**Guidance**

**Supervisor  
STEM**

**Special Education  
Supervisor**

**Physical Education  
Teachers**

**Eileen Losurdo  
Data Manager**

**Lea Ann Nicolich  
Administrative Asst.**

**H.S. Guidance**

**M. S. Guidance**

**Teachers**

**Teachers**

**Supervisor  
Humanities**

**Special Education  
Secretaries**

**School Nurses**

**Deborah Bittiger  
Payroll Specialist**

**Head Custodians**

**H. S. Teachers**

**M. S. Teachers**

**Secretarial,  
Custodians &  
Support Staff**

**Secretarial,  
Custodians &  
Support Staff**

**Supervisor  
Guidance**

**CST, Speech, SAC**

**Phyllis Pesci  
Purchasing Specialist**

**Custodians**

**Secretarial,  
Custodians &  
Support Staff**

**Secretarial,  
Custodians &  
Support Staff**

**Secretarial,  
Custodians &  
Support Staff**

**Secretarial,  
Custodians &  
Support Staff**

**Supervisor  
Elementary**

**Special Education  
Teachers**

**Deborah Zapoluch  
Transportation  
Specialist**

**Bus Drivers  
&  
Bus Aides**

**Supervisor  
Educational Tech**

**Special Education  
TA's & CA's**

**Matthew Miller  
Technician**

**Alfonse Tobia  
Lead Systems  
Specialist**

**Devan Paredes  
Technician**

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**Secaucus Board of Education**

**Roster of Officials**

**June 30, 2022**

<u>Name</u>	<u>Term Expires</u>
Jack McStowe, President	2022
Lance Bartletta, Vice President	2023
Enrico Bolognino	2023
Leah Farinola	2024
Abigail Gonzalez	2024
Ruby Kish	2024
Joe Lewis	2023
Kathy O'Connell	2022
Jayesh Patel	2022

**SECAUCUS BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorneys**

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

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

**Official Depository**

TD Bank  
1262 Paterson Plank Road  
Secaucus, New Jersey 07094

**Consultant**

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

**Construction Manager:**

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

**Benefit Advisors:**

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

**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, PSA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus 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, each major fund, and the aggregate remaining fund information of the Secaucus 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 Secaucus 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 Secaucus 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 Secaucus Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Secaucus 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 Secaucus Board of Education’s basic financial statements. The accompanying fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Secaucus Board of Education. 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, fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


**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 27, 2023 on our consideration of the Secaucus Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Secaucus Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Secaucus Board of Education’s internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 27, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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

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

The discussion and analysis of the Secaucus Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 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 inflows of resources at the close of the most recent fiscal year by \$28,139,182 (net position).
- General revenues accounted for \$39,361,194 in revenue or 72 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$15,481,838 or 28 percent of total revenues of \$54,843,032.
- Total net position of governmental activities amounted to \$27,007,389 as of June 30, 2022.
- The District had \$48,842,680 in expenses related to governmental activities; only \$14,140,074 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$39,361,194 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$49,681,060 in revenues and \$46,833,021 in expenditures. The General Fund's fund balance increased \$2,848,039 or 28 percent from the fiscal year ended June 30, 2021 balance.

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

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

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

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

**Reporting the District as a Whole**

The Statement of Net Position reports information on the District as a whole. The statement includes all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The Statement of Activities takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

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

**The District as a Whole**

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

Below is a summary of the District's Net Position as of June 30, 2022 and 2021.

<b>Statement of Net Position</b>						
<b>As of June 30, 2022 and 2021</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>						
Current Assets	\$ 14,887,348	\$ 13,927,030	\$ 957,229	\$ 1,117,036	\$ 15,844,577	\$ 15,044,066
Capital Assets	<u>45,457,611</u>	<u>46,164,032</u>	<u>193,524</u>	<u>159,902</u>	<u>45,651,135</u>	<u>46,323,934</u>
<b>Total Assets</b>	<u>60,344,959</u>	<u>60,091,062</u>	<u>1,150,753</u>	<u>1,276,938</u>	<u>61,495,712</u>	<u>61,368,000</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	<u>121,936</u>	<u>731,968</u>	<u>-</u>	<u>-</u>	<u>121,936</u>	<u>731,968</u>
<b>Total Deferred Outflows of Resources</b>	<u>121,936</u>	<u>731,968</u>	<u>-</u>	<u>-</u>	<u>121,936</u>	<u>731,968</u>
<b>Liabilities</b>						
Other Liabilities	1,726,972	1,388,492	18,802	28,318	1,745,774	1,416,810
Long-Term Liabilities	<u>27,504,906</u>	<u>30,848,614</u>	<u>-</u>	<u>-</u>	<u>27,504,906</u>	<u>30,848,614</u>
<b>Total Liabilities</b>	<u>29,231,878</u>	<u>32,237,106</u>	<u>18,802</u>	<u>28,318</u>	<u>29,250,680</u>	<u>32,265,424</u>
<b>Deferred Inflows of Resources</b>						
Deferred Commodities Revenue			158	198	158	198
Unavailable Revenue - Property Taxes		2,259,020			-	
Deferred Amount on Net Pension Liability	<u>4,227,628</u>	<u>3,978,103</u>	<u>-</u>	<u>-</u>	<u>4,227,628</u>	<u>3,978,103</u>
<b>Total Deferred Inflows of Resources</b>	<u>4,227,628</u>	<u>6,237,123</u>	<u>158</u>	<u>198</u>	<u>4,227,786</u>	<u>3,978,301</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	25,840,528	25,321,865	193,524	159,902	26,034,052	25,481,767
Restricted	11,311,039	8,693,843			11,311,039	8,693,843
Unrestricted	<u>(10,144,178)</u>	<u>(11,666,907)</u>	<u>938,269</u>	<u>1,088,520</u>	<u>(9,205,909)</u>	<u>(10,578,387)</u>
<b>Total Net Position</b>	<u>\$ 27,007,389</u>	<u>\$ 22,348,801</u>	<u>\$ 1,131,793</u>	<u>\$ 1,248,422</u>	<u>\$ 28,139,182</u>	<u>\$ 23,597,223</u>

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

The District's combined net position was \$28,139,182 and \$23,597,223 on June 30, 2022 and 2021, respectively. This was an increase of \$4,541,959 or 19 percent from the fiscal year ended June 30, 2021.

The changes in net position for the fiscal years ended June 30, 2022 and 2021 is as follows:

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 415,723	\$ 135,966	\$ 142,617	\$ 62,673	\$ 558,340	\$ 198,639
Grants and Contributions	10,268,115	16,073,215	1,199,147	1,027,091	11,467,262	17,100,306
General Revenues						
Property Taxes	38,751,050	38,301,584			38,751,050	38,301,584
State Aid	406,300	425,386			406,300	425,386
Other	203,844	116,143	-	-	203,844	116,143
<b>Total Revenues</b>	<b>50,045,032</b>	<b>55,052,294</b>	<b>1,341,764</b>	<b>1,089,764</b>	<b>51,386,796</b>	<b>56,142,058</b>
<b>Program Expenses</b>						
Instruction	27,158,825	32,074,343			27,158,825	32,074,343
Support Services						
Student and Instruction Related	4,926,219	5,730,596			4,926,219	5,730,596
General Administration	1,206,331	1,181,161			1,206,331	1,181,161
School Administration	2,437,943	2,912,271			2,437,943	2,912,271
Central Services	1,153,344	1,160,327			1,153,344	1,160,327
Plant Operations and Maintenance	6,302,938	6,280,124			6,302,938	6,280,124
Pupil Transportation	1,529,561	1,230,309			1,529,561	1,230,309
Interest on Debt	671,283	714,387			671,283	714,387
Food Service	-	-	1,386,035	752,870	1,386,035	752,870
Technology Program	-	-	72,358	6,533	72,358	6,533
<b>Total Expenses</b>	<b>45,386,444</b>	<b>51,283,518</b>	<b>1,458,393</b>	<b>759,403</b>	<b>46,844,837</b>	<b>52,042,921</b>
<b>Change in Net Position</b>	<b>4,658,588</b>	<b>3,768,776</b>	<b>(116,629)</b>	<b>330,361</b>	<b>4,541,959</b>	<b>4,099,137</b>
<b>Net Position, Beginning of Year</b>	<b>22,348,801</b>	<b>18,580,025</b>	<b>1,248,422</b>	<b>918,061</b>	<b>23,597,223</b>	<b>19,498,086</b>
<b>Net Position, End of Year</b>	<b>\$ 27,007,389</b>	<b>\$ 22,348,801</b>	<b>\$ 1,131,793</b>	<b>\$ 1,248,422</b>	<b>\$ 28,139,182</b>	<b>\$ 23,597,223</b>

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

**Governmental Activities**

The District's total governmental activities revenues were \$53,501,268 and \$55,052,294 for the years ended June 30, 2022 and 2021, respectively. Property taxes made up 72 and 70 percent of revenues for governmental activities for the Secaucus Board of Education for fiscal years 2022 and 2021, respectively. Federal, state and local grants accounted for 27 and 29 percent of revenue for the fiscal years ended June 30, 2022 and 2021, respectively. Other revenues accounted for 1 and 1 percent of revenues for fiscal years ended June 30, 2022 and 2021, respectively.

The total cost of all programs and services was \$48,842,680 and \$51,283,518 for the fiscal years ended June 30, 2022 and 2021, respectively. Instruction comprises 60 and 63 percent of governmental expenses for years ended June 30, 2022 and 2021, respectively. Support services expenses make up 39 and 36 percent of governmental expenses for the fiscal years ended June 30, 2022 and 2021, respectively. Interest on debt accounted for 1 percent governmental of expenses for both fiscal years ended June 30, 2022 and 2021. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction	\$ 29,432,709	\$ 32,074,343	\$ 18,838,879	\$ 19,941,278
Support Services				
Student and Instruction Related	5,311,587	5,730,596	3,931,396	4,058,349
General Administration, School Admin., Central Services	5,207,965	5,253,759	4,418,040	4,157,216
Plant Operations and Maintenance	6,588,128	6,280,124	6,111,471	5,822,431
Pupil Transportation	1,631,008	1,230,309	960,561	592,450
Interest on Debt	<u>671,283</u>	<u>714,387</u>	<u>442,259</u>	<u>502,613</u>
<b>Total</b>	<u>\$ 48,842,680</u>	<u>\$ 51,283,518</u>	<u>\$ 34,702,606</u>	<u>\$ 35,074,337</u>

**Business-Type Activities**

The business-type activities include the food service operation and technology program. The programs had revenues of \$1,341,764 and \$1,089,764 and expenses of \$1,458,393 and \$759,403 in fiscal years ended June 30, 2022 and 2021, respectively. Of the revenues, \$142,617 and \$62,673 was charges for services paid by patrons for daily food service and program fees; \$1,199,147 and \$1,027,091 was from State and Federal reimbursements for the food service program for the years ended June 30, 2022 and 2021, respectively. The significant increase in State and Federal reimbursement in the fiscal year ended June 30, 2022 is the result of all student meals served being reimbursed at the free rate as a result of COVID-19 amended regulations.



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

**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 \$54,716,566 and \$50,060,097 and expenditures were \$51,849,152 and \$47,355,782 for the fiscal years ended June 30, 2022 and 2021, respectively. The net change in the fund balance for the year was an increase of \$2,867,414 mainly as the result of the excess results of operations in the General Fund.

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

<u>Revenues</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2022</u>	<u>2021</u>		
Local Sources	\$ 39,370,617	\$ 38,554,348	\$ 816,269	2.12%
State Sources	12,553,310	10,054,057	2,499,253	24.86%
Federal Sources	2,792,639	1,451,692	1,340,947	92.37%
Total Governmental Fund Revenues	<u>\$ 54,716,566</u>	<u>\$ 50,060,097</u>	<u>\$ 4,656,469</u>	9.30%

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

<u>Expenditures</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2022</u>	<u>2021</u>		
Current				
Instruction	\$ 30,717,542	\$ 28,291,372	\$ 2,426,170	8.58%
Support Services	17,918,001	15,582,054	2,335,947	14.99%
Capital Outlay	1,142,740	1,132,427	10,313	0.91%
Debt Service				
Principal	1,386,142	1,617,486	(231,344)	-14.30%
Interest	684,727	732,443	(47,716)	-6.51%
Total Expenditures	<u>\$ 51,849,152</u>	<u>\$ 47,355,782</u>	<u>\$ 4,493,370</u>	9.49%

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

**General Fund Budgeting Highlights**

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

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

**Capital Assets**

At the end of fiscal years 2022 and 2021, the District had \$45,457,611 and \$193,524 and \$46,164,032 and \$159,902 invested in land, buildings, furniture and equipment and vehicles and construction in progress for governmental activities and business type activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities decreased \$706,421 and capital assets of business type activities increased \$33,622 as a result of capital asset additions exceeding depreciation for the fiscal year ended June 30, 2022.

**Capital Assets**  
**as of June 30, 2022 and 2021**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>	
	<b><u>Total</u></b>		<b><u>Total</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Land	\$ 533,623	\$ 533,623		
Improvements Other Than Buildings	1,574,763	1,531,954		
Construction in Progress	758,130			
Buildings and Building Improvements	66,800,367	66,567,597		
Machinery and Equipment	<u>6,380,135</u>	<u>6,271,104</u>	\$ 511,645	\$ 443,635
	76,047,018	74,904,278	511,645	443,635
Less Accumulated Depreciation	<u>30,589,407</u>	<u>28,740,246</u>	<u>318,121</u>	<u>283,733</u>
<b>Net</b>	<b><u>\$ 45,457,611</u></b>	<b><u>\$ 46,164,032</u></b>	<b><u>\$ 193,524</u></b>	<b><u>\$ 159,902</u></b>

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

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

**Long-Term Liabilities**

At June 30, 2022 and 2021, the District had \$27,504,906 and \$30,848,614 of long-term liabilities. Of this amount, \$1,945,149 and \$1,427,520 is for compensated absences; and \$19,550,000 and \$20,745,000 of bonds payable; \$69,412 and \$99,496 for capital financing agreements; \$103,138 and \$244,286 for other financing agreements, \$24,977 and \$44,887 for deferred pension obligations, and \$5,812,230 and \$8,287,425 for net pension liability, respectively.

