

**CARLSTADT-EAST RUTHERFORD REGIONAL  
BOARD OF EDUCATION**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**H.P. Becton Regional High School  
East Rutherford, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Carlstadt-East Rutherford Regional Board of Education**

**H.P. Becton Regional High School  
East Rutherford, New Jersey**

**For The Fiscal Year Ended June 30, 2023**

**Prepared by**

**Business Office**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-13
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	14
A-2 Statement of Activities	15

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances With the District-Wide Statements of Activities	19

*Proprietary Funds*

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	21
B-6 Statement of Cash Flows	22

*Fiduciary Funds – Not Applicable*

<b>Notes to the Financial Statements</b>	23-62
--	-------

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	63-69
C-2	Budgetary Comparison Schedule – Special Revenue Fund	70

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

C-3	Budgetary Comparison Schedule – Notes to the Required Supplementary Information	71
-----	---	----

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**L. Schedules Related to Accounting and Reporting for Pensions**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	72
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	73
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	74
L-4	Notes to Required Supplementary Information	75

**M. Schedules Related to Accounting and Reporting for Postemployment Retirement Benefits Other Than Pensions (OPEB)**

M-1	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	76
M-2	Required Supplemental 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 the Required Supplementary Information	77

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	78-79
E-2	Schedule of Preschool Education Program Aid Expenditures – Budgetary Basis – Not Applicable	80

**F. Capital Projects Fund – Not Applicable**



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>		
<b>G. Proprietary Funds</b>		
<i>Enterprise Fund</i>		
G-1	Combining Statement of Net Position - Not Applicable	81
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	81
G-3	Combining Statement of Cash Flows – Not Applicable	81
 <b>H. Fiduciary Funds – Not Applicable</b>		
 <b>I. Long-Term Debt</b>		
I-1	Schedule of Obligations under Capital Financing Agreements	82
I-1A	Schedule of Obligations under Leases Payable	82
 <b>J. STATISTICAL SECTION (Unaudited)</b>		
J-1	Net Position by Component	83
J-2	Changes in Net Position	84-85
J-3	Fund Balances – Governmental Funds	86
J-4	Changes in Fund Balances – Governmental Funds	87
J-5	General Fund Other Local Revenue by Source	88
J-6	Assessed Value and Actual Value of Taxable Property	89
J-7	Direct and Overlapping Property Tax Rates	90
J-8	Principal Property Taxpayers	91
J-9	Property Tax Levies and Collections	92
J-10	Ratios of Outstanding Debt by Type	93
J-11	Ratios of Net General Bonded Debt Outstanding	94
J-12	Direct and Overlapping Governmental Activities Debt	95
J-13	Legal Debt Margin Information	96
J-14	Demographic and Economic Statistics	97
J-15	Principal Employers	98
J-16	Full-Time Equivalent District Employees by Function/Program	99
J-17	Operating Statistics	100
J-18	School Building Information	101
J-19	Schedule of Required Maintenance for School Facilities	102
J-20	Schedule of Insurance	103

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
TABLE OF CONTENTS**

	<u>Page</u>	
<b>K.</b>		
	<b>SINGLE AUDIT SECTION</b>	
K-1	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	104-105
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	106-108
K-3	Schedule of Expenditure of Federal Awards	109
K-4	Schedule of Expenditures of State Financial Assistance	110
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	111-112
K-6	Schedule of Findings and Questioned Costs – Part 1 –Summary of Auditor’s Results	113-114
K-6	Schedule of Findings and Questioned Costs – Part 2 –Schedule of Financial Statement Findings	115
K-6	Schedule of Findings and Questioned Costs – Part 3 –Schedule of Federal and State Award Findings and Questioned Costs	116-117
K-7	Summary Schedule of Prior Year Findings	118

**INTRODUCTORY SECTION**



# Henry P. Becton Regional High School

C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood

Dr. Dario Sforza, Superintendent/Principal

Jessenia Kan, Business Administrator/Board Secretary

February 22, 2024

Honorable President and  
Members of the Board of Education  
Carlstadt-East Rutherford (Becton) Regional High School District  
County of Bergen  
East Rutherford, New Jersey

Dear C-ER (Becton) Board Trustees:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Carlstadt-East Rutherford Regional High School District (District) for the fiscal year ended June 30, 2023. This ACFR includes the District's Basic Financial Statements prepared in accordance with the requirements of the Governmental Accounting Standards Board. The District believes that this financial reporting model provides all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Carlstadt-East Rutherford Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs. Also, this is the fourth and final year of Carlstadt-East Rutherford Regional High School housing approximately 320 Borough of Maywood students to total over 840 in-district and nearly 980 in and out-of-district students.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047



# Henry P. Becton Regional High School

C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood

**Dr. Dario Sforza, Superintendent/Principal**

**Jessenia Kan, Business Administrator/Board Secretary**

- **The Single Audit Section** – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Uniform Guidance and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

## **School District Organization**

The District currently provides education to 980 students, in and out-of-district, grades nine through twelve with an added 18-21 year old program the District is responsible for paying tuition towards. An elected ten-member Board of Education (the “Board”) serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of District tax money.

The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. The Board Secretary/Business Administrator is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all district funds, and investing funds as permitted by New Jersey law.

## **Reporting Entity**

The Carlstadt-East Rutherford Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Carlstadt-East Rutherford Regional Board of Education and its school constitute the District’s reporting entity.

## **Economic Conditions and Outlook**

The District completed the 2022-2023 fiscal year with an average daily enrollment of **848** students in and out-of-district. The following details the changes in the student average daily enrollment of the District over the last ten years:

### **AVERAGE DAILY ENROLLMENT**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2022-23	848.0	9.14%
2021-22	777.0	15.28%
2020-21	674.0	11.58%
2019-20	604.0	3.42%
2018-19	584.0	3.93%
2017-18	561.0	-0.89%
2016-17	566.0	2.29%
2015-16	553.0	-6.00%
2014-15	589.0	3.00%

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047



# Henry P. Becton Regional High School

*C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood*

**Dr. Dario Sforza, Superintendent/Principal**

**Jessenia Kan, Business Administrator/Board Secretary**

Within the past four years we have seen a 40% increase in student enrollment as a result of send/receive tuition contract with Maywood. The forecast for student enrollment should begin to stabilize moving forward.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public-school systems in the State, faces some difficult economic situations in the future, unless additional revenue sources can be created. The proposed budget for fiscal year 2023-2024 provides the necessary funding to continue the excellent educational programs available to all District students. Starting with the 2013-2014 school year, there has been no vote on budgets presented within the 2% "CAP". There is a 2% increase in the tax levy for fiscal year 2023-2024. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for, and support of a quality school system.