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

**For the Future**

Secaucus Board of Education demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2022-2023 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of minimal increases in state aid and statutory CAPS on property tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

**Contacting the District's Financial Management**

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Grace Yeo, Business Administrator/Board Secretary at Secaucus Board of Education, 685 Fifth Street, Secaucus, New Jersey 07094.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**SECAUCUS BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,550,219	\$ 854,310	\$ 13,404,529
Receivables, Net	2,337,129	94,571	2,431,700
Inventory		8,348	8,348
Capital Assets Not Being Depreciated	1,291,753		1,291,753
Capital Assets, Being Depreciated, net	<u>44,165,858</u>	<u>193,524</u>	<u>44,359,382</u>
Total Assets	<u>60,344,959</u>	<u>1,150,753</u>	<u>61,495,712</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	<u>121,936</u>	<u>-</u>	<u>121,936</u>
Total Deferred Outflows of Resources	<u>121,936</u>	<u>-</u>	<u>121,936</u>
Total Assets and Deferred Outflows of Resources	<u>60,466,895</u>	<u>1,150,753</u>	<u>61,617,648</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	720,830	125	720,955
Payable to Federal Government	144		144
Payable to State Government	116,790		116,790
Accrued Interest Payable	245,878		245,878
Unearned Revenue	643,330	18,677	662,007
Noncurrent Liabilities			
Due Within One Year	1,563,739		1,563,739
Due Beyond One Year	<u>25,941,167</u>	<u>-</u>	<u>25,941,167</u>
Total Liabilities	<u>29,231,878</u>	<u>18,802</u>	<u>29,250,680</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		158	158
Deferred Amount on Net Pension Liability	<u>4,227,628</u>	<u>-</u>	<u>4,227,628</u>
Total Deferred Inflows of Resources	<u>4,227,628</u>	<u>158</u>	<u>4,227,786</u>
Total Liabilities and Deferred Inflows of Resources	<u>33,459,506</u>	<u>18,960</u>	<u>33,478,466</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	25,840,528	193,524	26,034,052
Restricted for			
Capital Projects	9,998,513		9,998,513
Maintenance Projects	1,025,198		1,025,198
Other Purposes	287,328		287,328
Unrestricted	<u>(10,144,178)</u>	<u>938,269</u>	<u>(9,205,909)</u>
Total Net Position	<u>\$ 27,007,389</u>	<u>\$ 1,131,793</u>	<u>\$ 28,139,182</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 19,892,050	\$ 8,400	\$ 5,723,184		\$ (14,160,466)		\$ (14,160,466)
Special Education	7,207,913		4,031,175		(3,176,738)		(3,176,738)
Other Instruction	589,297		115,127		(474,170)		(474,170)
School Sponsored Activities and Athletics	1,730,961	405,825	308,689		(1,016,447)		(1,016,447)
Community Services	12,488		1,430		(11,058)		(11,058)
Support Services							
Student and Instruction Related Services	5,311,587	1,498	1,378,693		(3,931,396)		(3,931,396)
School Administration Services	2,685,042		551,374		(2,133,668)		(2,133,668)
General Administration Services	1,270,298		103,668		(1,166,630)		(1,166,630)
Plant Operations and Maintenance	6,588,128		476,657		(6,111,471)		(6,111,471)
Pupil Transportation	1,631,008		670,447		(960,561)		(960,561)
Central Services	1,252,625		134,883		(1,117,742)		(1,117,742)
Interest on Long Term Debt	671,283	-	229,024	-	(442,259)	-	(442,259)
Total Governmental Activities	<u>48,842,680</u>	<u>415,723</u>	<u>13,724,351</u>	<u>-</u>	<u>(34,702,606)</u>	<u>-</u>	<u>(34,702,606)</u>
<b>Business-Type Activities</b>							
Food Service	1,386,035	71,710	1,199,147	-	-	\$ (115,178)	(115,178)
Technology Program	72,358	70,907	-	-	-	(1,451)	(1,451)
Total Business-Type Activities	<u>1,458,393</u>	<u>142,617</u>	<u>1,199,147</u>	<u>-</u>	<u>-</u>	<u>(116,629)</u>	<u>(116,629)</u>
Total Primary Government	<u>\$ 50,301,073</u>	<u>\$ 558,340</u>	<u>\$ 14,923,498</u>	<u>\$ -</u>	<u>\$ (34,702,606)</u>	<u>\$ (116,629)</u>	<u>\$ (34,819,235)</u>

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Continued

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

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

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues			
Property Taxes - General Purposes	\$ 37,517,774		\$ 37,517,774
Property Taxes - Debt Service	1,233,276		1,233,276
State Aid Restricted for Debt Service	406,300		406,300
Miscellaneous Income	203,844	-	203,844
Total General Revenues	39,361,194	-	39,361,194
Change in Net Position	4,658,588	\$ (116,629)	4,541,959
Net Position, Beginning of Year	22,348,801	1,248,422	23,597,223
Net Position, End of Year	\$ 27,007,389	\$ 1,131,793	\$ 28,139,182

**FUND FINANCIAL STATEMENTS**



**SECAUCUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 12,291,064	\$ 256,826	\$ 2,329		\$ 12,550,219
Other Accounts Receivable	1,185	9,873			11,058
Due from Other Funds	1,422,365				1,422,365
Receivables from Other Governments	84,172	2,241,899	-	-	2,326,071
Total Assets	<u>\$ 13,798,786</u>	<u>\$ 2,508,598</u>	<u>\$ 2,329</u>	<u>\$ -</u>	<u>\$ 16,309,713</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 501,766	\$ 185,933			\$ 687,699
Payroll Deductions and Withholdings Payable	33,131				33,131
Due to Other Funds		1,422,365			1,422,365
Payable to Federal Government		144			144
Payable to State Government	116,790				116,790
Unearned Revenue	-	643,330	-	-	643,330
Total Liabilities	<u>651,687</u>	<u>2,251,772</u>	<u>-</u>	<u>-</u>	<u>2,903,459</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Projects			\$ 2,329		2,329
Scholarship Awards		877			877
Student Activities		255,949			255,949
Unemployment Compensation Reserve	30,502				30,502
Maintenance Reserve	1,025,198				1,025,198
Emergency Reserve	400,000				400,000
Capital Reserve	7,573,513				7,573,513
Capital Reserve-Designated for Subsequent Year's Budget	2,425,000				2,425,000
<b>Committed</b>					
Year End Encumbrances	329,558				329,558
<b>Assigned</b>					
Year End Encumbrances	177,598				177,598
Unassigned	1,185,730	-	-	-	1,185,730
Total Fund Balances	<u>13,147,099</u>	<u>256,826</u>	<u>2,329</u>	<u>-</u>	<u>13,406,254</u>
Total Liabilities and Fund Balances	<u>\$ 13,798,786</u>	<u>\$ 2,508,598</u>	<u>\$ 2,329</u>	<u>\$ -</u>	<u>\$ 16,309,713</u>
Total Fund Balances-Governmental Funds					\$ 13,406,254

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 \$76,047,018 and the accumulated depreciation is \$30,589,407. 45,457,611

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (245,878)

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	\$ 121,936
Deferred Inflows of Resources	<u>(4,227,628)</u>
	(4,105,692)

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	(19,550,000)
Capital Financing Agreements	(69,412)
Other Financing Agreements	(103,138)
Deferred Pension Obligation	(24,977)
Net Pension Liability	(5,812,230)
Compensated Absences Payable	<u>(1,945,149)</u>
	(27,504,906)

Net Position of Governmental Activities \$ 27,007,389

**SECAUCUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
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>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 37,517,774			\$ 1,233,276	\$ 38,751,050
Tuition	8,400				8,400
Rents and Royalties	850				850
Unrestricted Miscellaneous Revenues	<u>202,994</u>	<u>\$ 407,323</u>	<u>-</u>	<u>-</u>	<u>610,317</u>
Total - Local Sources	37,730,018	407,323	-	1,233,276	39,370,617
State Sources	11,917,986			635,324	12,553,310
Federal Sources	<u>33,056</u>	<u>2,759,583</u>	<u>-</u>	<u>-</u>	<u>2,792,639</u>
Total Revenues	<u>49,681,060</u>	<u>3,166,906</u>	<u>-</u>	<u>1,868,600</u>	<u>54,716,566</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	20,259,117	534,500			20,793,617
Special Education Instruction	6,521,888	978,796			7,500,684
Other Instruction	613,461				613,461
School Sponsored Activities and Athletics	1,408,554	387,198			1,795,752
Community Services	14,028				14,028
Support Services					
Student and Instruction Related Services	5,019,390	488,907			5,508,297
School Administration Services	2,850,059				2,850,059
General Administration Services	1,326,917				1,326,917
Plant Operations and Maintenance	5,353,616				5,353,616
Pupil Transportation	1,535,614				1,535,614
Central Services	1,343,498				1,343,498
Debt Service					
Principal	191,142			1,195,000	1,386,142
Interest and Other Charges	11,127			673,600	684,727
Capital Outlay	<u>384,610</u>	<u>758,130</u>	<u>-</u>	<u>-</u>	<u>1,142,740</u>
Total Expenditures	<u>46,833,021</u>	<u>3,147,531</u>	<u>-</u>	<u>1,868,600</u>	<u>51,849,152</u>
Excess of Revenues Over Expenditures	2,848,039	19,375	-	-	2,867,414
Fund Balance, Beginning of Year	<u>10,299,060</u>	<u>237,451</u>	<u>\$ 2,329</u>	<u>-</u>	<u>10,538,840</u>
Fund Balance, End of Year	<u>\$ 13,147,099</u>	<u>\$ 256,826</u>	<u>\$ 2,329</u>	<u>\$ -</u>	<u>\$ 13,406,254</u>

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 2,867,414**

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

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

Capital Outlay	\$ 1,142,740	
Depreciation Expense	<u>(1,849,161)</u>	(706,421)

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.

Principal Repayments		
Bond Principal	1,195,000	
Deferred Pension Obligation - Net	19,910	
Capital Financing Agreement Principal	30,084	
Other Financing Agreement Principal	<u>141,148</u>	1,386,142

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

Decrease in Accrued Interest		13,444
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In the statement of activities, certain operating expenses - compensated absences and other retirement programs - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid) When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

Decrease in Pension Expense	1,615,638	
Increase in Compensated Absences	<u>(517,629)</u>	<u>1,098,009</u>

**Change in net position of governmental activities (Exhibit A-2)** **\$ 4,658,588**

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

	Business-Type Activities		
	Enterprise Funds		
	<u>Food Service Fund</u>	<u>Non Major Technology Program Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 792,124	\$ 62,186	\$ 854,310
Intergovernmental Receivable			
State	1,750		1,750
Federal	92,821		92,821
Inventory	8,348	-	8,348
Total Current Assets	<u>895,043</u>	<u>62,186</u>	<u>957,229</u>
Capital Assets			
Machinery and Equipment	511,645		511,645
Less: Accumulated Depreciation	(318,121)	-	(318,121)
Total Capital Assets, Net of Accumulated Depreciation	<u>193,524</u>	<u>-</u>	<u>193,524</u>
Total Assets	<u>1,088,567</u>	<u>62,186</u>	<u>1,150,753</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	125		125
Unearned Revenue	18,677	-	18,677
Total Current Liabilities	<u>18,802</u>	<u>-</u>	<u>18,802</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	158	-	158
Total Deferred Inflows of Resources	<u>158</u>	<u>-</u>	<u>158</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,960</u>	<u>-</u>	<u>18,960</u>
<b>NET POSITION</b>			
Investment in Capital Assets, Net of Related Debt	193,524	-	193,524
Unrestricted	876,083	62,186	938,269
Total Net Position	<u>\$ 1,069,607</u>	<u>\$ 62,186</u>	<u>\$ 1,131,793</u>

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

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	Non Major Technology Program Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Non-Reimbursable Programs	\$ 71,710		71,710
Program Fees	-	\$ 70,907	70,907
	<u>71,710</u>	<u>70,907</u>	<u>142,617</u>
Total Operating Revenues			
	<u>71,710</u>	<u>70,907</u>	<u>142,617</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	534,121		534,121
Cost of Sales - Non-Reimbursable Programs	31,040		31,040
Salaries and Employee Benefits	505,601		505,601
Other Purchased Services	146,115		146,115
Management Fee	82,500		82,500
General Supplies	42,844	68,187	111,031
Miscellaneous Expenditures	9,426	4,171	13,597
Depreciation Expense	34,388	-	34,388
	<u>1,386,035</u>	<u>72,358</u>	<u>1,458,393</u>
Total Operating Expenses			
	<u>1,386,035</u>	<u>72,358</u>	<u>1,458,393</u>
Operating Income (Loss)	<u>(1,314,325)</u>	<u>(1,451)</u>	<u>(1,315,776)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	26,367		26,367
Federal Sources			
National School Lunch Program	964,961		964,961
Emergency Operational Reimb	30,045		30,045
Food Distribution Program	41,838		41,838
P-EBT Reimbursement	1,242		1,242
National School Breakfast Program	134,694	-	134,694
	<u>1,199,147</u>	<u>-</u>	<u>1,199,147</u>
Total Nonoperating Revenues			
	<u>1,199,147</u>	<u>-</u>	<u>1,199,147</u>
Net Income (Loss)	<u>(115,178)</u>	<u>(1,451)</u>	<u>(116,629)</u>
Change in Net Position	(115,178)	(1,451)	(116,629)
Total Net Position, Beginning of Year	<u>1,184,785</u>	<u>63,637</u>	<u>1,248,422</u>
Total Net Position, End of Year	<u>\$ 1,069,607</u>	<u>\$ 62,186</u>	<u>\$ 1,131,793</u>

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

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

	Business-Type Activities		
	Enterprise Funds		
	Food Service Fund	Non Major Technology Program Fund	Totals
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 62,406	\$ 70,907	\$ 133,313
Cash Payments to Employees' Salaries and Benefits	(505,601)		(505,601)
Cash Payments to Suppliers for Goods and Services	(806,482)	(72,358)	(878,840)
Net Cash Provided (Used for) Operating Activities	(1,249,677)	(1,451)	(1,251,128)
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	1,158,495	-	1,158,495
Net Cash Provided by Noncapital Financing Activities	1,158,495	-	1,158,495
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(68,010)	-	(68,010)
Net Cash Used for Noncapital Financing Activities	(68,010)	-	(68,010)
Net Increase (Decrease) in Cash and Cash Equivalents	(159,192)	(1,451)	(160,643)
Cash and Cash Equivalents, Beginning of Year	951,316	63,637	1,014,953
Cash and Cash Equivalents, End of Year	\$ 792,124	\$ 62,186	\$ 854,310
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>			
Operating Income (Loss)	\$ (1,314,325)	\$ (1,451)	\$ (1,315,776)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	34,388		34,388
Non-Cash Federal Assistance - Food Distribution - National School Lunch Program	41,838		41,838
Change in Assets and Liabilities			
(Increase)/Decrease in Inventory	(2,062)		(2,062)
Increase/(Decrease) in Unearned Revenue	(9,304)		(9,304)
Increase/(Decrease) in Accounts Payable	(212)	-	(212)
Total Adjustments	64,648	-	64,648
Net Cash (Used for) Operating Activities	\$ (1,249,677)	\$ (1,451)	\$ (1,251,128)
Non-Cash Financing Activities			
National School Lunch (Food Distribution Program)	\$ 41,798	\$ -	\$ 41,798

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

**NOTES TO THE FINANCIAL STATEMENTS**

**SECAUCUS 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 Secaucus Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent 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 twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent 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 Secaucus Board of Education this includes general operations, food service, and student related activities of the District.

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

**B. New Accounting Standards**

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.
- 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.



**SECAUCUS 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. 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.

**SECAUCUS 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 funds and its food service enterprise fund 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 and private donations for scholarship awards.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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

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

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 financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

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

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

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

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

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

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost 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>
Improvements Other Than Buildings	20
Buildings and Building Improvements	20-50
Right-to-use Leased Buildings	3-5
Machinery and Equipment	5-20
Right-to-use Leased Equipment	5-10

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

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

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The first 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. The other 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.

***6. Compensated Absences***

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

***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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *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.

9. *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.

10. *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.

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

**Governmental Fund Statements (Continued)**

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

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

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

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).

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

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).

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**Assigned Fund Balance** – Amounts a school district intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board 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.

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

**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.

***11. 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 Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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.

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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



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

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

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

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

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

*Tuition Expenditures* - Tuition charges for the fiscal years 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 are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. 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. 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.

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 \$5,074,085. The net increase was funded by additional state aid, additional grant awards, the reappropriation of prior year general fund encumbrances, the inclusion of student activities and scholarship transactions and the additional appropriation of the maintenance reserve.

**SECAUCUS 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)**

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

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

**B. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance, July 1, 2021	\$ 7,450,692
Increased by:	
Deposits Approved by Board Resolution	<u>4,393,321</u>
	11,844,013
Decreased by:	
Withdrawals Approved in District Budget	<u>1,845,500</u>
Balance, June 30, 2022	<u>\$ 9,998,513</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$2,425,000 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**SECAUCUS 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	\$ 975,198
Increased by:	
Deposits Approved by Board Resolution	<u>350,000</u>
	1,325,198
Decreased by:	
Withdrawals Approved by Board Resolution	<u>300,000</u>
Balance, June 30, 2022	<u>\$ 1,025,198</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,114,398. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**D. Emergency Reserve**

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

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

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

Balance, July 1, 2021	\$ 350,000
Increased by	
Deposits Approved by Board Resolution	<u>50,000</u>
Balance, June 30, 2022	<u>\$ 400,000</u>

**SECAUCUS 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 \$13,404,529 and bank and brokerage firm balances of the Board's deposits amounted to \$17,145,230. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 15,348,330
Uninsured and Collateralized	<u>1,796,900</u>
	<u>\$ 17,145,230</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 \$1,796,900 of the Board's bank balances were exposed to custodial credit risk.

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name.	<u>\$ 1,796,900</u>
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**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.

**SECAUCUS 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.

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

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 2,241,899	\$ 92,821	\$ 2,334,720
State	\$ 84,172		1,750	85,922
Other	1,185	9,873	-	11,058
Gross Receivables	85,357	2,251,772	94,571	2,431,700
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 85,357</u>	<u>\$ 2,251,772</u>	<u>\$ 94,571</u>	<u>\$ 2,431,700</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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 67,035
Grant Draw Downs Year-End Encumbrances	<u>576,295</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 643,330</u>

**SECAUCUS 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:

	<u>Balance, July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 533,623			\$ 533,623
Construction in Progress	-	\$ 758,130	-	758,130
Total Capital Assets, Not Being Depreciated	<u>533,623</u>	<u>758,130</u>	<u>-</u>	<u>1,291,753</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	66,567,597	232,770		66,800,367
Improvements Other Than Buildings	1,531,954	42,809		1,574,763
Machinery and Equipment	<u>6,271,104</u>	<u>109,031</u>	-	<u>6,380,135</u>
Total Capital Assets Being Depreciated	<u>74,370,655</u>	<u>384,610</u>	<u>-</u>	<u>74,755,265</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(23,049,449)	(1,473,963)		(24,523,412)
Land Improvements	(978,570)	(36,112)		(1,014,682)
Machinery and Equipment	<u>(4,712,227)</u>	<u>(339,086)</u>	-	<u>(5,051,313)</u>
Total Accumulated Depreciation	<u>(28,740,246)</u>	<u>(1,849,161)</u>	<u>-</u>	<u>(30,589,407)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,630,409</u>	<u>(1,464,551)</u>	<u>-</u>	<u>44,165,858</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,164,032</u>	<u>\$ (706,421)</u>	<u>\$ -</u>	<u>\$ 45,457,611</u>

**SECAUCUS 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)**

	<u>Balance, July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 443,635	\$ 68,010	-	\$ 511,645
Total Capital Assets Being Depreciated	<u>443,635</u>	<u>68,010</u>	<u>-</u>	<u>511,645</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(283,733)	(34,388)	-	(318,121)
Total Accumulated Depreciation	<u>(283,733)</u>	<u>(34,388)</u>	<u>-</u>	<u>(318,121)</u>
Total Capital Assets, Being Depreciated, Net	<u>159,902</u>	<u>33,622</u>	<u>-</u>	<u>193,524</u>
Business-Type Activities Capital Assets, Net	<u>\$ 159,902</u>	<u>\$ 33,622</u>	<u>\$ -</u>	<u>\$ 193,524</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 28,362
Total Instruction	<u>28,362</u>
Support Services	
Student and Instruction Related Services	62,564
School Administrative Services	7,271
Plant Operations and Maintenance	1,541,398
Pupil Transportation	204,557
Central Services & Info. Technology	<u>5,009</u>
Total Support Services	<u>1,820,799</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,849,161</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 34,388
Total Depreciation Expense-Business-Type Activities	<u>\$ 34,388</u>

**SECAUCUS 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)**

**Construction Commitments**

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades at Clarendon Elementary School	\$ 662,669	<u>\$ 460,081</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>\$ 1,422,365</u>
Total		<u>\$ 1,422,365</u>

The above balance is to cover the cash balance which was in an overdraft position.

The District expects the interfund balance to be liquidated within one year.

**F. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreement to finance other capital assets under capital financing agreements. The repayments under this financing agreement is subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreement at June 30, 2022 is comprised of the following:

\$151,650, fiscal year 2020 Agreement for the acquisition of telephone system for a term of 5 years due in annual principal installments of \$2,561 through \$2,781 through August 1, 2024 interest at 3.45%	<u>\$ 69,412</u>
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**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**F. Financing Agreements (Continued)**

**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:

\$69,500, fiscal year 2019 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$1,553 and \$1,576 through November 1, 2023	\$	7,823
\$228,145, fiscal year 2019 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$5,050 and \$5,184 through February 18, 2023		40,934
\$177,390, fiscal year 2020 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of \$3,810 and \$3,960 through August 1, 2023		<u>54,381</u>
Total	\$	<u>103,138</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 31,298	\$ 2,186	\$ 95,230	\$ 1,969	\$ 130,683
2024	32,561	923	7,908	36	41,428
2025	<u>5,553</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>5,581</u>
Total	<u>\$ 69,412</u>	<u>\$ 3,137</u>	<u>\$ 103,138</u>	<u>\$ 2,005</u>	<u>\$ 177,692</u>

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

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

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2022 is comprised of the following issue:

\$27,400,000, 2014 School Bonds, due in annual installments of \$1,220,000 to \$1,870,000 through August 15, 2034, interest at 3.00% to 4.00%	<u>\$19,550,000</u>
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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	\$ 1,220,000	\$ 637,375	\$ 1,857,375
2024	1,255,000	600,250	1,855,250
2025	1,290,000	562,075	1,852,075
2026	1,330,000	522,775	1,852,775
2027	1,375,000	482,200	1,857,200
2028-2032	7,690,000	1,711,638	9,401,638
2033-2035	<u>5,390,000</u>	<u>325,966</u>	<u>5,715,966</u>
	<u>\$ 19,550,000</u>	<u>\$ 4,842,279</u>	<u>\$ 24,392,279</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:

4% of Equalized Valuation Basis (Municipal)	\$ 218,403,234
Less: Net Debt	<u>19,550,000</u>
Remaining Borrowing Power	<u>\$ 198,853,234</u>

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

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

**G. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2009/2010 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$139,317 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017), at June 30, 2022 is \$24,997.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending <u>June 30,</u>	<u>PERS</u>
2022	\$ 22,696
2021	22,254
2020	22,195

**Changes in Long-Term Liabilities**

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

	<u>Balance,</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 20,745,000		\$ 1,195,000	\$ 19,550,000	\$ 1,220,000
Net Pension Liability	8,287,425		2,475,195	5,812,230	
Capital Financing Agreements	99,496		30,084	69,412	31,298
Other Financing Agreements	244,286		141,148	103,138	95,230
Compensated Absences	1,427,520	\$ 517,629		1,945,149	194,515
Deferred Pension Obligation	44,887	2,786	22,696	24,977	22,696
	<u>30,848,614</u>	<u>520,415</u>	<u>3,864,123</u>	<u>27,504,906</u>	<u>1,563,739</u>
Governmental Activity Long-Term Liabilities	<u>\$ 30,848,614</u>	<u>\$ 520,415</u>	<u>\$ 3,864,123</u>	<u>\$ 27,504,906</u>	<u>\$ 1,563,739</u>

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

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

**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 School Alliance Insurance Fund (SAIF or the "Fund"). The Fund 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 Fund 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 Fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Fund. Members have a contractual obligation to fund any deficit of the Fund attributable to a membership year during which they were a member.

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 50,000	\$ 39,993	\$ 38,253	\$ 30,502
2021	50,000	35,698	88,117	30,502
2020	50,000	36,603	125,896	32,921

**B. Contingent Liabilities**

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

John Doe v. Secaucus Board of Education

The Board is a defendant in ten cases, filed between December 2019 and February 2021 on behalf of ten former students that allege they were sexually abused by a former teacher when they were students in the district in the 1980's or 1990's. Although the allegations are decades old, the lawsuits are filed pursuant to a 2019 New Jersey law that extends the statute of limitations for civil actions based on sexual abuse. While the Board attorney is aggressively defending the Board in these actions, there is the potential for substantial liability in these cases due to the present lack of liability insurance coverage for all the time periods and causes of actions covered by the complaints. The Board's potential liability in each of these cases is substantial, the amount of which depends on the factual allegations in each case. If any of these cases proceed to trial and there is a damage award for any uninsured periods or causes of action, the damages must be paid by the Board.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

**SECAUCUS 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)**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the 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](http://www.state.nj.us/treasury/pensions).

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

The following represent the membership tiers for TPAF:

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

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

**SECAUCUS 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)**

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

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 PFRS 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](http://www.state.nj.us/treasury/pensions).

**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.

**SECAUCUS 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)**

**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](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 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.



**SECAUCUS 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)**

**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	\$ 574,583	\$ 6,400,660	\$ 20,356
2021	555,947	4,527,808	13,742
2020	501,961	3,378,650	25,262

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$1,922 respectively for PERS and the State contributed \$2,516, \$3,014 and \$3,412, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,342,696 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.

**SECAUCUS 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**

**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 \$5,812,230 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 .04906 percent, which was a decrease of .00176 percent from its proportionate share measured as of June 30, 2020 of .05082 percent.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,041,055 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ 91,666	\$ 41,609
Changes of Assumptions	30,270	2,069,192
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,531,094
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	585,733
Total	<u>\$ 121,936</u>	<u>\$ 4,227,628</u>

**SECAUCUS 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)**

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

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	\$ (1,629,577)
2024	(1,130,586)
2025	(765,696)
2026	(572,182)
2027	(7,651)
Thereafter	<u>-</u>
	<u>\$ (4,105,692)</u>

***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.

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%

**SECAUCUS 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)**

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

*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.

*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%

**SECAUCUS 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)**

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

***Discount Rate***

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:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,915,079</u>	<u>\$ 5,812,230</u>	<u>\$ 4,027,665</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](http://www.state.nj.us/treasury/pensions).

**SECAUCUS 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)**

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 \$1,729,126 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 \$73,484,658. 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 .15285 percent, which was an increase of .00152 percent from its proportionate share measured as of June 30, 2020 of .15133 percent.

**SECAUCUS 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.

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.

**SECAUCUS 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.



**SECAUCUS 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 86,944,625</u>	<u>\$ 73,484,658</u>	<u>\$ 62,179,131</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](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in 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.

**SECAUCUS 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](http://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 is 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.

**SECAUCUS 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)**

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 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 \$1,495,453, \$1,418,944 and \$1,253,417, 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.

**SECAUCUS 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**

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 \$4,951,689. 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 OPEB liability attributable to the District is \$79,533,416. 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 .13254 percent, which was a decrease of .00008 percent from its proportionate share measured as of June 30, 2020 of .13262 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.

**SECAUCUS 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)**

**Actuarial Assumptions (Continued)**

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.

**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.

**SECAUCUS 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)**

**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	\$ <u>89,931,040</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,430,279
Interest on the Total OPEB Liability	2,063,181
Changes of Benefit Terms	(84,654)
Differences Between Expected and Actual Experience	(15,312,433)
Changes of Assumptions	78,466
Gross Benefit Payments	(1,625,208)
Contributions from the Member	52,745
Net Changes	\$ <u>(10,397,624)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>79,533,416</u>

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.

**SECAUCUS 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:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 95,268,547</u>	<u>\$ 79,533,416</u>	<u>\$ 67,142,945</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 64,382,559</u>	<u>\$ 79,533,416</u>	<u>\$ 99,879,898</u>

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

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

**NOTE 5 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 know 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 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.

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 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 \$5,140,087 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**