## **Educational Program**

The Mission Statement of the Carlstadt-East Rutherford Regional Board of Education is stated as follows:

- to recognize the dignity and worth of each student regardless of his/her intellectual ability, and maintain a learning environment conducive to educational and personal growth and development.
- to provide a variety of course offerings and co-curricular activities to enable the student to discover pursuits which interest him/her and in which he/she can succeed.
- to provide many opportunities for the student to develop problem solving and critical thinking skills.
- to provide opportunities to develop character, leadership, and good sportsmanship.
- to encourage involvement and commitment through educational and co-curricular activities.
- to foster an understanding and respect for the law as well as a sense of responsibility to self, family, school, community and nation.
- to develop an understanding of our American heritage (including all who made contributions) and the workings of our government as well as America's role and responsibilities as a member of the international community.
- to provide a safe, substance free educational environment so that the student can reach his/her educational goals.
- to foster an enjoyment of the learning processes and develop the skills necessary for a lifetime of continuous learning and adaptation to change.

The Carlstadt-East Rutherford Regional Board of Education offers college preparatory, honors and Advanced Placement courses. These include general education, specialized, exploratory, enrichment, as well as special education for students with disabilities. Students are offered an extensive extracurricular and athletic program including opportunities for students to participate in student government, academic,

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047



# Henry P. Becton Regional High School

*C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood*

**Dr. Dario Sforza, Superintendent/Principal**

**Jessenia Kan, Business Administrator/Board Secretary**

service, National Honor Society, multiple clubs and honor societies, drama, musical performances and dozens of female/male sports teams.

The New Jersey Department of Education accredited Carlstadt-East Rutherford. Parents, students, staff and administration all have a strong commitment to maintain high academic and ethical standards.

Henry P. Becton Regional High School is a four-year comprehensive high school which strives to meet the general and individual needs of the students and the communities of Carlstadt, East Rutherford and Maywood. A variety of subjects are offered in order to prepare those students who plan to continue their education beyond high school and for those students who may seek employment after high school. Through curricular offering, extracurricular activities, counseling and special services, our school assists each student in achieving his/her goals, developing character and recognizing responsibility.

All staff members share the responsibility of ensuring that students attain their greatest potential educationally, socially and vocationally. Working as a team, counselors, teachers, administrators, special education and support services staff, nurse and parents help students achieve this goal. Counselors meet with students on an individual basis or in small groups to discuss school adjustment, career planning and personal concerns. If additional help is needed, other members of the support staff are consulted.

Guidance services include: group and individual counseling, testing recordkeeping, scheduling, career school and college conferences, military information, referral, listing of job opportunities, scholarship opportunities and summer school offerings.

In order to graduate, students must pass the statewide assessment designated for that year. For any student who does not meet the State and Local School District examination standards for graduation, the local Board of Education when appropriate, shall provide additional remedial and/or supplementary instruction specifically directed towards mastery of those proficiencies identified as necessary for the awarding of a diploma which may include, but not be limited to, an extended school year, extended school day, or additional school years.

## **Major Initiatives**

The District continues to maintain programs for the college preparatory, general education and special education students. The District continued implementing its technology plan by updating classrooms and teacher's training programs. The District is currently proposing a major campus expansion/revitalization project by building an all-inclusive Building of the Future that will have specialized and enriched programs for students with special needs, technology, specialized trades, STEM, vocational and others.

## **Financial Information**

**Internal Accounting and Budgetary Control:** Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047



# Henry P. Becton Regional High School

*C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood*

**Dr. Dario Sforza, Superintendent/Principal**

**Jessenia Kan, Business Administrator/Board Secretary**

1. The cost of controls should not exceed the benefits likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District's management.

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

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 Board. Annual appropriated budgets are adopted for the general fund and special revenue 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2023.

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

**Risk Management:** The Board 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. A schedule of insurance coverage is found in Exhibit J-20.

**Independent Audit** – 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 Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047





# Henry P. Becton Regional High School

*C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood*

**Dr. Dario Sforza, Superintendent/Principal**

**Jessenia Kan, Business Administrator/Board Secretary**

## **Acknowledgements**

We would like to express our appreciation to the members of the Carlstadt-East Rutherford Regional 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,