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted		Actual	Variance Final To Actual
	Original Budget	Adjustments		
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 37,517,774		\$ 37,517,774	\$ 37,517,774
Tuition from Individuals			8,400	8,400
Rents and Royalties			850	850
Interest Earned on Capital Reserve Funds	400		400	(400)
Interest Earned on Current Expense Emergency Reserve	50		50	(50)
Interest Earned on Maintenance Reserve	50		50	(50)
Unrestricted Miscellaneous Revenue	28,100		28,100	174,894
State Sources				
Extraordinary Aid	135,000		135,000	197,168
Non Public Transportation Aid			21,750	21,750
Special Education Aid	1,689,156		1,689,156	1,689,156
Security Aid	191,170		191,170	191,170
Transportation Aid	546,399		546,399	546,399
On-behalf TPAF (Non-Budget)				
NCGI Premium			89,048	89,048
Long Term Disability Insurance			2,516	2,516
Pension Contribution - Normal Cost			6,311,612	6,311,612
Post Retirement Medical Benefits			1,495,453	1,495,453
Social Security Contribution			1,342,696	1,342,696
Federal Sources				
Medical Assistance Program (SEMI)	37,915	-	37,915	33,056
			33,056	(4,859)
<b>Total Revenues</b>	<b>40,146,014</b>	<b>-</b>	<b>40,146,014</b>	<b>49,650,042</b>
<b>EXPENDITURES</b>				
CURRENT EXPENDITURES				
Regular Programs - Instruction				
Salaries of Teachers				
Preschool	237,196	\$ (926)	236,270	236,270
Kindergarten	683,221	26,092	709,313	610,014
Grades 1-5	4,594,895	(64,261)	4,530,634	4,381,559
Grades 6-8	2,686,947	(34,214)	2,652,733	2,563,721
Grades 9-12	3,691,526	(13,508)	3,678,018	3,584,946
Regular Programs - Home Instruction				
Salaries of Teachers	25,000	(3,815)	21,185	21,185
Regular Programs - Undistributed Instruction				
Other Salaries for Instruction		6,687	6,687	6,687
Purchased Professional/Educational Services	479,800	-	479,800	470,731
Other Purchased Services	51,600	-	51,600	49,399
General Supplies	175,596	14,836	190,432	100,594
Textbooks	151,732	(6,000)	145,732	113,932
Other Objects	-	933	933	648
<b>Total Regular Programs</b>	<b>12,777,513</b>	<b>(74,176)</b>	<b>12,703,337</b>	<b>12,139,686</b>
Special Education				
Learning and/or Language Disabilities				
Salaries of Teachers	313,408	26,154	339,562	339,562
Other Salaries for Instruction	304,703	511	305,214	281,470
General Supplies	6,000	-	6,000	1,173
<b>Total Learning and/or Language Disabilities</b>	<b>624,111</b>	<b>26,665</b>	<b>650,776</b>	<b>622,205</b>
Multiple Disabilities				
Salaries of Teachers	85,308	8,925	94,233	94,233
Purchased Professional/Educational Services	233,000	(5,400)	227,600	187,592
General Supplies	5,500	(3,600)	1,900	770
<b>Total Multiple Disabilities</b>	<b>323,808</b>	<b>(75)</b>	<b>323,733</b>	<b>282,595</b>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted			Actual	Variance Final To Actual
	Original Budget	Adjustments	Final Budget		
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,790,693	\$ 91,784	\$ 1,882,477	\$ 1,839,934	\$ 42,543
Other Salaries for Instruction	114,219	10,861	125,080	125,080	-
Purchased Professional/Educational Services	483,840	-	483,840	468,911	14,929
General Supplies	6,410	-	6,410	1,468	4,942
<b>Total Resource Room/Resource Center</b>	<b>2,395,162</b>	<b>102,645</b>	<b>2,497,807</b>	<b>2,435,393</b>	<b>62,414</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	267,525	2,542	270,067	270,067	-
<b>Total Preschool Disabilities - Part Time</b>	<b>267,525</b>	<b>2,542</b>	<b>270,067</b>	<b>270,067</b>	<b>-</b>
Preschool Disabilities - Full Time					
Salaries of Teachers	71,120	9,296	80,416	80,416	-
Other Salaries for Instruction	74,701	4,381	79,082	79,082	-
General Supplies	7,294	(7,057)	237	237	-
<b>Total Preschool Disabilities - Full Time</b>	<b>153,115</b>	<b>6,620</b>	<b>159,735</b>	<b>159,735</b>	<b>-</b>
Home Instruction:					
Salaries of Teachers	37,000	(37,000)			
Purchased Professional Educational Services	-	9,000	9,000	7,183	1,817
<b>Total Home Instruction</b>	<b>37,000</b>	<b>(28,000)</b>	<b>9,000</b>	<b>7,183</b>	<b>1,817</b>
<b>Total Special Education</b>	<b>3,800,721</b>	<b>110,397</b>	<b>3,911,118</b>	<b>3,777,178</b>	<b>133,940</b>
Basic Skills/Remedial					
Salaries of Teachers	65,522	(375)	65,147	63,925	1,222
General Supplies	1,100	-	1,100	563	537
<b>Total Basic Skills/Remedial</b>	<b>66,622</b>	<b>(375)</b>	<b>66,247</b>	<b>64,488</b>	<b>1,759</b>
Bilingual Education					
Salaries of Teachers	220,920	12,882	233,802	231,866	1,936
General Supplies	1,500	-	1,500	289	1,211
<b>Total Bilingual Education</b>	<b>222,420</b>	<b>12,882</b>	<b>235,302</b>	<b>232,155</b>	<b>3,147</b>
School Sponsored Co-Curricular Activities					
Salaries	196,475	18,287	214,762	214,762	-
Supplies and Materials	9,000	(2,000)	7,000	3,046	3,954
<b>Total School Sponsored Co-Curricular Activities</b>	<b>205,475</b>	<b>16,287</b>	<b>221,762</b>	<b>217,808</b>	<b>3,954</b>
School Sponsored Athletics					
Salaries	548,544	(20,619)	527,925	468,126	59,799
Purchased Services	91,000	(17,320)	73,680	71,323	2,357
Supplies and Materials	70,000	20,926	90,926	83,686	7,240
Other Objects	10,000	5,183	15,183	14,929	254
<b>Total School Sponsored Athletics</b>	<b>719,544</b>	<b>(11,830)</b>	<b>707,714</b>	<b>638,064</b>	<b>69,650</b>
Other Instructional Programs					
Salaries	99,605	10,606	110,211	110,211	-
Supplies and Materials	2,320	(300)	2,020	181	1,839
Other Objects	-	300	300	300	-
<b>Total Other Instructional Programs</b>	<b>101,925</b>	<b>10,606</b>	<b>112,531</b>	<b>110,692</b>	<b>1,839</b>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted			Actual	Variance Final To Actual
	Original Budget	Adjustments	Final Budget		
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Community Services Programs/Operations					
Salaries	\$ 41,000	-	\$ 41,000	\$ 9,825	\$ 31,175
Total Community Services Programs/Operations	41,000	-	41,000	9,825	31,175
Total - Instruction	17,935,220	\$ 63,791	17,999,011	17,189,896	809,115
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition to CSSD & Reg Day Schools	250,000	254,754	504,754	504,754	-
Tuition to Private Schools for the Disabled Within the State	526,705	(96,690)	430,015	145,160	284,855
Tuition - Other	400,000	(240,939)	159,061	38,550	120,511
Total Undistributed Expenditures - Instruction	1,176,705	(82,875)	1,093,830	688,464	405,366
<b>Health Services</b>					
Salaries	363,338	6,371	369,709	368,338	1,371
Purchased Professional and Technical Services	62,500	-	62,500	42,000	20,500
Supplies and Materials	20,800	6,039	26,839	19,837	7,002
Total Health Services	446,638	12,410	459,048	430,175	28,873
<b>Speech, OT, PT &amp; Related Services</b>					
Salaries	267,487	8,219	275,706	272,756	2,950
Purchased Professional- Educational Services	225,000	-	225,000	214,399	10,601
Supplies and Materials	3,000	-	3,000	875	2,125
Total Speech, OT, PT & Related Services	495,487	8,219	503,706	488,030	15,676
<b>Other Support Services - Students - Extra Services</b>					
Purchased Professional - Educational Services	315,320	19,614	334,934	331,961	2,973
Total Other Support Services - Students - Extra Serv.	315,320	19,614	334,934	331,961	2,973
<b>Guidance</b>					
Salaries of Other Prof. Staff	640,924	52,671	693,595	693,595	
Salaries of Secretarial and Clerical Assistants	188,039	(69,517)	118,522	118,277	245
Purchased Professional - Educational Services	7,000	8,346	15,346	10,471	4,875
Other Purchased Prof. and Technical Services	5,700	1,345	7,045	7,045	-
Supplies and Materials	4,300	65	4,365	2,099	2,266
Other Objects	200	-	200	-	200
Total Guidance	846,163	(7,090)	839,073	831,487	7,586
<b>Child Study Teams</b>					
Salaries of Other Professional Staff	899,323	(10,632)	888,691	846,916	41,775
Salaries of Secretarial and Clerical Assistants	113,957	5,045	119,002	119,002	-
Purchased Professional - Educational Services	18,000	(6,000)	12,000	7,135	4,865
Other Purchased Prof. and Technical Services	10,000	-	10,000	1,075	8,925
Other Purchased Services	10,000	4,000	14,000	8,888	5,112
Supplies and Materials	11,000	-	11,000	6,748	4,252
Other Objects	1,500	-	1,500	845	655
Total Child Study Teams	1,063,780	(7,587)	1,056,193	990,609	65,584
<b>Improvement of Instructional Services</b>					
Salaries of Other Professional Staff	63,250	(15,979)	47,271	47,271	-
Salaries of Secretarial and Clerical Assistants	39,264	-	39,264	39,242	22
Other Purchased Services	24,000	(7,000)	17,000	8,961	8,039
Supplies and Materials	2,500	14,444	16,944	16,122	822
Total Improvement of Instructional Services	129,014	(8,535)	120,479	111,596	8,883

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted			Actual	Variance Final To Actual
	Original Budget	Adjustments	Final Budget		
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 109,305	\$ 57,527	\$ 166,832	\$ 141,835	\$ 24,997
Other Purchased Services	5,400	-	5,400	2,766	2,634
Supplies and Materials	7,000	(2,690)	4,310	-	4,310
Total Educational Media Services/School Library	<u>121,705</u>	<u>54,837</u>	<u>176,542</u>	<u>144,601</u>	<u>31,941</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	18,000	(18,000)			
Other Purchased Prof. and Technical Services	2,500	-	2,500		2,500
Other Purchased Services	15,000	(4,261)	10,739	568	10,171
Total Instructional Staff Training Services	<u>35,500</u>	<u>(22,261)</u>	<u>13,239</u>	<u>568</u>	<u>12,671</u>
Support Services General Administration					
Salaries	380,954	74,699	455,653	439,410	16,243
Legal Services	150,000	-	150,000	132,867	17,133
Audit Fees	47,000	18,000	65,000	61,948	3,052
Architectural/Engineering Services	75,000	(20,513)	54,487	3,305	51,182
Other Purchased Professional Services	50,402	4,098	54,500	52,771	1,729
Communications/Telephone	178,550	(2,040)	176,510	145,619	30,891
BOE Other Purchased Services	8,000	(2,250)	5,750		5,750
Miscellaneous Purchased Services	152,540	27,376	179,916	177,434	2,482
General Supplies	3,500	-	3,500	1,518	1,982
BOE In-House Training/Meeting Supplies	4,500	-	4,500	2,320	2,180
Judgements Against the School District		28,910	28,910	28,910	-
Miscellaneous Expenditures	8,800	3,750	12,550	11,269	1,281
BOE Membership Due and Fees	18,500	(2,200)	16,300	15,335	965
Total Support Services General Administration	<u>1,077,746</u>	<u>129,830</u>	<u>1,207,576</u>	<u>1,072,706</u>	<u>134,870</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	647,225	31,050	678,275	678,274	1
Salaries of Other Professional Staff	554,233	19,899	574,132	570,575	3,557
Salaries of Secretarial and Clerical Assistants	418,138	32,558	450,696	448,560	2,136
Other Purchased Services	36,250	2,046	38,296	34,446	3,850
Supplies and Materials	71,572	1,531	73,103	47,344	25,759
Other Objects	6,000	3,840	9,840	8,684	1,156
Total Support Services School Administration	<u>1,733,418</u>	<u>90,924</u>	<u>1,824,342</u>	<u>1,787,883</u>	<u>36,459</u>
Central Services					
Salaries	480,913	-	480,913	476,553	4,360
Miscellaneous Purchased Services	144,300	-	144,300	67,514	76,786
Supplies and Materials	20,000	-	20,000	10,897	9,103
Miscellaneous Expenditures	7,000	-	7,000	2,144	4,856
Total Central Services	<u>652,213</u>	<u>-</u>	<u>652,213</u>	<u>557,108</u>	<u>95,105</u>
Admin. Info. Technology					
Salaries	182,580	22,867	205,447	205,447	
Other Purchased Services	337,350	(3,425)	333,925	331,791	2,134
Supplies and Materials	-	3,425	3,425	424	3,001
Total Admin. Info. Technology	<u>519,930</u>	<u>22,867</u>	<u>542,797</u>	<u>537,662</u>	<u>5,135</u>
Required Maintenance for School Facilities					
Salaries	158,576	(11,325)	147,251	131,299	15,952
Cleaning, Repairs & Maintenance Service	336,875	525,154	862,029	739,123	122,906
Lead Testing of Drinking Water	2,500	5,130	7,630	7,590	40
General Supplies	46,000	59,827	105,827	99,959	5,868
Other Objects	1,500	(405)	1,095	1,095	-
Total Required Maintenance for School Facilities	<u>545,451</u>	<u>578,381</u>	<u>1,123,832</u>	<u>979,066</u>	<u>144,766</u>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted			Actual	Variance Final To Actual
	Original Budget	Adjustments	Final Budget		
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,522,850	\$ 14,659	\$ 1,537,509	\$ 1,451,210	\$ 86,299
Purchased Professional Technical Services		27,770	27,770	22,049	5,721
Cleaning, Repairs & Maintenance Service	65,000	21,075	86,075	86,075	-
Rental of Land & Buildings Other Than Leases	200,000	-	200,000	200,000	-
Other Purchased Property Services	45,060	36,500	81,560	46,811	34,749
Insurance	255,200	11,500	266,700	266,487	213
Miscellaneous Purchased Services	1,500	-	1,500	619	881
General Supplies	77,000	(7,950)	69,050	61,582	7,468
Energy (Natural Gas)	200,800	68,950	269,750	209,868	59,882
Energy (Electricity)	696,150	(121,950)	574,200	562,687	11,513
Other Objects	9,500	(1,761)	7,739	2,201	5,538
<b>Total Custodial Services</b>	<b>3,073,060</b>	<b>48,793</b>	<b>3,121,853</b>	<b>2,909,589</b>	<b>212,264</b>
Security					
Salaries	330,000	46,565	376,565	376,565	-
Purchased Professional and Technical Services	200,000	-	200,000	200,000	-
General Supplies	35,000	22,615	57,615	56,192	1,423
<b>Total Security</b>	<b>565,000</b>	<b>69,180</b>	<b>634,180</b>	<b>632,757</b>	<b>1,423</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	359,291	(40,000)	319,291	228,154	91,137
Salaries for Pupil Transportation (Between Home and School) - Regular	221,904	7,907	229,811	229,811	-
Salaries for Pupil Transportation (Between Home and School) - Special Ed	416,189	(20,000)	396,189	202,684	193,505
Salaries for Pupil Transportation (Other than Between Home and School) -	70,000	(33,774)	36,226	36,226	-
Cleaning, Repair and Maintenance Svcs.	119,000	(3,000)	116,000	57,415	58,585
Contracted Services (Between Home and School) - Vendors	170,000	74,350	244,350	228,468	15,882
Contracted Services (Spec Ed)-ESC & CTSA	60,000	67,594	127,594	126,338	1,256
Miscellaneous Purchased Services	17,500	(17,500)	-	-	-
General Supplies	2,500	(25)	2,475	933	1,542
Transportation Supplies	132,100	(1,900)	130,200	117,461	12,739
Other Objects	15,700	1,575	17,275	9,995	7,280
<b>Total Student Transportation Services</b>	<b>1,584,184</b>	<b>35,227</b>	<b>1,619,411</b>	<b>1,237,485</b>	<b>381,926</b>
Unallocated Benefits-Employee Benefits					
Social Security Contributions	600,000	(37,810)	562,190	497,559	64,631
Other Retirement Contributions - PERS	614,636	(14,857)	599,779	597,279	2,500
Other Retirement Contributions - Regular	35,000	-	35,000	20,356	14,644
Unemployment Compensation	50,000	-	50,000	50,000	-
Worker's Compensation	470,000	(61,092)	408,908	386,130	22,778
Health Benefits	5,387,062	(566,901)	4,820,161	4,170,075	650,086
Other Employee Benefits	288,000	19,675	307,675	200,399	107,276
Unused Sick Payments to Terminated/Retired Staff	125,000	-	125,000	40,360	84,640
<b>Total Regular Programs-Instr.- Employee Benefits</b>	<b>7,569,698</b>	<b>(660,985)</b>	<b>6,908,713</b>	<b>5,962,158</b>	<b>946,555</b>
On-behalf TPAF (Non-Budget)					
NCGI Premium				89,048	(89,048)
Long Term Disability Insurance				2,516	(2,516)
Pension Contribution - Normal Cost				6,311,612	(6,311,612)
Post Retirement Medical Benefit Contribution				1,495,453	(1,495,453)
Social Security Contribution	-	-	-	1,342,696	(1,342,696)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,241,325</b>	<b>(9,241,325)</b>
<b>Total Undistributed Expenditures</b>	<b>21,951,012</b>	<b>280,949</b>	<b>22,231,961</b>	<b>28,935,230</b>	<b>(6,703,269)</b>
<b>Total - Current Expenditures</b>	<b>39,886,232</b>	<b>344,740</b>	<b>40,230,972</b>	<b>46,125,126</b>	<b>(5,894,154)</b>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted			Actual	Variance Final To Actual
	Original Budget	Adjustments	Final Budget		
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Central Services		\$ 29,949	\$ 29,949	\$ 29,949	-
Admin Info Technology		74,987	74,987	74,987	-
Care and Upkeep of Grounds		4,936	4,936	4,443	\$ 493
Custodial Services		35,360	35,360	32,378	2,982
School Buses - Special	-	75,500	75,500	-	75,500
Total Equipment	-	220,732	220,732	141,757	78,975
Facilities Acquisition and Construction Services					
Construction Services		1,812,886	1,812,886	236,949	1,575,937
Assessment for Debt Service on SDA	\$ 55,872	-	55,872	55,872	-
Total Facilities Acquisition and Constr. Services	55,872	1,812,886	1,868,758	292,821	1,575,937
Interest Deposit to Capital Reserve	400	-	400	-	400
Interest Earned on Current Expense Emergency Reserve	50	-	50	-	50
Interest Earned on Maintenance Reserve	50	-	50	-	50
Total Capital Outlay	56,372	2,033,618	2,089,990	434,578	1,655,412
Transfer of Funds to Charter Schools	203,410	81,418	284,828	273,317	11,511
Total Expenditures	40,146,014	2,459,776	42,605,790	46,833,021	(4,227,231)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,459,776)	(2,459,776)	2,817,021	5,276,797
Other Financing Sources(Uses)					
Capital Reserve-Transfer to Capital Outlay Projects	(1,845,500)	1,845,500	-	-	-
Total Other Financing Sources (Uses)	(1,845,500)	1,845,500	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,845,500)	(614,276)	(2,459,776)	2,817,021	5,276,797
Fund Balances, Beginning of Year	10,731,934	-	10,731,934	10,731,934	-
Fund Balances, End of Year	\$ 8,886,434	\$ (614,276)	\$ 8,272,158	\$ 13,548,955	\$ 5,276,797
<b>Recapitulation</b>					
Restricted:					
Capital Reserve				\$ 7,573,513	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,425,000	
Maintenance Reserve				1,025,198	
Emergency Reserve				400,000	
Unemployment Compensation Reserve				30,502	
Committed					
Year End Encumbrances				329,558	
Assigned:					
Year End Encumbrances				177,598	
Unassigned				1,587,586	
Total Fund Balance				13,548,955	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less : Last State Aid Payments not Recognized on GAAP Basis				(401,856)	
Fund Balance per Governmental Fund				\$ 13,147,099	