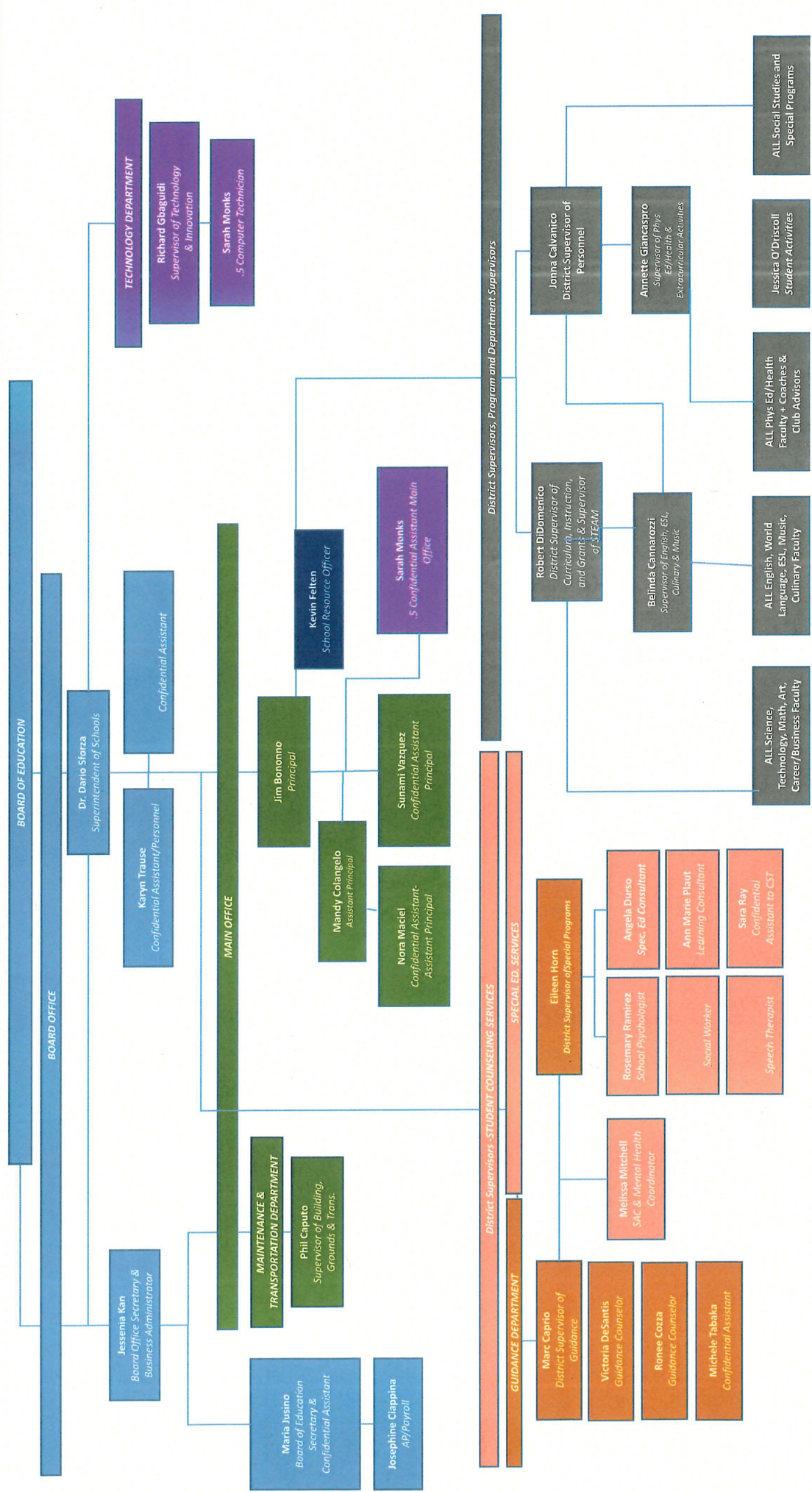
A handwritten signature in blue ink, appearing to be "Jessenia Kan", is written over a horizontal line.

Jessenia Kan  
Board Secretary/Business Administrator/ Chief Financial Officer

*Proud home of the Becton Wildcats*

120 Paterson Avenue, East Rutherford NJ, 07073 | T: (201) 935-3007 F: (201) 935-3047

# BECTON ORGANIZATIONAL CHART



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Jeffrey Grabowski, President	2025
Steven Lahullier, Vice President	2024
Ariella Alvarez	2024
Robert Anderson	2025
Barry Blauvelt	2023
Constantina Hanna	2025
Zakaria Kandiel	2023
Emily Landolfi	2024
Claire Padovano – Maywood Representative	2023
Bruce Young	2023

**Other Officials**

Dario Sforza, Ed. D., Superintendent

Jessenia Kan, School Business Administrator/Board Secretary

Domenick Giancaspro, Treasurer of School Monies

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2023**

**Architect of Record**

DiCara Rubino Architects  
30 Galesi Drive  
Wayne, NJ 07470

**Audit Firm**

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

**Board Attorney**

Cornell, Merlino, McKeever & Osborne, LLC  
238 Saint Paul Street  
Westfield, NJ 07090

**Official Depository**

TD Bank  
71 Union Avenue  
East Rutherford, NJ 07073

**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, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt-East Rutherford Regional Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Carlstadt-East Rutherford Regional Board of Education as of June 30, 2023, 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards 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 Carlstadt-East Rutherford Regional Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

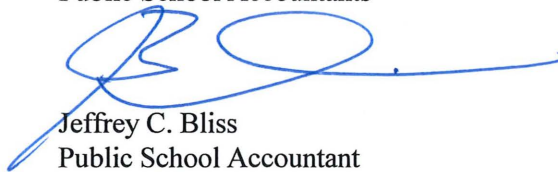
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2024 on our consideration of the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's internal control over financial reporting and compliance.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 22, 2024



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

# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Carlstadt-East Rutherford Regional Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Carlstadt-East Rutherford Regional Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Carlstadt-East Rutherford Regional Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$28,887,261. (Net Position)
- The District's total net position decreased by \$560,652.
- Overall District revenues were \$21,146,407. General revenues accounted for \$14,311,514, or 68%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,834,893, or 32%, of total revenues.
- The school district had \$20,934,080 in expenses for governmental activities; only \$6,055,764 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$14,311,514 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,853,627. Of this amount, \$4,555,283 is fund balances restricted for specific purposes. \$913,647 is assigned to future year's expenditures and the remaining amount is the unassigned fund balance of \$384,697 which is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2023 was \$4,966,478, a decrease of \$1,073,731 compared to the ending fund balance at June 30, 2022 was \$6,040,209.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$605,171, which represents a decrease of \$146,133 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$751,304.

# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

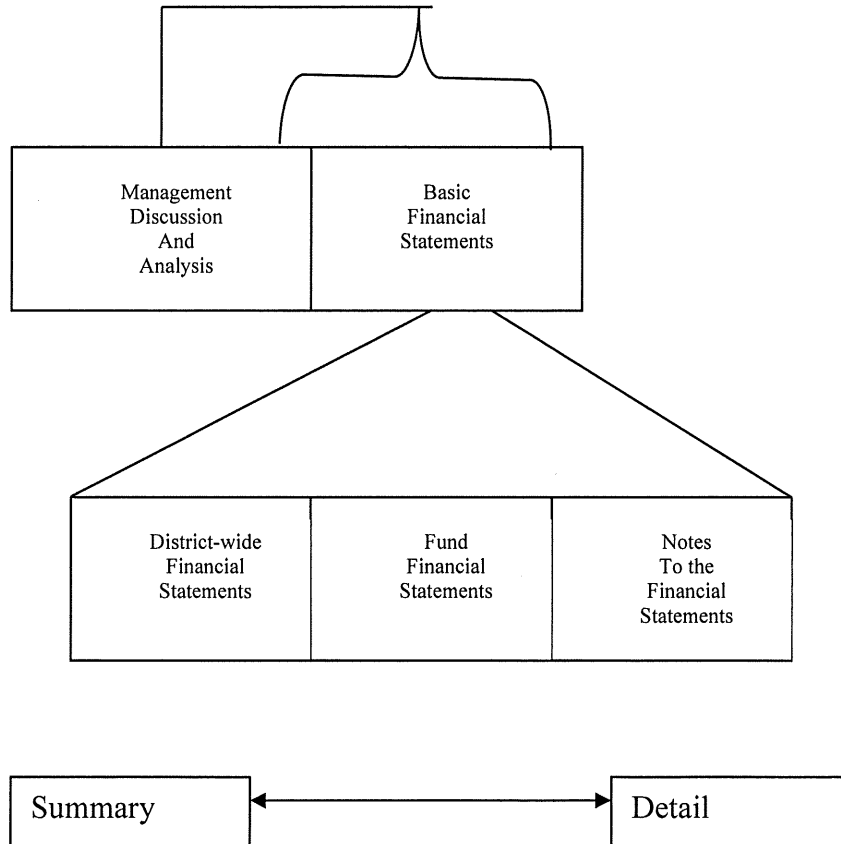
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Enterprise Funds
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability deferred inflows/outflows information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

### District-wide Statements

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

The two district-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or *position*.

# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business-type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food service operations are included under this category.

### Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
  - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has one enterprise fund, for its food service (cafeteria) program.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position.** The District's *combined* net position was \$28,887,261 and \$29,447,913 on June 30, 2023 and 2022, respectively as follows:

**Net Position  
As of June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current Assets	\$ 6,205,048	\$ 7,136,313	\$ 199,843	\$ 231,594	\$ 6,404,891	\$ 7,367,907
Capital Assets, Net	25,528,282	25,379,099	106,911	60,532	25,635,193	25,439,631
Total Assets	<u>31,733,330</u>	<u>32,515,412</u>	<u>306,754</u>	<u>292,126</u>	<u>32,040,084</u>	<u>32,807,538</u>
<b>Deferred Outflows of Resources</b>	<u>172,666</u>	<u>132,130</u>	<u>-</u>	<u>-</u>	<u>172,666</u>	<u>132,130</u>
<b>Total Assets and Deferred Outflows</b>	<u>31,905,996</u>	<u>32,647,542</u>	<u>306,754</u>	<u>292,126</u>	<u>32,212,750</u>	<u>32,939,668</u>
<b>Liabilities</b>						
Long-Term liabilities	2,597,829	2,238,699			2,597,829	2,238,699
Other Liabilities	370,113	249,728	13,175	4,696	383,288	254,424
Total Liabilities	<u>2,967,942</u>	<u>2,488,427</u>	<u>13,175</u>	<u>4,696</u>	<u>2,981,117</u>	<u>2,493,123</u>
<b>Deferred Inflows of Resources</b>	<u>341,530</u>	<u>995,789</u>	<u>2,842</u>	<u>2,843</u>	<u>344,372</u>	<u>998,632</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>3,309,472</u>	<u>3,484,216</u>	<u>16,017</u>	<u>7,539</u>	<u>3,325,489</u>	<u>3,491,755</u>
<b>Net Position</b>						
Net Investment in Capital Assets	24,928,318	24,714,523	106,911	60,532	25,035,229	24,775,055
Restricted	4,255,283	4,838,762			4,255,283	4,838,762
Unrestricted	(587,077)	(389,959)	183,826	224,055	(403,251)	(165,904)
<b>Total Net Position</b>	<u>\$ 28,596,524</u>	<u>\$ 29,163,326</u>	<u>\$ 290,737</u>	<u>\$ 284,587</u>	<u>\$ 28,887,261</u>	<u>\$ 29,447,913</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or statutory requirements. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

The District's total net position of \$28,887,261 at June 30, 2023 represents a \$560,652, or a 2% decrease from the previous year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

**Change in Net Position  
For The Years Ended June 30, 2023 and 2022**

	Governmental		Business-		Total	
	Activities		Type			
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 3,078,091	\$ 2,107,059	\$ 600,826	\$ 618,590	\$ 3,678,917	\$ 2,725,649
Operating Grants and Contributions	2,946,142	3,208,135	178,303	386,307	3,124,445	3,594,442
Capital Grants and Contributions	31,531	46,392			31,531	46,392
General Revenues						
Property Taxes	14,141,169	13,863,891			14,141,169	13,863,891
Other	170,345	111,920	-	-	170,345	111,920
<b>Total Revenues</b>	<b>20,367,278</b>	<b>19,337,397</b>	<b>779,129</b>	<b>1,004,897</b>	<b>21,146,407</b>	<b>20,342,294</b>
<b>Expenses</b>						
Instruction						
Regular	\$ 8,667,168	\$ 7,795,495			8,667,168	7,795,495
Special Education	2,582,982	2,558,341			2,582,982	2,558,341
Other Instruction	112,294	82,109			112,294	82,109
School Sponsored Activities and Athletics	755,102	706,903			755,102	706,903
Support Services						
Student and Instruction Related Services	3,127,512	2,653,421			3,127,512	2,653,421
General Administrative Services	865,599	1,055,027			865,599	1,055,027
School Administrative Services	407,712	304,853			407,712	304,853
Central Services and Info. Technology	571,008	477,735			571,008	477,735
Plant Operations and Maintenance	2,918,254	2,783,931			2,918,254	2,783,931
Pupil Transportation	904,249	701,400			904,249	701,400
Interest on Long-Term Debt	22,200	28,774			22,200	28,774
Food Services	-	-	772,979	932,249	772,979	932,249
<b>Total Expenses</b>	<b>20,934,080</b>	<b>19,147,989</b>	<b>772,979</b>	<b>932,249</b>	<b>21,707,059</b>	<b>20,080,238</b>
<b>Change in Net Position</b>	<b>(566,802)</b>	<b>189,408</b>	<b>6,150</b>	<b>72,648</b>	<b>(560,652)</b>	<b>262,056</b>
<b>Net Position, Beginning of Year</b>	<b>29,163,326</b>	<b>28,347,913</b>	<b>284,587</b>	<b>211,939</b>	<b>29,447,913</b>	<b>28,559,852</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>626,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>626,005</b>
<b>Net Position, End of Year</b>	<b>\$ 28,596,524</b>	<b>\$ 29,163,326</b>	<b>\$ 290,737</b>	<b>\$ 284,587</b>	<b>\$ 28,887,261</b>	<b>\$ 29,447,913</b>

# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

**Governmental Activities.** The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$20,367,278 for the fiscal year ended June 30, 2023, property taxes of \$14,141,169 represented 69% of revenues. Another significant portion of revenues came from grants and contributions which totaled \$2,977,673 represented 15% of revenues. In addition, revenues from charges for services from tuition fees, transportation fees and building rental fees totaled \$3,078,091, or 15% of revenues. Miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

The total cost of all governmental activities programs and services was \$20,934,080 for the fiscal year ended June 30, 2023. The District’s expenses are predominantly related to educating and caring for students. Instruction costs were \$12,117,546 (58%) of total expenses. Support service costs were \$8,794,334 (42%) of total expenses.