**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
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>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 2,333,123	\$ 4,071,861	\$ 6,404,984	\$ 3,335,878	\$ (3,069,106)
Local Sources					
Miscellaneous	-	387,948	387,948	407,323	19,375
Total Revenues	<u>2,333,123</u>	<u>4,459,809</u>	<u>6,792,932</u>	<u>3,743,201</u>	<u>(3,049,731)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	262,318	468,827	731,145	229,716	501,429
Purchased Professional Educational Services		61,411	61,411	5,250	56,161
Other Purchased Services	411,295	609,164	1,020,459	978,716	41,743
General Supplies	50,499	657,628	708,127	337,175	370,952
Co-Curricular/Extra-Curricular Activities		323,748	323,748	323,748	-
Athletic Activities		63,450	63,450	63,450	-
Other Objects	-	3,428	3,428	-	3,428
Total Instruction	<u>724,112</u>	<u>2,187,656</u>	<u>2,911,768</u>	<u>1,938,055</u>	<u>973,713</u>
Support Services					
Salaries of Teachers		35,984	35,984	4,600	31,384
Salaries of Other Professional Staff	13,650	92,460	106,110	21,256	84,854
Purchased Professional Educational Services	18,000	501,563	519,563	347,015	172,548
Employee Benefits	50,000	94,565	144,565	115,286	29,279
General Supplies	32,784	78,853	111,637	-	111,637
Scholarship Award		750	750	750	-
Other Objects	1,465,183	(1,465,183)	-	-	-
Total Support Services	<u>1,579,617</u>	<u>(661,008)</u>	<u>918,609</u>	<u>488,907</u>	<u>429,702</u>
Facilities Acquisition and Construction Svcs					
Instructional Equipment	11,394	(11,394)	-	-	-
Noninstructional Equipment	18,000	(18,000)	-	-	-
Construction Services	-	2,962,555	2,962,555	1,296,864	1,665,691
Total Facilities Acquisition and Const Svcs	<u>29,394</u>	<u>2,933,161</u>	<u>2,962,555</u>	<u>1,296,864</u>	<u>1,665,691</u>
Total Expenditures	<u>2,333,123</u>	<u>4,459,809</u>	<u>6,792,932</u>	<u>3,723,826</u>	<u>3,069,106</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	19,375	19,375
Fund Balance, Beginning of Year	<u>237,451</u>	-	<u>237,451</u>	<u>237,451</u>	-
Fund Balance, End of Year	<u>\$ 237,451</u>	<u>\$ -</u>	<u>\$ 237,451</u>	<u>\$ 256,826</u>	<u>\$ 19,375</u>
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Scholarships				\$ 877	
Student Activities				<u>255,949</u>	
				<u>\$ 256,826</u>	

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual Revenues (Budgetary Basis)	\$ 49,650,042	\$ 3,743,201
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		(576,295)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2020-2021)	432,874	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2021-2022)	<u>(401,856)</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 49,681,060</u>	<u>\$ 3,166,906</u>
<b>Uses/outflows of resources</b>		
Actual Expenditures (Budgetary Basis)	\$ 46,833,021	\$ 3,723,826
Differences - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
June 30, 2022 Encumbrances	<u>-</u>	<u>(576,295)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 46,833,021</u>	<u>\$ 3,147,531</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION INFORMATION**  
**AND**  
**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last 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)	<u>0.04906%</u>	<u>0.05082%</u>	<u>0.05160%</u>	<u>0.05224%</u>	<u>0.05313%</u>	<u>0.05575%</u>	<u>0.05432%</u>	<u>0.05372%</u>	<u>0.05384%</u>
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,812,230</u>	<u>\$ 8,287,425</u>	<u>\$ 9,298,334</u>	<u>\$ 10,286,385</u>	<u>\$ 12,366,917</u>	<u>\$ 16,510,250</u>	<u>\$ 12,194,135</u>	<u>\$ 10,057,446</u>	<u>\$ 10,289,706</u>
District's Covered Employee Payroll	<u>\$ 3,397,540</u>	<u>\$ 3,636,286</u>	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>	<u>\$ 3,617,264</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	171%	228%	259%	284%	336%	448%	324%	274%	284%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 574,583	\$ 555,947	\$ 501,961	\$ 519,649	\$ 492,157	\$ 495,236	\$ 467,021	\$ 464,094	\$ 426,440
Contributions in Relation to the Contractually Required Contributions	<u>574,583</u>	<u>555,947</u>	<u>501,961</u>	<u>519,649</u>	<u>492,157</u>	<u>495,236</u>	<u>467,021</u>	<u>464,094</u>	<u>426,440</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	<u>\$ 3,459,827</u>	<u>\$ 3,397,540</u>	<u>\$ 3,636,286</u>	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>
Contributions as a Percentage of Covered Payroll	16.61%	16.36%	13.80%	14.47%	13.57%	13.44%	12.67%	12.32%	11.62%

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

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

**TEACHERS PENSION AND ANNUITY FUND  
Last 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)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 73,484,658</u>	<u>\$ 99,646,325</u>	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
Total	<u>\$ 73,484,658</u>	<u>\$ 99,646,325</u>	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
District's Covered Employee Payroll	<u>\$ 17,728,772</u>	<u>\$ 17,259,881</u>	<u>\$ 16,718,008</u>	<u>\$ 15,964,944</u>	<u>\$ 15,521,054</u>	<u>\$ 15,167,830</u>	<u>\$ 14,823,127</u>	<u>\$ 14,925,265</u>	<u>\$ 14,492,650</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee 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.

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

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 4,430,279	\$ 2,400,268	\$ 2,126,199	\$ 2,443,853	\$ 2,923,049
Interest on the Total OPEB Liability	2,063,181	1,955,129	2,333,333	2,516,410	2,179,386
Changes of Benefit Terms	(84,654)				
Differences Between Expected and Actual Experience	(15,312,433)	16,453,385	(8,406,283)	(6,306,297)	
Changes of Assumptions	78,466	16,427,311	808,322	(6,766,689)	(9,063,233)
Gross Benefit Payments	(1,625,208)	(1,565,625)	(1,664,181)	(1,576,740)	(1,663,310)
Contribution from the Member	<u>52,745</u>	<u>47,454</u>	<u>49,331</u>	<u>54,495</u>	<u>61,247</u>
Net Change in Total OPEB Liability	(10,397,624)	35,717,922	(4,753,279)	(9,634,968)	(5,562,861)
Total OPEB Liability - Beginning	<u>89,931,040</u>	<u>54,213,118</u>	<u>58,966,397</u>	<u>68,601,365</u>	<u>74,164,226</u>
Total OPEB Liability - Ending	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
District's Proportionate Share	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
Total OPEB Liability - Ending	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
Covered Payroll	<u>\$ 21,126,312</u>	<u>\$ 20,896,167</u>	<u>\$ 20,309,753</u>	<u>\$ 19,591,516</u>	<u>\$ 19,205,530</u>
District's Proportionate Share of the OPEB Liability as a Percentage of Covered Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



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

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SPECIAL REVENUE FUND**

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ESEA					I.D.E.A. Basic	I.D.E.A. Preschool	ARP I.D.E.A. Basic	Coronavirus Relief Grant	Scholarship	Student Activities	Total Exhibit E-1a	Totals
	Title I	Title IIA	Title III	Title III Immigrant	Title IV								
<b>REVENUES</b>													
Intergovernmental													
Federal	\$ 360,956	\$ 68,306	\$ 13,379	\$ 4,102	\$ 18,192	\$ 532,245	\$ 10,245	\$ 82,400	\$ 800			\$ 2,245,253	\$ 3,335,878
Local	-	-	-	-	-	-	-	-	-	\$ 1,498	\$ 405,825	-	407,323
Total Revenues	<u>\$ 360,956</u>	<u>\$ 68,306</u>	<u>\$ 13,379</u>	<u>\$ 4,102</u>	<u>\$ 18,192</u>	<u>\$ 532,245</u>	<u>\$ 10,245</u>	<u>\$ 82,400</u>	<u>\$ 800</u>	<u>\$ 1,498</u>	<u>\$ 405,825</u>	<u>2,245,253</u>	<u>\$ 3,743,201</u>
<b>EXPENDITURES</b>													
Instruction													
Salaries of Teachers	\$ 197,816	\$ 9,500							\$ 800			\$ 21,600	\$ 229,716
Purchased Professional Educational Services												5,250	5,250
Other Purchased Services						\$ 532,245		\$ 82,400				364,071	978,716
General Supplies	30,070	6,587	\$ 12,879	\$ 4,102	\$ 17,598		\$ 10,245					255,694	337,175
Co-Curricular/Extra-Curricular Activities											\$ 323,748		323,748
Athletic Activities	-	-	-	-	-	-	-	-	-	-	63,450	-	63,450
Total Instruction	<u>227,886</u>	<u>16,087</u>	<u>12,879</u>	<u>4,102</u>	<u>17,598</u>	<u>532,245</u>	<u>10,245</u>	<u>82,400</u>	<u>800</u>	<u>-</u>	<u>387,198</u>	<u>646,615</u>	<u>1,938,055</u>
Support Services													
Salaries of Teachers												4,600	4,600
Salaries of Other Professional Staff	17,784	2,630	248		594							-	21,256
Purchased Professional Educational Services		49,589	252									297,174	347,015
Employee Benefits	115,286											-	115,286
Scholarship Awards	-	-	-	-	-	-	-	-	-	\$ 750	-	-	750
Total Support Services	<u>133,070</u>	<u>52,219</u>	<u>500</u>	<u>-</u>	<u>594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>301,774</u>	<u>488,907</u>
Facilities Acquisition and Construction Svs													
Construction Services	-	-	-	-	-	-	-	-	-	-	-	1,296,864	1,296,864
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,296,864</u>	<u>1,296,864</u>
Total Expenditures	<u>\$ 360,956</u>	<u>\$ 68,306</u>	<u>\$ 13,379</u>	<u>\$ 4,102</u>	<u>\$ 18,192</u>	<u>\$ 532,245</u>	<u>\$ 10,245</u>	<u>\$ 82,400</u>	<u>\$ 800</u>	<u>\$ 750</u>	<u>387,198</u>	<u>2,245,253</u>	<u>\$ 3,723,826</u>
Net Changes in Fund Balance	-	-	-	-	-	-	-	-	-	748	18,627	-	19,375
Fund Balance, Beginning of the Year	-	-	-	-	-	-	-	-	-	129	237,322	-	237,451
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 877</u>	<u>\$ 255,949</u>	<u>-</u>	<u>\$ 256,826</u>

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	CRRSA			American Rescue Plan (ARP)				ACSERS Aid	Totals
	ESSER II	Learning	Mental	ESSER III	Accelerated	NJTSS	Homeless		
		Acceleration	Health		Learning	Mental	Children and		
				Coach	Health	Youth			
<b>REVENUES</b>									
Intergovernmental									
Federal	\$ 1,334,510	\$ 26,850	\$ 34,560	\$ 461,540	\$ 18,722	\$ 5,000	\$ 10,165	\$ 353,906	\$ 2,245,253
Local	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 1,334,510</u>	<u>\$ 26,850</u>	<u>\$ 34,560</u>	<u>\$ 461,540</u>	<u>\$ 18,722</u>	<u>\$ 5,000</u>	<u>\$ 10,165</u>	<u>\$ 353,906</u>	<u>\$ 2,245,253</u>
<b>EXPENDITURES</b>									
<b>Instruction</b>									
Salaries of Teachers		\$ 21,600							\$ 21,600
Purchased Professional Educational Services		5,250							5,250
Other Purchased Services							\$ 10,165	\$ 353,906	364,071
General Supplies	\$ 37,646			\$ 194,326	\$ 18,722	\$ 5,000			255,694
Co-Curricular/Extra-Curricular Activities									-
Athletic Activities									-
Other Objects	-	-	-	-	-	-	-	-	-
Total Instruction	<u>37,646</u>	<u>26,850</u>	<u>-</u>	<u>194,326</u>	<u>18,722</u>	<u>5,000</u>	<u>10,165</u>	<u>353,906</u>	<u>646,615</u>
<b>Support Services</b>									
Salaries of Teachers			\$ 4,600						4,600
Salaries of Other Professional Staff									-
Purchased Professional Educational Services			29,960	267,214					297,174
Other Purchased Prof. Services									-
Employee Benefits									-
General Supplies									-
Scholarship Awards	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>34,560</u>	<u>267,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,774</u>
<b>Facilities Acquisition and Construction Svs</b>									
Construction Services	1,296,864	-	-	-	-	-	-	-	1,296,864
Total Facilities Acquisition and Const Svs	<u>1,296,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,296,864</u>
Total Expenditures	<u>\$ 1,334,510</u>	<u>\$ 26,850</u>	<u>\$ 34,560</u>	<u>\$ 461,540</u>	<u>\$ 18,722</u>	<u>\$ 5,000</u>	<u>\$ 10,165</u>	<u>353,906</u>	<u>\$ 2,245,253</u>
Net Changes in Fund Balance	-	-	-	-	-	-	-	-	-
Fund Balance, Beginning of the Year	-	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CAPITAL PROJECTS FUND**

SECAUCUS BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Middle School Renovations and Expansion Project	\$ 27,400,000	\$ 27,397,671	\$ -	\$ 2,329
	<u>\$ 27,400,000</u>	<u>\$ 27,397,671</u>	<u>\$ -</u>	<u>\$ 2,329</u>
<b>Recapitulation of Balance</b>				
Restricted for Capital Projects:				
				\$ 2,329
				<u>\$ 2,329</u>
				<u>\$ 2,329</u>

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

**Expenditures and Other Financing Uses**

Construction Services	\$	-
Other Objects		-
		<hr/>
Total Expenditures and Other Financing Uses		-
		<hr/>
Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources		-
Fund Balance, Beginning of Year		<hr/> 2,329
Fund Balance, End of Year	\$	<hr/> <hr/> 2,329
 <b><u>Reconciliation to GAAP Basis</u></b>		
Fund Balance, June 30, 2022 - Budgetary Basis	\$	<hr/> 2,329
Fund Balance, June 30, 2022 - GAAP Basis	\$	<hr/> <hr/> 2,329

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MIDDLE SCHOOL RENOVATIONS AND EXPANSION PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 27,400,000	-	\$27,400,000	\$27,400,000
 Total Revenues	 <u>27,400,000</u>	 <u>-</u>	 <u>27,400,000</u>	 <u>27,400,000</u>
<b>Expenditures and Other Financing Uses</b>				
Legal	108,774		108,774	129,063
Purchased Professional and Technical Services	2,351,676		2,351,676	3,010,871
Construction Services	23,688,346		23,688,346	21,708,135
Equipment	896,562		896,562	606,000
Other Objects	352,313	-	352,313	1,945,931
 Total Expenditures	 <u>27,397,671</u>	 <u>-</u>	 <u>27,397,671</u>	 <u>27,400,000</u>
 Excess of Revenue Over Expenditures	 <u>\$ 2,329</u>	 <u>\$ -</u>	 <u>\$ 2,329</u>	 <u>\$ -</u>

**Additional Project Information:**

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



**ENTERPRISE FUNDS**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

SECAUCUS BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF BONDS PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
School Bonds Series 2014	7/16/2014	\$ 27,400,000	8/15/2022	\$ 1,220,000	3.00%			
			8/15/2023	1,255,000	3.00%			
			8/15/2024	1,290,000	3.00%			
			8/15/2025	1,330,000	3.00%			
			8/15/2026	1,375,000	3.00%			
			8/15/2027	1,425,000	3.125%			
			8/15/2028	1,475,000	3.125%			
			8/15/2029	1,535,000	3.250%			
			8/15/2030	1,595,000	3.375%			
			8/15/2031	1,660,000	3.500%			
			8/15/2032	1,725,000	3.625%			
			8/15/2033	1,795,000	4.000%			
			8/15/2034	1,870,000	4.000%			
						<u>\$ 20,745,000</u>	<u>\$ 1,195,000</u>	<u>\$ 19,550,000</u>
						<u>\$ 20,745,000</u>	<u>\$ 1,195,000</u>	<u>\$ 19,550,000</u>