For fiscal year 2023, total governmental activities expenses exceeded revenues decreasing net position for governmental activities by \$566,802 from the previous year.

**Total Cost and Net Cost of Governmental Activities.** The District’s total cost of services was \$20,934,080. After applying program revenues, derived from operating and capital grants and contributions of \$2,977,673 and charges for services of \$3,078,091, the net cost of services of the District is \$14,878,316 for the fiscal year ended June 30, 2023.

### Total and Net Cost of Governmental Activities For the Years Ended June 30, 2023 and 2022

	Total Cost of Services		Net Cost of Services	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 8,667,168	\$ 7,795,495	\$ 4,805,170	\$ 4,814,998
Special Education	2,582,982	2,558,341	1,390,947	1,423,802
Other Instruction	112,294	82,109	92,240	30,992
School Sponsored Activities and Athletics	755,102	706,903	617,075	529,651
Support Services				
Student and Instruction Related Services	3,127,512	2,653,421	2,793,126	2,229,291
General Administrative Services	865,599	1,055,027	819,091	997,418
School Administrative Services	407,712	304,853	374,379	261,426
Central Services & Info. Technology	571,008	477,735	539,266	421,332
Plant Operations and Maintenance	2,918,254	2,783,931	2,692,703	2,519,776
Pupil Transportation	904,249	701,400	732,119	528,943
Interest on Long-Term Debt	22,200	28,774	22,200	28,774
<b>Total</b>	<b><u>\$ 20,934,080</u></b>	<b><u>\$ 19,147,989</u></b>	<b><u>\$ 14,878,316</u></b>	<b><u>\$ 13,786,403</u></b>

**Business-Type Activities** – The District’s total business-type activities revenues were \$779,129 for the fiscal year ended June 30, 2023 and relate entirely to the District’s food service (cafeteria) operations. Charges for services accounted for 77%, of total revenues and operating grants and contributions accounted for 23% of total revenue.

Total cost of all business-type activities programs and services was \$772,979 for the fiscal year ended June 30, 2023.

For fiscal year 2023, total business-type activities revenues exceeded expenses, increasing net position by \$6,150 from the previous year.



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,853,627 at June 30, 2023, a decrease of \$1,059,073 from last year's fund balance of \$6,912,700.

Revenues for the District's governmental funds were \$22,070,869 while total expenditures were \$23,160,402 for the fiscal year ended June 30, 2023.

**GENERAL FUND**

The General fund includes the primary operations of the District in providing educational services to students from Grade 9 through Grade 12.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase / (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 14,141,169	\$ 13,863,891	\$ 277,278	2%
Tuition	2,697,200	1,721,216	975,984	57%
Interest	95,472	9,965	85,507	858%
Miscellaneous	317,737	325,520	(7,783)	-2%
State Sources	<u>4,083,502</u>	<u>3,508,369</u>	<u>575,133</u>	16%
Total General Fund Revenues	<u>\$ 21,335,080</u>	<u>\$ 19,428,961</u>	<u>\$ 1,906,119</u>	10%

For fiscal year 2023, total General Fund revenues increased \$1,906,119, or 10%, from the previous year.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase / (Decrease)	Percent Change
Instruction	\$ 12,801,148	\$ 11,483,992	\$ 1,317,156	11%
Support Services	8,006,536	6,862,160	1,144,376	17%
Debt Service	124,695	125,513	(818)	-1%
Capital Outlay	<u>1,456,892</u>	<u>195,765</u>	<u>1,261,127</u>	644%
Total Expenditures	<u>\$ 22,389,271</u>	<u>\$ 18,667,430</u>	<u>\$ 3,721,841</u>	20%

For fiscal year 2023, total General Fund expenditures increased \$3,721,841, or 20%, from the previous year.

In fiscal year 2023 General Fund expenses exceeded revenues by \$1,073,731. Therefore, total fund balance decreased to \$4,966,478 at June 30, 2023. Unassigned fund balance decreased by \$145,557 to \$384,697 at June 30, 2023 from \$530,254 at June 30, 2022.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**

**Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into several categories”

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over as an encumbrance.
- Appropriating capital reserve and maintenance reserve funds for facilities projects.

Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts. Other revisions to the budget during the year were the reappropriation of prior year encumbrances and the appropriation of restricted and unassigned fund balances.

For fiscal year 2023 General Fund budgetary expenses and other financing uses exceeded budgetary revenues and other financing sources decreasing budgetary fund balance \$1,074,307 from the previous year. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$146,133 from \$751,304 at June 30, 2022 to \$605,171 at June 30, 2023. In addition, at June 30, 2023, the district had restricted fund balances for capital reserve of \$2,888,134, maintenance reserve of \$480,000, and excess surplus designated for subsequent year’s expenditures of \$300,000.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2023, the District had \$25,528,282 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$106,911 for business-type activities. The following is a comparison of the June 30, 2023 and 2022 balances:

**Capital Assets as of June 30, 2023 and 2022  
(Net of Accumulated Depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<u>2023</u>	<u>2022</u> <i>Restated</i>	<u>2023</u>	<u>2022</u> <i>Restated</i>
Land and Land Improvements	\$ 1,018,885	\$ 1,071,718		
Building and Building Improvements	23,276,601	23,230,861		
Machinery and Equipment	<u>1,232,796</u>	<u>1,076,520</u>	\$ 106,911	\$ 60,532
<b>Total Capital Assets, Net</b>	<u>\$ 25,528,282</u>	<u>\$ 25,379,099</u>	<u>\$ 106,911</u>	<u>\$ 60,532</u>

Additional information on the District’s capital assets is presented in the Notes to the Financial Statements contained in this report.

# CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### LONG TERM LIABILITIES

At June 30, 2023 the District had \$2,597,829 of total long-term outstanding liabilities. The District's total long-term liabilities increased \$359,130 during the year. The following is a comparison of the June 30, 2023 and 2022 balances:

	<b>Outstanding Long-Term Liabilities as of June 30, 2023 and 2022</b>	
	<b><u>Governmental Activities</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Leases Payable	\$ 599,079	\$ 651,173
Capital Financing Agreements	885	13,403
Compensated Absences	115,620	112,252
Net Pension Liability	<u>1,882,245</u>	<u>1,461,871</u>
<b>Total</b>	<b><u>\$ 2,597,829</u></b>	<b><u>\$ 2,238,699</u></b>

Additional information of the District's long-term liabilities is presented in the Notes to the Financial Statements contained this report.

### FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, special education needs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 10% to \$20,625,650 for fiscal year 2023-2024. Overall increases in employee benefit costs and the additional costs associated with phase 4 of the agreement with Maywood Public Schools to accept their grade 9 through grade 12 students were the main factors for the increase. A significant portion of the increased costs was funded by tuition fees associated with the Maywood tuition agreement.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Carlstadt-East Rutherford Regional Board of Education, 120 Paterson Avenue, East Rutherford, NJ 07073-1508.

## **FINANCIAL STATEMENTS**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,250,277	\$ 4,508	\$ 5,254,785
Receivables, net	954,751	174,871	1,129,622
Internal Balances	20	(20)	-
Inventory		20,484	20,484
Capital Assets, Not Being Depreciated	559,843		559,843
Capital Assets, Being Depreciated, Net	<u>24,968,439</u>	<u>106,911</u>	<u>25,075,350</u>
Total Assets	<u>31,733,330</u>	<u>306,754</u>	<u>32,040,084</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>172,666</u>	-	<u>172,666</u>
Total Deferred Outflows of Resources	<u>172,666</u>	-	<u>172,666</u>
Total Assets and Deferred Outflows of Resources	<u>31,905,996</u>	<u>306,754</u>	<u>32,212,750</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	282,181	7,426	289,607
Accrued Interest Payable	18,692		18,692
Unearned Revenue	69,240	5,749	74,989
Noncurrent Liabilities			
Due Within One Year	110,547		110,547
Due Beyond One Year	<u>2,487,282</u>	-	<u>2,487,282</u>
Total Liabilities	<u>2,967,942</u>	<u>13,175</u>	<u>2,981,117</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		2,842	2,842
Deferred Amounts on Net Pension Liability	<u>341,530</u>	-	<u>341,530</u>
Total Deferred Inflows of Resources	<u>341,530</u>	<u>2,842</u>	<u>344,372</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,309,472</u>	<u>16,017</u>	<u>3,325,489</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	24,928,318	106,911	25,035,229
Restricted for			
Capital Projects	2,888,134		2,888,134
Plant Maintenance	480,000		480,000
Scholarships	822,385		822,385
Student Activities	64,764		64,764
Unrestricted	<u>(587,077)</u>	<u>183,826</u>	<u>(403,251)</u>
Total Net Position	<u>\$ 28,596,524</u>	<u>\$ 290,737</u>	<u>\$ 28,887,261</u>

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<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	\$ 8,667,168	\$ 2,697,200	\$ 1,164,798		\$ (4,805,170)		\$ (4,805,170)
Special Education	2,582,982		1,192,035		(1,390,947)		(1,390,947)
Other Instruction	112,294		20,054		(92,240)		(92,240)
School Sponsored Activities and Athletics	755,102	138,027			(617,075)		(617,075)
Support Services							
Student and Instruction Related Services	3,127,512		334,386		(2,793,126)		(2,793,126)
General Administrative Services	865,599		46,508		(819,091)		(819,091)
School Administrative Services	407,712		33,333		(374,379)		(374,379)
Central Services and Info. Technology	571,008		31,742		(539,266)		(539,266)
Plant Operations and Maintenance	2,918,254	161,264	32,756	\$ 31,531	(2,692,703)		(2,692,703)
Pupil Transportation	904,249	81,600	90,530		(732,119)		(732,119)
Interest on Long-Term Debt	22,200	-	-	-	(22,200)	-	(22,200)
Total Governmental Activities	<u>20,934,080</u>	<u>3,078,091</u>	<u>2,946,142</u>	<u>31,531</u>	<u>(14,878,316)</u>	<u>-</u>	<u>(14,878,316)</u>
<b>Business-Type Activities</b>							
Food Service	772,979	600,826	178,303	-	-	\$ 6,150	6,150
Total Business-Type Activities	<u>772,979</u>	<u>600,826</u>	<u>178,303</u>	<u>-</u>	<u>-</u>	<u>6,150</u>	<u>6,150</u>
Total Primary Government	<u>\$ 21,707,059</u>	<u>\$ 3,678,917</u>	<u>\$ 3,124,445</u>	<u>\$ 31,531</u>	<u>(14,878,316)</u>	<u>6,150</u>	<u>(14,872,166)</u>
<b>General Revenues</b>							
Taxes:							
Property Taxes, levied for general purposes					14,141,169		14,141,169
Investment Earnings					95,472		95,472
Miscellaneous Income					74,873		74,873
Total General Revenues					<u>14,311,514</u>	<u>-</u>	<u>14,311,514</u>
Change in Net Position					(566,802)	6,150	(560,652)
Net Position, Beginning of Year, (Restated)					<u>29,163,326</u>	<u>284,587</u>	<u>29,447,913</u>
Net Position, End of Year					<u>\$ 28,596,524</u>	<u>\$ 290,737</u>	<u>\$ 28,887,261</u>

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

**FUND FINANCIAL STATEMENTS**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,363,140	\$ 887,137	\$ 5,250,277
Receivables from Other Governments	566,672	373,726	940,398
Other Accounts Receivable	14,353		14,353
Due from Other Funds	<u>278,861</u>	<u>12</u>	<u>278,873</u>
 Total Assets	 <u>\$ 5,223,026</u>	 <u>\$ 1,260,875</u>	 <u>\$ 6,483,901</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 227,932	\$ 25,645	\$ 253,577
Payroll Deductions and Withholdings Payable	21,931		21,931
Employee Deposits Payable	6,673		6,673
Due to Other Funds	12	278,841	278,853
Unearned Revenue	<u>-</u>	<u>69,240</u>	<u>69,240</u>
 Total Liabilities	 <u>256,548</u>	 <u>373,726</u>	 <u>630,274</u>
Fund Balances			
Restricted			
Capital Reserve	2,543,134		2,543,134
Capital Reserve - Designated for Subsequent Year's Expenditures	345,000		345,000
Maintenance Reserve	200,000		200,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	280,000		280,000
Excess Surplus - Designated for Subsequent Year's Expenditures	300,000		300,000
Scholarship Awards		822,385	822,385
Student Activities		64,764	64,764
Assigned			
Year-End Encumbrances	162,343		162,343
Designated for Subsequent Year's Expenditures	751,304		751,304
Unassigned	<u>384,697</u>	<u>-</u>	<u>384,697</u>
 Total Fund Balances	 <u>4,966,478</u>	 <u>887,149</u>	 <u>5,853,627</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,223,026</u>	 <u>\$ 1,260,875</u>	 <u>\$ 6,483,901</u>

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



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

**Total Fund Balance - Governmental Funds (Exhibit B-1)** \$ 5,853,627

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 \$39,533,017 and the accumulated depreciation is \$14,004,735. 25,528,282

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

Deferred Outflows of Resources	\$	172,666	
Deferred Inflows of Resources		<u>(341,530)</u>	(168,864)

The District has financed capital assets through the issuance of long-term lease obligations. The interest accrual at year end is: (18,692)

Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Leases Payable		(599,079)	
Capital Financing Agreements		(885)	
Compensated Absences		(115,620)	
Net Pension Liability		<u>(1,882,245)</u>	<u>(2,597,829)</u>

**Net Position of Governmental Activities (Exhibit A-1)** \$ 28,596,524

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Local Sources			
Property Tax Levy	\$ 14,141,169		\$ 14,141,169
Tuition	2,697,200		2,697,200
Interest	95,472		95,472
Miscellaneous	<u>317,737</u>	<u>\$ 187,321</u>	<u>505,058</u>
Total - Local Sources	17,251,578	187,321	17,438,899
State Sources	4,083,502	37,993	4,121,495
Federal Sources	<u>-</u>	<u>510,475</u>	<u>510,475</u>
Total Revenues	<u>21,335,080</u>	<u>735,789</u>	<u>22,070,869</u>
<b>EXPENDITURES</b>			
Instruction			
Regular	9,685,229	103,646	9,788,875
Special Education	2,376,603	324,987	2,701,590
Other Instruction	123,208	6,312	129,520
School-Sponsored Activities and Athletics	616,108	185,013	801,121
Support Services			
Student and Instruction Related Services	3,246,792	119,642	3,366,434
General Administrative Services	938,371		938,371
School Administrative Services	451,064		451,064
Central Services and Info. Technology	637,121		637,121
Plant Operations and Maintenance	1,909,823		1,909,823
Pupil Transportation	823,365		823,365
Debt Service			
Principal	95,072		95,072
Interest and Other Charges	29,623		29,623
Capital Outlay	<u>1,456,892</u>	<u>31,531</u>	<u>1,488,423</u>
Total Expenditures	<u>22,389,271</u>	<u>771,131</u>	<u>23,160,402</u>
Excess (Deficiency) of Revenues			
Over/(Under) Expenditures	(1,054,191)	(35,342)	(1,089,533)
Other Financing Sources (Uses)			
Leases Issued	30,460		30,460
Transfer In		50,000	50,000
Transfer Out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Total Other Financing Sources (Uses)	<u>(19,540)</u>	<u>50,000</u>	<u>30,460</u>
Net Change in Fund Balance	(1,073,731)	14,658	(1,059,073)
Fund Balance, Beginning of Year	<u>6,040,209</u>	<u>872,491</u>	<u>6,912,700</u>
Fund Balance, End of Year	<u>\$ 4,966,478</u>	<u>\$ 887,149</u>	<u>\$ 5,853,627</u>

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (1,059,073)**

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

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

Capital Outlay	\$ 1,488,423	
Depreciation Expense	<u>(1,339,240)</u>	149,183

The issuance of long-term debt provides current financial resources to governmental funds, however, the transaction has no effect on net position

Debt Issued or Incurred:		
Leases Issued		(30,460)

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

Increase in Compensated Absences	(3,368)	
Decrease in Net Pension Expense	<u>274,421</u>	271,053

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Leases Payable	82,554	
Capital Financing Agreements	<u>12,518</u>	95,072

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		<u>7,423</u>
------------------------------	--	--------------

**Change in net position of governmental activities (Exhibit A-2)** **\$ (566,802)**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023**

	<b>Business-Type Activities <u>Enterprise Fund - Food Services</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 4,508
Intergovernmental Receivable	173,182
Other Receivable	1,689
Inventory	<u>20,484</u>
Total Current Assets	<u>199,863</u>
Capital Assets	
Machinery and Equipment	288,252
Less: Accumulated Depreciation	<u>(181,341)</u>
Total Capital Assets, Net	<u>106,911</u>
Total Assets	<u>306,774</u>
<b>LIABILITIES</b>	
Accounts Payable	7,426
Due to Other Funds	20
Unearned Revenue	<u>5,749</u>
Total Liabilities	<u>13,195</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred Commodities Revenue	<u>2,842</u>
Total Deferred Inflows of Resources	<u>2,842</u>
Total Liabilities and Deferred Inflow of Resources	<u>16,037</u>
<b>NET POSITION</b>	
Investment in Capital Assets	106,911
Unrestricted	<u>183,826</u>
Total Net Position	<u>\$ 290,737</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities <u>Enterprise Fund - Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	
Reimbursable Programs	\$ 70,350
Non-Reimbursable Programs	<u>530,476</u>
Total Operating Revenues	<u>600,826</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales - Reimbursable Programs	39,288
Cost of Sales - Non-Reimbursable Programs	295,938
Salaries and Benefits	277,830
Purchased Management Services	59,843
Repairs and Maintenance	8,704
Transportation Services	12,150
Other Purchased Services	16,145
General Supplies	44,125
Depreciation	<u>18,956</u>
Total Operating Expenses	<u>772,979</u>
Operating (Loss)	<u>(172,153)</u>
<b>NON-OPERATING REVENUES / (EXPENSES)</b>	
Local Sources	
Paycheck Protection Program Vendor Reimbursement	32,941
State Sources	
School Lunch Program	3,438
School Breakfast Program	199
Federal Sources	
National School Breakfast Program	5,008
National School Lunch Program	73,373
Supply Chain Assistance	44,075
Local Food for Schools	60
Food Distribution Program	<u>19,209</u>
Total Non-operating Revenues / (Expenses)	<u>178,303</u>
Change in Net Position	6,150
Net Position, Beginning of Year	<u>284,587</u>
Net Position, End of Year	<u>\$ 290,737</u>