**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF CAPITAL AND OTHER FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Capital Financing Agreements**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2021</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Phone System	3.96%	\$ 151,650	\$ 99,496	\$ 30,084	\$ 69,412
			<u>\$ 99,496</u>	<u>\$ 30,084</u>	<u>\$ 69,412</u>

**Other Financing Agreements**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2021</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
Chromebooks	4.35%	74,340	\$ 18,963	\$ 18,963	
Chromebooks	4.28%	69,500	26,023	18,200	\$ 7,823
Chromebooks	4.51%	228,145	100,076	59,142	40,934
Chromebooks	3.57%	177,390	99,224	44,843	54,381
			<u>\$ 244,286</u>	<u>\$ 141,148</u>	<u>\$ 103,138</u>

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final to Actual</u>
	<u>Original</u>	<u>Transfers</u>	<u>Final</u>		
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,233,276		\$ 1,233,276	\$ 1,233,276	
State Sources					
Debt Service Aid	<u>635,324</u>	<u>-</u>	<u>635,324</u>	<u>635,324</u>	<u>-</u>
Total Revenues	<u>1,868,600</u>	<u>-</u>	<u>1,868,600</u>	<u>1,868,600</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal	1,195,000		1,195,000	1,195,000	
Interest	<u>673,600</u>	<u>-</u>	<u>673,600</u>	<u>673,600</u>	<u>-</u>
Total Expenditures	<u>673,600</u>	<u>-</u>	<u>673,600</u>	<u>673,600</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>1,195,000</u>	<u>-</u>	<u>1,195,000</u>	<u>1,195,000</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,195,000</u>	<u>\$ -</u>	<u>\$ 1,195,000</u>	<u>\$ 1,195,000</u>	<u>\$ -</u>

## STATISTICAL SECTION

This part of the Secaucus Board of Education's annual comprehensive 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 district's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Deb	\$ 15,980,330	\$ 14,720,735	\$ 18,324,882	\$ 20,860,209	\$ 22,249,472	\$ 23,569,792	\$ 23,627,355	\$ 24,608,429	\$ 25,321,865	\$ 25,840,528
Restricted	620,909	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,753,680	8,693,843	11,311,039
Unrestricted	(695,185)	(10,872,549)	(9,889,492)	(10,389,772)	(12,124,730)	(12,612,423)	(12,618,632)	(12,782,084)	(11,666,907)	(10,144,178)
<b>Total Governmental Activities Net Position</b>	<b>\$ 15,906,054</b>	<b>\$ 7,731,050</b>	<b>\$ 9,316,675</b>	<b>\$ 12,421,365</b>	<b>\$ 13,166,487</b>	<b>\$ 15,307,199</b>	<b>\$ 16,345,223</b>	<b>\$ 18,580,025</b>	<b>\$ 22,348,801</b>	<b>\$ 27,007,389</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Deb	\$ 43,431	\$ 28,954	\$ 28,276	\$ 36,209	\$ 32,804	\$ 193,493	\$ 198,407	\$ 179,069	\$ 159,902	\$ 193,524
Unrestricted	442,657	565,638	679,034	818,123	944,824	857,206	829,953	738,992	1,088,520	938,269
<b>Total Business-Type Activities Net Position</b>	<b>\$ 486,088</b>	<b>\$ 594,592</b>	<b>\$ 707,310</b>	<b>\$ 854,332</b>	<b>\$ 977,628</b>	<b>\$ 1,050,699</b>	<b>\$ 1,028,360</b>	<b>\$ 918,061</b>	<b>\$ 1,248,422</b>	<b>\$ 1,131,793</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Deb	\$ 16,023,761	\$ 14,749,689	\$ 18,353,158	\$ 20,896,418	\$ 22,282,276	\$ 23,763,285	\$ 23,825,762	\$ 24,787,498	\$ 25,481,767	\$ 26,034,052
Restricted	620,909	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,753,680	8,693,843	11,311,039
Unrestricted	(252,528)	(10,306,911)	(9,210,458)	(9,571,649)	(11,179,906)	(11,755,217)	(11,788,679)	(12,043,092)	(10,578,387)	(9,205,909)
<b>Total District Net Position</b>	<b>\$ 16,392,142</b>	<b>\$ 8,325,642</b>	<b>\$ 10,023,985</b>	<b>\$ 13,275,697</b>	<b>\$ 14,144,115</b>	<b>\$ 16,357,898</b>	<b>\$ 17,373,583</b>	<b>\$ 19,498,086</b>	<b>\$ 23,597,223</b>	<b>\$ 28,139,182</b>

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

Note 2 - Net position at June 30, 2020 is restated to reflect the implementation of GASB 84, "Fiduciary Activities".



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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 18,455,000	\$ 17,287,422	\$ 17,891,698	\$ 18,631,672	\$ 21,972,466	\$ 22,669,639	\$ 21,507,249	\$ 20,756,782	\$ 23,058,564	\$ 19,892,050
Special Education	3,146,845	3,077,142	5,299,019	5,636,227	5,873,674	6,058,490	6,686,059	6,900,384	6,917,989	7,207,913
Other Special Instruction	290,070	262,571								
Other Instruction	1,212,538	1,166,714	438,715	585,582	546,407	462,428	434,110	548,883	603,970	589,297
School Sponsored Activities And Athletics			1,345,392	1,406,365	1,554,978	1,579,347	1,398,894	1,378,398	1,489,183	1,730,961
Community Services			42,123	40,068	44,379	49,365	51,720	52,708	4,637	12,488
Support Services:										
Tuition	192,571	394,392								
Student & Instruction Related Services	3,652,990	3,622,645	4,394,143	4,600,464	5,129,110	5,246,723	4,877,420	4,764,119	5,730,596	5,311,587
School Administration Services	1,783,165	1,250,439	2,429,217	2,789,015	2,974,427	2,866,244	2,815,991	2,529,611	2,912,271	2,685,042
General Administrative Services	1,807,722	1,966,545	1,005,038	1,046,506	1,210,746	1,277,129	1,208,780	1,125,856	1,181,161	1,270,298
Business/Central Services	587,510	735,185	1,221,673	1,267,410	1,430,431	1,434,535	1,254,064	1,121,975	1,160,327	1,252,625
Administration of Information Technology	450,274	442,727								
Plant Operations And Maintenance	3,493,530	4,072,940	4,802,450	5,135,538	6,377,866	6,150,870	6,035,771	5,928,702	6,280,124	6,588,128
Pupil Transportation	1,202,110	1,364,581	1,756,128	1,640,332	1,939,996	1,924,270	1,994,340	1,685,783	1,230,309	1,631,008
Transfer to Charter School	40,985	53,088								
Interest On Long-Term Debt	195,837	-	965,431	948,658	896,480	832,525	792,148	760,526	714,387	671,283
<b>Total Governmental Activities Expenses</b>	<b>36,511,147</b>	<b>35,696,391</b>	<b>41,591,027</b>	<b>43,727,837</b>	<b>49,950,960</b>	<b>50,551,565</b>	<b>49,056,546</b>	<b>47,553,727</b>	<b>51,283,518</b>	<b>48,842,680</b>
<b>Business-Type Activities:</b>										
Enterprise Fund	1,716,826	1,712,055	938,181	896,165	967,022	1,062,094	1,170,158	980,990	759,403	1,458,393
<b>Total Business-Type Activities</b>	<b>1,716,826</b>	<b>1,712,055</b>	<b>938,181</b>	<b>896,165</b>	<b>967,022</b>	<b>1,062,094</b>	<b>1,170,158</b>	<b>980,990</b>	<b>759,403</b>	<b>1,458,393</b>
<b>Total District Expenses</b>	<b>\$ 38,227,973</b>	<b>\$ 37,408,446</b>	<b>\$ 42,529,208</b>	<b>\$ 44,624,002</b>	<b>\$ 50,917,982</b>	<b>\$ 51,613,659</b>	<b>\$ 50,226,704</b>	<b>\$ 48,534,717</b>	<b>\$ 52,042,921</b>	<b>\$ 50,301,073</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Regular			\$ 3,200	\$ 9,050		\$ 124,950	\$ 87,780	\$ 53,420	\$ 8,000	\$ 8,400
Plant Operations and Maintenance										
School Sponsored Activities And Athletics									127,966	405,825
Student Instruction										1,498
Transportation			33,850		13,782					-
Operating Grants And Contributions	\$ 3,875,799	\$ 3,913,673	8,395,904	10,318,266	13,579,378	14,501,964	12,407,342	11,200,155	16,073,215	13,724,351
Capital Grants And Contributions	-	-	-	-	-	-	58,545	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,875,799</b>	<b>3,913,673</b>	<b>8,432,954</b>	<b>10,327,316</b>	<b>13,593,160</b>	<b>14,626,914</b>	<b>12,553,667</b>	<b>11,253,575</b>	<b>16,209,181</b>	<b>14,140,074</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	618,136	621,045	646,804	648,083	685,843	722,056	717,140	464,715	5,941	71,710
Technology Program								37,209	56,732	70,907
Operating Grants And Contributions	315,849	356,729	404,095	395,104	404,475	413,109	430,679	368,767	1,027,091	1,199,147
<b>Total Business Type Activities Program Revenues</b>	<b>933,985</b>	<b>977,774</b>	<b>1,050,899</b>	<b>1,043,187</b>	<b>1,090,318</b>	<b>1,135,165</b>	<b>1,147,819</b>	<b>870,691</b>	<b>1,089,764</b>	<b>1,341,764</b>
<b>Total District Program Revenues</b>	<b>\$ 4,809,784</b>	<b>\$ 4,891,447</b>	<b>\$ 9,483,853</b>	<b>\$ 11,370,503</b>	<b>\$ 14,683,478</b>	<b>\$ 15,762,079</b>	<b>\$ 13,701,486</b>	<b>\$ 12,124,266</b>	<b>\$ 17,298,945</b>	<b>\$ 15,481,838</b>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (32,635,348)	\$ (31,782,718)	\$ (33,158,073)	\$ (33,400,521)	\$ (36,357,800)	\$ (35,924,651)	\$ (36,502,879)	\$ (36,300,152)	\$ (35,074,337)	\$ (34,702,606)
Business-Type Activities	(782,841)	(734,281)	112,718	147,022	123,296	73,071	(22,339)	(110,299)	330,361	(116,629)
<b>Total District-Wide Net Expense</b>	<b>\$ (33,418,189)</b>	<b>\$ (32,516,999)</b>	<b>\$ (33,045,355)</b>	<b>\$ (33,253,499)</b>	<b>\$ (36,234,504)</b>	<b>\$ (35,851,580)</b>	<b>\$ (36,525,218)</b>	<b>\$ (36,410,451)</b>	<b>\$ (34,743,976)</b>	<b>\$ (34,819,235)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 31,506,805	\$ 32,311,941	\$ 32,748,152	\$ 33,321,245	\$ 33,987,669	\$ 34,667,422	\$ 35,360,770	\$ 36,067,984	\$ 36,789,344	\$ 37,517,774
Taxes Levied For Debt Service	1,265,839	1,276,826	1,877,925	2,368,408	2,413,708	2,526,693	1,554,633	1,534,459	1,512,240	1,233,276
Federal and State Aid - Restricted				573,563	465,009	472,476	409,149	416,662	425,386	406,300
Federal and State Aid - Unrestricted	1,153,722	1,153,386	39,072	42,688	62,119	64,682	4,859			-
Investment Earnings			41,595	37,644						-
Miscellaneous Income	624,363	637,242	36,954	161,663	174,417	334,090	211,492	196,694	116,143	203,844
Transfers	(930,760)	(884,624)	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>33,619,969</b>	<b>34,494,771</b>	<b>34,743,698</b>	<b>36,505,211</b>	<b>37,102,922</b>	<b>38,065,363</b>	<b>37,540,903</b>	<b>38,215,799</b>	<b>38,843,113</b>	<b>39,361,194</b>
Business-Type Activities:										
Transfers	913,486	842,784	-	-	-	-	-	-	-	-
Miscellaneous Income	4,219	-	42,688	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>917,705</b>	<b>842,784</b>	<b>42,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 34,537,674</b>	<b>\$ 35,337,555</b>	<b>\$ 34,786,386</b>	<b>\$ 36,505,211</b>	<b>\$ 37,102,922</b>	<b>\$ 38,065,363</b>	<b>\$ 37,540,903</b>	<b>\$ 38,215,799</b>	<b>\$ 38,843,113</b>	<b>\$ 39,361,194</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 984,621	\$ 2,712,053	\$ 1,585,625	\$ 3,104,690	\$ 745,122	\$ 2,140,712	\$ 1,038,024	\$ 1,915,647	\$ 3,768,776	\$ 4,658,588
Business-Type Activities	134,864	108,503	155,406	147,022	123,296	73,071	(22,339)	(110,299)	330,361	(116,629)
<b>Total District</b>	<b>\$ 1,119,485</b>	<b>\$ 2,820,556</b>	<b>\$ 1,741,031</b>	<b>\$ 3,251,712</b>	<b>\$ 868,418</b>	<b>\$ 2,213,783</b>	<b>\$ 1,015,685</b>	<b>\$ 1,805,348</b>	<b>\$ 4,099,137</b>	<b>\$ 4,541,959</b>

Note 1 - Changes in Net Position for the year ended June 30, 2020 is restated to reflect the implementation of GASB 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Fund										
Reserved	\$ 686,816	\$ 1,761,756								
Unreserved	771,330	766,083								
Restricted			\$ 1,548,141	\$ 2,604,017	\$ 3,841,745	\$ 5,099,830	\$ 5,936,500	\$ 6,917,446	\$ 8,806,392	\$ 11,454,213
Committed			302,900	387,343	133,001				187,718	329,558
Assigned			796,128	488,021	377,484	285,887	133,733	127,783	130,417	177,598
Unassigned	-	-	470,999	478,988	492,560	512,886	505,723	462,212	1,174,533	1,185,730
<b>Total General Fund</b>	<b>\$ 1,458,146</b>	<b>\$ 2,527,839</b>	<b>\$ 3,118,168</b>	<b>\$ 3,958,369</b>	<b>\$ 4,844,790</b>	<b>\$ 5,898,603</b>	<b>\$ 6,575,956</b>	<b>\$ 7,507,441</b>	<b>\$ 10,299,060</b>	<b>\$ 13,147,099</b>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 61,183	\$ 2,121,108	\$ 23,794,552	\$ 6,309,981	\$ 962,971	\$ 437,398	\$ 385,919	\$ 327,084	\$ 239,780	\$ 259,155
<b>Total All Other Governmental Funds</b>	<b>\$ 61,183</b>	<b>\$ 2,121,108</b>	<b>\$ 23,794,552</b>	<b>\$ 6,309,981</b>	<b>\$ 962,971</b>	<b>\$ 437,398</b>	<b>\$ 385,919</b>	<b>\$ 327,084</b>	<b>\$ 239,780</b>	<b>\$ 259,155</b>

Note 1 - Fund Balances at June 30, 2020 are restated to reflect the implementation of GASB 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property Taxes	\$ 32,772,644	\$ 33,588,767	\$ 34,626,077	\$ 35,689,653	\$ 36,401,377	\$ 37,194,115	\$ 36,915,403	\$ 37,602,443	\$ 38,301,584	\$ 38,751,050
Other Local Governmental Units-Restricted	72,228	1,375	3,200	9,050						
Tuition Charges	4,125	4,125				124,950	87,780	53,420	8,000	8,400
Interest Earnings										
Rents and Royalties				65,041	51,681	72,203	66,514	46,715	12,715	850
Restricted Revenue from Intermediate Sources		83,385	33,850	13,442	13,782					-
Miscellaneous	548,010	548,357	175,718	120,824	122,736	261,887	144,978	149,979	232,049	610,317
State Sources	4,318,938	4,268,224	4,088,104	5,728,295	6,054,287	6,858,840	7,961,112	8,546,317	10,054,057	12,553,310
Federal Sources	720,436	798,836	896,511	861,490	905,861	786,495	1,062,966	1,055,291	1,451,692	2,792,639
<b>Total Revenue</b>	<b>38,436,381</b>	<b>39,293,069</b>	<b>39,823,460</b>	<b>42,487,795</b>	<b>43,549,724</b>	<b>45,298,490</b>	<b>46,238,753</b>	<b>47,454,165</b>	<b>50,060,097</b>	<b>54,716,566</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	11,949,947	12,044,626	15,709,509	15,933,860	17,195,586	18,253,198	19,499,704	19,385,759	20,124,572	20,793,617
Special Education Instruction	2,094,337	2,183,184	4,889,398	5,101,040	4,987,977	5,277,013	6,302,599	6,646,555	6,309,556	7,500,684
Other Special Instruction	188,751	180,019								
Other Instruction	979,481	958,536	393,617	508,514	437,645	384,912	399,678	518,215	536,461	613,461
School Sponsored Activities and Athletics			1,189,777	1,209,951	1,218,386	1,279,193	1,268,059	1,290,187	1,316,298	1,795,752
Community Services			41,525	38,301	38,042	43,562	50,813	53,741	4,485	14,028
<b>Support Services:</b>										
Tuition	192,571	394,392								
Student and Inst. Related Services	2,938,415	3,000,150	3,986,083	4,062,874	4,184,282	4,394,443	4,524,357	4,508,397	5,124,297	5,508,297
General Administration Services	1,660,104	884,507	968,588	993,383	1,093,413	1,171,126	1,172,461	1,109,385	1,128,951	1,326,917
School Administration Services	1,169,597	1,615,653	2,194,588	2,439,118	2,356,554	2,340,776	2,570,976	2,390,603	2,575,411	2,850,059
Central Services	467,521	131,002								
Administration of Information Technology	398,242	363,731								
Plant Operations And Maintenance	3,013,492	3,346,203	3,970,609	4,209,721	4,630,399	4,378,138	4,572,205	4,508,195	4,666,024	5,353,616
Pupil Transportation	1,135,591	1,121,098	1,620,705	1,492,560	1,557,112	1,587,676	1,817,242	1,532,970	1,002,072	1,535,614
Business/Central Services		473,003	1,164,975	1,195,051	1,216,041	1,247,351	1,191,521	1,093,894	1,085,299	1,343,498
Employee Benefits	9,127,227	9,077,269								
Transfer to Charter School	40,985	53,088								
Capital Outlay	781,705	1,175,539	3,290,438	18,221,641	5,697,524	1,223,759	499,827	1,683,586	1,132,427	1,142,740
Principal	1,070,000	1,115,000	1,936,598	2,744,828	2,477,761	2,329,472	1,457,283	1,578,180	1,617,486	1,386,142
Interest and Other Charges	195,837	161,826	674,370	981,323	919,591	859,631	809,789	778,393	732,443	684,727
<b>Total Expenditures</b>	<b>37,403,803</b>	<b>38,278,826</b>	<b>42,030,780</b>	<b>59,132,165</b>	<b>48,010,313</b>	<b>44,770,250</b>	<b>46,136,514</b>	<b>47,078,060</b>	<b>47,355,782</b>	<b>51,849,152</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,032,578	1,014,243	(2,207,320)	(16,644,370)	(4,460,589)	528,240	102,239	376,105	2,704,315	2,867,414
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds							523,635	177,390		
Bond Proceeds		3,000,000	27,400,000							
State Grants Receivable Cancelled	(17,273)	(41,840)								
Transfers to Cover Deficit - Food Service		(842,784)								
Transfers In			2	257	150,533					
Transfers Out	(913,486)	-	(2)	(257)	(150,533)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(930,759)</b>	<b>2,115,376</b>	<b>27,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>523,635</b>	<b>177,390</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 101,819</b>	<b>\$ 3,129,619</b>	<b>\$ 25,192,680</b>	<b>\$ (16,644,370)</b>	<b>\$ (4,460,589)</b>	<b>\$ 528,240</b>	<b>\$ 625,874</b>	<b>\$ 553,495</b>	<b>\$ 2,704,315</b>	<b>\$ 2,867,414</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.46%	3.44%	6.74%	9.11%	8.03%	7.32%	4.97%	5.19%	5.08%	4.08%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Year</u>	<u>Interlocal Agreements</u>	<u>Tuition</u>	<u>Interest Earned on Investments</u>	<u>Miscellaneous</u>	<u>Sale of Assets</u>	<u>Total</u>
2013	\$ 66,756	\$ 4,125	\$ 1,597	\$ 52,928		\$ 125,406
2014	31,862	4,125	1,393	412,448		449,828
2015	33,850	3,200	41,593	36,954		115,597
2016	13,442	9,050	37,130	145,918	\$ 2,560	208,100
2017	13,782	8,122	17,765	148,530		188,199
2018	4,200	124,950	29,317	298,473	2,100	459,040
2019		87,780	51,713	159,779		299,272
2020		53,420	100,628	96,066		250,114
2021		8,000	16,569	99,574		124,143
2022		8,400	10,971	192,873		212,244

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2013	\$ 62,317,200	\$ 816,160,000			\$ 819,622,775	\$ 807,360,900	\$ 41,712,200	\$ 2,547,173,075	\$ 3,185,224	\$ 2,550,358,299	\$ 4,955,875,892	\$ 1.30
2014	65,552,700	809,674,400			780,089,475	826,429,600	54,043,000	2,535,789,175	2,903,044	2,538,692,219	4,789,253,168	1.34
2015	60,295,500	867,609,000			799,892,975	869,802,300	54,043,000	2,651,642,775	3,339,721	2,654,982,496	4,402,341,949	1.41
2016	60,427,100	865,092,000			797,560,475	867,274,300	56,537,100	2,646,890,975	3,293,675	2,650,184,650	4,577,186,263	1.36
2017	60,578,100	829,147,250			892,345,175	906,471,500	65,058,400	2,753,600,425	3,232,106	2,756,832,531	4,832,900,084	1.30
2018	59,458,100	833,569,750			903,258,175	906,966,800	65,058,400	2,768,311,225	3,258,237	2,771,569,462	4,898,813,081	1.34
2019	52,745,100	838,410,850			922,260,875	939,627,600	64,763,400	2,817,807,825	3,336,160	2,821,143,985	5,472,494,946	1.32
2020	52,417,300	845,440,750			919,485,575	936,428,450	63,663,400	2,817,435,475	3,352,759	2,820,788,234	5,550,541,721	1.35
2021	52,675,600	848,416,150			920,609,275	940,545,350	63,663,400	2,825,909,775	3,488,259	2,829,398,034	5,688,048,937	1.36
2022	53,501,800	850,806,050			899,861,775	978,187,100	63,663,400	2,846,020,125	3,840,357	2,849,860,482	5,307,569,560	1.37

Source: County Abstract of Ratables

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

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

<b>Calendar Year</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2013	\$ 3.76	\$ 1.30	\$ 1.40	\$ 1.06
2014	3.77	1.34	1.40	1.03
2015	3.70	1.41	1.39	0.90
2016	3.71	1.36	1.43	0.92
2017	3.61	1.30	1.44	0.87
2018	3.61	1.34	1.48	0.79
2019	3.71	1.32	1.56	0.83
2020	3.74	1.35	1.64	0.75
2021	3.77	1.36	1.64	0.77
2022	3.76	1.37	1.69	0.71

Source: Tax Duplicate, Township of Secaucus

**SECAUCUS 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
Fraternity Meadows LLC	\$ 143,965,900	5.05%	PMP 500 Plaza Corp	\$ 48,477,600	1.90%
Hancock S REIT SECA Corp	63,251,200	2.22%	300-400 Park Plaza Drive Inc	41,679,000	1.63%
800 Secaucus LLC % Hartz	57,246,700	2.01%	755 Secaucus Road	35,548,900	1.39%
755 Secaucus LLC % Hartz	52,695,800	1.85%	Fraternity Meadows LLC	33,793,600	1.33%
HMGL LLC	48,702,200	1.71%	Mill Creek Mall LLC	33,158,200	1.30%
Hartz Enterprise LLC	45,773,300	1.61%	800 Secaucus LLC	31,672,000	1.24%
Coresite RE 2 Emerson Lane LLC	41,448,600	1.45%	BT Newyo LLC	30,900,500	1.21%
Fraternity Meadows LLC	39,256,400	1.38%	50 Meadowland Parkway LLC	30,439,400	1.19%
NY2 Hartz Way LLC	38,021,400	1.33%	Gaia 200 Plaza Drive	28,857,400	1.13%
50 Meadowland Parkway LLC	35,985,800	1.26%	400 Plaza Dr Inc	25,801,500	1.01%
	<u>\$ 566,347,300</u>	<u>19.87%</u>		<u>\$ 340,328,100</u>	<u>13.34%</u>

Source: Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 33,180,707	\$ 33,180,707	100.00%	N/A
2014	34,107,422	34,107,422	100.00%	N/A
2015	34,626,077	34,626,075	99.99%	\$ 2
2016	35,689,653	35,689,653	100.00%	N/A
2017	36,401,377	36,401,377	100.00%	N/A
2018	37,194,115	37,194,115	100.00%	N/A
2019	36,915,403	36,915,403	100.00%	N/A
2020	37,602,443	37,602,443	100.00%	N/A
2021	37,602,443	37,602,443	100.00%	N/A
2022	38,751,050	38,751,050	100.00%	N/A

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				<u>Total District</u>	<u>Population (1)</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Financing Agreements</u>	<u>Bond Anticipation Notes (BANs)</u>			
2013	\$ 6,675,000		\$ 2,153,763		\$ 8,828,763	18,001	\$ 490
2014	5,560,000		1,453,838	\$ 3,000,000	10,013,838	18,091	554
2015	31,810,000		688,492		32,498,492	18,156	1,790
2016	29,585,000		168,664		29,753,664	18,827	1,580
2017	27,305,000				27,305,000	19,560	1,396
2018	24,990,000				24,990,000	19,686	1,269
2019	23,595,000		476,975		24,071,975	20,634	1,167
2020	22,180,000		508,097		22,688,097	21,936	1,034
2021	20,745,000		99,496		20,844,496	21,602	965
2022	19,550,000		69,412		19,619,412	21,295	921

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2013	\$ 6,675,000		\$ 6,675,000	0.26%	\$ 371
2014	5,560,000		5,560,000	0.22%	307
2015	31,810,000		31,810,000	1.20%	1,752
2016	29,585,000		29,585,000	1.12%	1,571
2017	27,305,000		27,305,000	0.99%	1,396
2018	24,990,000		24,990,000	0.90%	1,269
2019	23,595,000		23,595,000	0.84%	1,144
2020	22,180,000		22,180,000	0.79%	1,011
2021	20,745,000		20,745,000	0.73%	960
2022	19,550,000		19,550,000	0.69%	918

Source: District records

**SECAUCUS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2021  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Secaucus Board of Education	\$ 19,550,000	\$ 19,550,000	
Town of Secaucus	<u>62,705,426</u>	<u>154,698</u>	<u>\$ 62,550,728</u>
	<u>\$ 82,255,426</u>	<u>\$ 19,704,698</u>	62,550,728
Overlapping Debt Apportioned to the Municipality:			
Hudson County:			
County of Hudson (2)			<u>71,782,296</u>
Total Direct and Overlapping Debt			<u>\$ 134,333,024</u>

## Source:

- (1) 2021 Annual Debt Statement of the Town of Secaucus  
(2) Hudson County Treasurer's Office

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 200,286,295	\$ 193,011,901	\$ 186,236,835	\$ 179,928,993	\$ 177,785,822	\$ 184,473,973	\$ 205,510,487	\$ 217,518,238	\$ 219,869,504	\$ 218,403,234
Total Net Debt Applicable To Limit	<u>6,675,000</u>	<u>5,560,000</u>	<u>31,810,000</u>	<u>29,585,000</u>	<u>27,305,000</u>	<u>24,990,000</u>	<u>23,595,000</u>	<u>22,180,000</u>	<u>20,745,000</u>	<u>19,550,000</u>
Legal Debt Margin	<u>\$ 193,611,295</u>	<u>\$ 187,451,901</u>	<u>\$ 154,426,835</u>	<u>\$ 150,343,993</u>	<u>\$ 150,480,822</u>	<u>\$ 159,483,973</u>	<u>\$ 181,915,487</u>	<u>\$ 195,338,238</u>	<u>\$ 199,124,504</u>	<u>\$ 198,853,234</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.33%	2.88%	17.08%	16.44%	15.36%	13.55%	11.48%	10.20%	9.44%	8.95%

Source: Annual Debt Statements

**Legal Debt Margin Calculation for Fiscal Year 2022**

Equalized Valuation Basis	
2021	\$ 5,232,197,325
2020	5,633,744,201
2019	5,514,301,027
	<u>\$ 16,380,242,553</u>
Average Equalized Valuation Of Taxable Property	<u>\$ 5,460,080,851</u>
Debt Limit (4% of Average Equalization Value)	\$ 218,403,234
Total Net Debt Applicable to Limit	<u>19,550,000</u>
Legal Debt Margin	<u>\$ 198,853,234</u>

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (A)</u>	<u>School District Population (1)</u>
2013	N/A	\$ 47,381	18,001
2014	7.3	51,066	18,091
2015	4.6	54,675	18,156
2016	4.3	56,597	18,827
2017	3.8	60,558	19,560
2018	3.4	65,090	19,686
2019	2.8	67,570	20,634
2020	9.1	71,682	21,936
2021	5.8	N/A	21,602
2022	N/A	N/A	21,295

(A) Represents the County of Hudson

(1) Estimated

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

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular	137	141	138	141	150	151	155	155	153	149
Special Education	37	37	39	37	41	42	47	47	48	48
Other Instruction	3	3	4	3	3	3	3	3	3	3
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	38	33	33	33	33	33	30	31	31	31
General Administration	7	9	8	8	6	6	6	6	6	6
School Administrative Services	13	16	16	16	16	16	18	18	17	17
Central Services	4	3	5	5	5	5	6	6	6	6
Administrative Information Technology	1	1	1	1	1					
Plant Operations And Maintenance	21	27	27	21	21	22	32	32	28	32
Pupil Transportation	30	30	30	30	30	30	30	32	28	22
Total	<u>291</u>	<u>300</u>	<u>301</u>	<u>295</u>	<u>306</u>	<u>308</u>	<u>327</u>	<u>330</u>	<u>320</u>	<u>314</u>

Source: District Personnel Records



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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2013	2,185	\$ 35,356,260	\$ 16,181	6.87%	N/A	N/A	N/A	N/A	2,123	2,069	-1.16%	97.46%
2014	2,181	35,826,462	16,427	1.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,189	36,129,374	16,505	0.48%	N/A	N/A	N/A	N/A	2,181	2,076	N/A	95.19%
2016	2,114	37,184,373	17,590	6.57%	N/A	N/A	N/A	N/A	2,110	2,017	-3.26%	95.59%
2017	2,113	38,915,437	18,417	4.70%	N/A	N/A	N/A	N/A	2,109	2,012	-0.05%	95.40%
2018	2,197	40,357,388	18,369	-0.26%	N/A	N/A	N/A	N/A	2,171	2,076	2.94%	95.62%
2019	2,272	43,369,615	19,089	3.92%	N/A	N/A	N/A	N/A	2,272	2,257	4.65%	99.34%
2020	2,270	43,037,901	18,959	-0.68%	N/A	N/A	N/A	N/A	2,270	2,183	-0.09%	96.17%
2021	2,194	43,873,426	19,997	5.47%	N/A	N/A	N/A	N/A	2,152	2,140	-5.20%	99.44%
2022	2,197	48,635,543	22,137	10.70%	N/A	N/A	N/A	N/A	2,192	2,158	1.86%	98.45%

Sources: District records

N/A - Not Available

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Clarendon School										
Square Feet	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	650	641	579	448	448	456	479	472	454	471
Huber School										
Square Feet	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	648	640	694	600	593	622	655	660	639	620
<b><u>High School / Middle School</u></b>										
Square Feet	159,070	159,070	159,070	159,070	213,695	213,695	213,695	213,695	213,695	213,695
Capacity (students)	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Enrollment	887	892	916	1,066	1,072	1,119	1,138	1,138	1,101	1,106

Number of Schools at June 30, 2022  
 Elementary = 2 Clarendon/Huber Street  
 Middle School / High School = 1  
 Other = 2 Pre K and Board Office

Source: District Records

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

<u>School Facility</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Clarendon School	\$ 307,899	\$ 230,684	\$ 133,113	\$ 218,018	\$ 181,614	\$ 177,298	\$ 171,623	\$ 190,177	\$ 238,178	\$ 269,635
Huber School	170,010	129,114	74,504	122,026	101,651	95,312	92,261	102,235	128,039	144,950
High School / Middle School	<u>434,797</u>	<u>502,818</u>	<u>290,144</u>	<u>475,210</u>	<u>395,862</u>	<u>371,174</u>	<u>359,292</u>	<u>398,135</u>	<u>498,625</u>	<u>564,481</u>
Total School Facilities	912,706	862,616	497,761	815,254	679,127	643,784	623,176	690,547	864,842	979,066
Other Facilities	<u>21,632</u>	<u>9,495</u>	<u>5,479</u>	<u>8,974</u>	<u>7,476</u>	-	-	-	-	-
Grand Total	<u>\$ 934,338</u>	<u>\$ 872,111</u>	<u>\$ 503,240</u>	<u>\$ 824,228</u>	<u>\$ 686,603</u>	<u>\$ 643,784</u>	<u>\$ 623,176</u>	<u>\$ 690,547</u>	<u>\$ 864,842</u>	<u>\$ 979,066</u>

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

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

**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 Trustees  
Secaucus Board of Education  
685 Fifth Street  
Secaucus, New Jersey 07094

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Secaucus Board of Education's basic financial statements and have issued our report thereon dated January 27, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

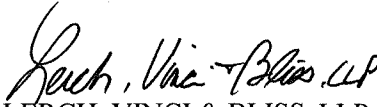
### **Report on Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Secaucus 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Secaucus Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 27, 2023.

### **Purpose of this Report**

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

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 27, 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  
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 COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Secaucus 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 Secaucus Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The Secaucus Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Secaucus 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 Secaucus 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 Secaucus Board of Education's compliance with the compliance requirements referred to above.

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## ***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 Secaucus 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 Secaucus 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 Secaucus 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 Secaucus 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 Secaucus 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 Secaucus 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.

## **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.

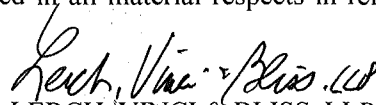
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

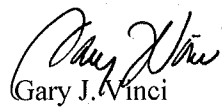
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education, as of and for the fiscal year ended June 30, 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 27, 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  
Certified Public Accountants  
Public School Accountants

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
January 27, 2023

SECAUCUS 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	Federal FAIN Number	Grant Period	Award Amount	Balance, July 1, 2021	Unearned Revenue Carryover	Accounts Receivable Carryover	Cash Received	Budgetary Expenditures	Adjustments (A)	June 30, 2022			MEMO GAAP Receivable
											(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Agriculture</b>														
<b>Passed-Through State Department of Education</b>														
Enterprise Fund:														
National School Lunch Program	10.555													
Cash Assistance		221NJ304N1099	07/01/21-6/30/22	\$ 964,961				\$ 888,909	\$ 964,961		\$ (76,052)			\$ (76,052)
Cash Assistance		211NJ304N1099	07/01/20-6/30/21	600,904	\$ (57,130)			57,130						
Non-Cash Assistance (Food Distribution)		221NJ304N1099	07/01/21-6/30/22	41,798				41,798	41,640		\$ 158			
Non-Cash Assistance (Food Distribution)		211NJ304N1099	07/01/20-6/30/21	36,034	198				198					
Emergency Operational Cost Program-Schools	10.555	202121H170341	07/01/21-6/30/22	30,045				30,045	30,045					
P-EBT Administrative	10.649	2022225900941	07/01/21-6/30/22	1,242				1,242	1,242					
School Breakfast Program	10.553	221NJ304N1099	07/01/21-6/30/22	134,694				117,925	134,694		(16,769)			(16,769)
School Breakfast Program	10.553	211NJ304N1099	07/01/20-6/30/21	363,332	(37,565)			37,565						
Child Nutrition Cluster					(94,497)			1,174,614	1,172,780		(92,821)	158		(92,821)
<b>U.S. Department of Education</b>														
<b>Passed-Through State Department of Education</b>														
Special Revenue Fund:														
ESEA														
Title I	84.010	S010A210030	07/01/21-9/30/22	355,678		\$ 5,815	\$ (173,476)	403,706	360,956		(125,448)	537		(124,911)
Title I, Carryover	84.010	S010A200030	07/01/20-9/30/21	407,139	(167,661)	(5,815)	173,476							
Title II - Part A	84.367A	S367A210029	07/01/21-9/30/22	52,604		19,628	(86,775)	125,913	68,306		(13,466)	3,926		(9,540)
Title II - Part A, Carryover	84.367A	S367A200029	07/01/20-9/30/21	50,703	(67,147)	(19,628)	86,775							
Title III	84.365	S365A210030	07/01/21-9/30/22	12,385		4,317	(19,547)	27,669	13,379		(4,263)	3,323		(940)
Title III- Carryover	84.365	S365A200030	07/01/20-9/30/21	13,032	(15,230)	(4,317)	19,547							
Title III-Immigrant, Carryover	84.365	S365A200030	07/01/20-9/30/21	-		6,890	(11,239)	4,421	4,102	\$ 560	(6,818)	3,348		(3,470)
Title III-Immigrant, Carryover	84.365	S365A200030	07/01/20-9/30/21	10,164	(4,349)	(6,890)	11,239							
Title IV	84.424	S424A210031	07/01/21-9/30/22	29,719		11,611	(30,997)	28,017	18,192	7,934	(32,699)	31,072		(1,627)
Title IV, Carryover	84.424	S424A200031	07/01/20-9/30/21	29,000	(19,386)	(11,611)	30,997							
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	343,363	(218,459)			218,459	800		(4,337)	3,537		(800)
CRRSA-ESSER II	84.425D	S425D210027	3/13/20-9/30/23	1,334,539					1,334,510		(1,334,539)	29		(1,334,510)
CRRSA-Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	85,644					26,850		(85,644)	58,794		(26,850)
CRRSA-Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000					34,560		(45,000)	10,440		(34,560)
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	2,999,290				461,540			(2,999,290)	2,537,750		(461,540)
ARP - Accelerated Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	197,086				18,722			(197,086)	178,364		(18,722)
ARP - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000							(40,000)	40,000		
ARP - Evidence Based Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000							(40,000)	40,000		
ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000					5,000		(45,000)	40,000		(5,000)
ARP - Homeless Children and Youth	84.425W	S425W210031	4/23/21-9/30/23	10,165					10,165		(10,165)			(10,165)
Education Stabilization Fund (ESF) Cluster					(218,459)			218,459	1,892,147		(4,801,061)	2,908,914		(1,892,147)
Coronavirus Relief Fund	21.019	C8220COVID19	3/1/20-12/31/2021	133,252	144								\$ 144	
ACSERS Aid	21.027	SLFRFDOEE1SES	07/01/2021-6/30/202	353,906				176,953	353,906		(176,953)			(176,953)
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	07/01/21-9/30/22	452,943		218,503	(309,493)	686,911	532,245		(75,525)	139,201		
I.D.E.A. Part B, Basic Regular, Carryover	84.027A	H027A200100	07/01/20-9/30/21	469,508	(90,990)	(218,503)	309,493							
I.D.E.A. ARP Basic	84.027X	H027X210100	07/01/21-9/30/22	103,936				50,089	82,400		(53,847)	21,536		(32,311)
I.D.E.A. ARP Preschool	84.173X	H173X210114	07/01/21-9/30/22	8,851							(8,851)	8,851		
I.D.E.A. Part B, Preschool	84.173A	H173A210114	07/01/21-9/30/22	14,574		42,078	(42,078)	13,603	10,245		(43,049)	46,407		
I.D.E.A. Part B, Preschool, Carryover	84.173A	H173A200114	07/01/20-9/30/21	14,369		(42,078)	42,078							
Special Education Cluster (IDEA)					(90,990)			750,603	624,890		(181,272)	215,995		
Total Special Revenue Fund					(583,078)			1,735,741	3,335,878	8,494	(5,341,980)	3,167,115	144	(2,241,899)
<b>U.S. Department of Education</b>														
<b>Passed-Through State Department of Education</b>														
General Fund:														
Medicaid Assistance Program (SEMI)	93.778	2205NJ5MAP	07/01/21-6/30/22	33,056				33,056	33,056					
Total General Fund								33,056	33,056					
Total Federal Financial Awards					\$ (677,575)	\$ -	\$ -	\$ 2,943,411	\$ 4,541,714	\$ 8,494	\$ (5,434,801)	\$ 3,167,273	\$ 144	\$ (2,334,720)

(A) Represents cancelled prior year encumbrances and accounts payable

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021		Cash Received	Budgetary Expenditures	Adjustments	Refund of Prior Years' Balances	June 30, 2022		MEMO		
				(Accts. Rec.) Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Expenditures
<b>State Department of Education</b>														
<b>General Fund</b>														
Special Education Aid	22-495-034-5120-089	07/01/2021-6/30/2022	\$ 1,689,156			\$ 1,546,680	\$ 1,689,156			\$ (142,476)			\$ 1,689,156	
Special Education Aid	21-495-034-5120-089	07/01/2020-6/30/2021	1,225,300	\$ (105,257)		105,257								
Security Aid	22-495-034-5120-084	07/01/2021-6/30/2022	191,170			175,045	191,170			(16,125)			191,170	
Security Aid	21-495-034-5120-084	07/01/2020-6/30/2021	191,170	(16,422)	-	16,422	-	-	-	-	-	-	-	
Subtotal State Aid Public Cluster				(121,679)	-	1,843,404	1,880,326	-	-	(158,601)	-	-	1,880,326	
Transportation Aid	22-495-034-5120-014	07/01/2021-6/30/2022	546,399			500,312	546,399			(46,087)			546,399	
Transportation Aid	21-495-034-5120-014	07/01/2020-6/30/2021	546,399	(46,938)		46,938								
Non-Public Transportation Reimb.	22-495-034-5120-014	07/01/2021-6/30/2022	21,750				21,750			(21,750)		\$ (21,750)	21,750	
Non-Public Transportation Reimb.	21-495-034-5120-014	07/01/2020-6/30/2021	22,348	(22,348)	-	22,348	-	-	-	-	-	-	-	
Subtotal Transportation Aid Cluster				(69,286)	-	569,598	568,149	-	-	(67,837)	-	-	568,149	
Extraordinary Aid	22-495-034-5120-044	07/01/2021-6/30/2022	197,168				197,168			(197,168)			197,168	
Extraordinary Aid	21-495-034-5120-044	07/01/2020-6/30/2021	264,257	(264,257)		264,257								
T.P.A.F. NCGI	22-495-034-5094-004	07/01/2021-6/30/2022	89,048			89,048	89,048						89,048	
T.P.A.F. LTDI	22-495-034-5094-004	07/01/2021-6/30/2022	2,516			2,516	2,516						2,516	
T.P.A.F. Post Retirement Medical	22-495-034-5094-001	07/01/2021-6/30/2022	1,495,453			1,495,453	1,495,453						1,495,453	
T.P.A.F. Normal Cost & Accrued Liab	22-495-034-5094-002	07/01/2021-6/30/2022	6,311,612			6,311,612	6,311,612						6,311,612	
Reimbursed T.P.A.F. Social Security Aid	22-495-034-5094-003	07/01/2021-6/30/2022	1,342,696			1,280,274	1,342,696			(62,422)		(62,422)	1,342,696	
Total General Fund				(455,222)	-	11,856,162	11,886,968	-	-	(486,028)	-	-	(84,172)	11,886,968
<b>Debt Service Fund</b>														
School Construction Debt Service Aid	22-495-034-5120-075	07/01/2021-6/30/2022	635,324			635,324	635,324						635,324	
Total Debt Service Fund						635,324	635,324						635,324	
<b>State Department of Agriculture</b>														
<b>Enterprise Fund</b>														
National School Lunch (State Share)	22-100-010-3350-023	07/01/2021-6/30/2022	26,367			24,617	26,367			(1,750)		(1,750)	26,367	
National School Lunch (State Share)	21-100-010-3350-023	07/01/2020-6/30/2021	26,730	(1,062)		1,062								
Total Enterprise Fund				(1,062)	-	25,679	26,367	-	-	(1,750)	-	-	(1,750)	26,367
State Financial Assistance Subject to Single Audit Determination				\$ (456,284)	\$ -	\$ 12,517,165	\$ 12,548,659	\$ -	\$ -	\$ (487,778)	\$ -	\$ -	\$ (85,922)	\$ 12,548,659
<b>State Financial Assistance Not Subject to Single Audit</b>														
<b>General Fund</b>														
T.P.A.F. NCGI	22-495-034-5094-004	07/01/2021-6/30/2022				(89,048)	(89,048)						(89,048)	
T.P.A.F. LTDI	22-495-034-5094-004	07/01/2021-6/30/2022				(2,516)	(2,516)						(2,516)	
T.P.A.F. Post Retirement Medical	22-495-034-5094-001	07/01/2021-6/30/2022				(1,495,453)	(1,495,453)						(1,495,453)	
T.P.A.F. Normal Cost & Accrued Liab	22-495-034-5094-002	07/01/2021-6/30/2022				(6,311,612)	(6,311,612)						(6,311,612)	
Total State Financial Assistance for Major Program Determination				\$ (456,284)	\$ -	\$ 4,618,536	\$ 4,650,030	\$ -	\$ -	\$ (487,778)	\$ -	\$ -	\$ (85,922)	\$ 4,650,030

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See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$31,018 for the general fund and a decrease of \$576,295 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 33,056	\$ 11,917,986	\$ 11,951,042
Special Revenue Fund	2,759,583		2,759,583
Debt Service Fund		635,324	635,324
Food Service Fund	<u>1,172,780</u>	<u>26,367</u>	<u>1,199,147</u>
Total Awards Financial Assistance	<u>\$ 3,965,419</u>	<u>\$ 12,579,677</u>	<u>\$ 16,545,096</u>

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$1,342,696 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 \$6,400,660, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,495,453 and TPAF Long-Term Disability Insurance in the amount of \$2,516 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 are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

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

Part I – Summary of Auditor’s Results

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?        yes   X   no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>202121H170341</u>	<u>Emergency Operational Cost Program</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Elementary and Secondary School</u> <u>Emergency Relief (ESSER) Fund</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Elementary and</u> <u>Secondary School Emergency Relief (ARP)</u>
<u>84.425W</u>	<u>S425W210031</u>	<u>American Rescue Plan - Elementary and</u> <u>Secondary School Emergency Relief-</u> <u>Homeless Children and Youth</u>

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

Auditee qualified as low-risk auditee?   X   yes        no

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

*Part I – Summary of Auditor’s Results*

State Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>21-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u>21-495-034-5094-003</u>	<u>Reimbursed T.P.A.F. Social Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee?       X  yes      \_\_\_\_\_ no



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

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

SECAUCUS 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.

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE.

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

**SECAUCUS BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.