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Fund - Food Services</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 566,300
Cash Payment for Employees Salaries and Benefits	(277,830)
Cash Payments to Suppliers for Goods and Services	<u>(455,967)</u>
Net Cash (Used) by Operating Activities	<u>(167,497)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash Received from Paycheck Protection Program Vendor Reimbursement	32,941
Cash Received from State and Federal Subsidy Reimbursements	<u>129,691</u>
Net Cash Provided by Noncapital Financing Activities	<u>162,632</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	<u>(65,335)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(65,335)</u>
Net (Decrease) in Cash and Cash Equivalents	(70,200)
Cash and Cash Equivalents, Beginning of Year	<u>74,708</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,508</u></u>
<b>RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES</b>	
Operating (Loss)	<u>\$ (172,153)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities	
Depreciation	18,956
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	19,209
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase)/Decrease in Intergovernmental Receivable - Local	(33,890)
(Increase)/Decrease in Other Receivables	(1,689)
(Increase)/Decrease in Inventory	(6,408)
Increase/(Decrease) in Accounts Payable	7,426
Increase/(Decrease) in Unearned Revenue	1,053
Increase/(Decrease) in Deferred Commodities Revenue	<u>(1)</u>
Total Adjustments	<u>4,656</u>
Net Cash (Used) by Operating Activities	<u><u>\$ (167,497)</u></u>
Non-Cash Investing, Capital and Financing Activities	
Value Received for Food Distribution Program	\$ 19,208

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

**NOTES TO THE FINANCIAL STATEMENTS**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Carlstadt-East Rutherford Regional 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 from the Boroughs of Carlstadt and East Rutherford and one appointed representative from the Maywood Board of Education 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 grade nine (9) through grade twelve (12) regional 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 Carlstadt-East Rutherford Regional 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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- 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.

**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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**District-Wide Financial Statements (Continued)**

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. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

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

**Reclassifications**

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

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

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

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

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

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

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

***2. Receivables***

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**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>
Land Improvements	5-20
Right-to-Use Leased Land	25
Buildings	20-50
Building Improvements	7-30
Right-to-Use Leased Buildings	25
Office Equipment and Furniture	5-20
Computer Equipment	5
Right-to-Use Leased Equipment	5

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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. Accordingly, one item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

***6. Compensated Absences***

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

***7. Pensions***

In the district-wide 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

***8. Leases Payable***

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

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

***9. Financing Agreements***

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

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

***10. Long-Term Obligations***

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

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**Restricted Fund Balance (Continued)**

*Scholarships* – 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.

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

***10. Fund Balance Policies***

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

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

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



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

Tuition 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 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general and special revenue 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$1,394,164 and the special revenue fund by \$889,073. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the District appropriated additional unassigned fund balance of \$110,834 and the Board approved the additional appropriation of capital reserve of \$1,040,000 from the general fund.

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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**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, 2023 is as follows:

Balance, July 1, 2022		\$ 3,399,668
Increased by:		
Interest Earnings	\$ 144	
Return of Unencumbered Budget Withdrawals	46,176	
Deposits Approved by Board Resolution	<u>482,146</u>	
		<u>528,466</u>
		3,928,134
Decreased by:		
Withdrawals approved by Board Resolution		<u>1,040,000</u>
Balance, June 30, 2023		<u>\$ 2,888,134</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$7,775,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. \$345,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, June 30, 2022		\$ 566,603
Increased by:		
Return of Unencumbered Budget Withdrawals	\$ 3,240	
Deposits Approved by Board Resolution	<u>77,760</u>	
		<u>81,000</u>
		647,603
Decreased by:		
Withdrawals Approved by District Budget		<u>167,603</u>
Balance, June 30, 2023		<u>\$ 480,000</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$702,696. The Board designated and appropriated \$280,000 of the maintenance reserve balance at June 30, 2023 for use in the 2023/2024 original budget certified for taxes.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$300,000. This amount of \$300,000 was designated and appropriated in the 2023/2024 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**Cash Deposits (Continued)**

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, 2023, the book value of the Board's deposits were \$5,254,785 and bank and brokerage firm balances of the Board's deposits amounted to \$6,173,254. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 5,975,573
Uninsured and Collateralized	<u>197,681</u>
	<u>\$ 6,173,254</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, 2023 \$197,681 of the Board's bank balances were exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 197,681</u>
	<u>\$ 197,681</u>

**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.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**Investments (Continued)**

As of June 30, 2023, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**B. Receivables**

Receivables as of June 30, 2023 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Local	\$ 515,750		\$ 160,151	\$ 675,901
State	50,922	\$ 63,421	557	114,900
Federal		310,305	12,474	322,779
Other Accounts	<u>14,353</u>	<u>-</u>	<u>1,689</u>	<u>16,042</u>
Gross Receivables	581,025	373,726	174,871	1,129,622
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 581,025</u>	<u>\$ 373,726</u>	<u>\$ 174,871</u>	<u>\$ 1,129,622</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	<u>\$ 69,240</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 69,240</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 559,843	-	-	\$ 559,843
Total Capital Assets, Not Being Depreciated	<u>559,843</u>	<u>-</u>	<u>-</u>	<u>559,843</u>
Capital Assets, Being Depreciated:				
Land Improvements	332,288			332,288
Right-to-Use Leased Land	1,114,514			1,114,514
Building and Building Improvements	33,815,573	\$ 1,090,928		34,906,501
Right-to-Use Leased Buildings	166,537			166,537
Machinery and Equipment	2,055,839	367,035		2,422,874
Right-to-Use Leased Machinery and Equipment	-	30,460	-	30,460
Total Capital Assets Being Depreciated	<u>37,484,751</u>	<u>1,488,423</u>	<u>-</u>	<u>38,973,174</u>
Less Accumulated Depreciation for:				
Land Improvements	(132,476)	(8,252)		(140,728)
Right-to-Use Leased Land	(802,451)	(44,581)		(847,032)
Building and Building Improvements	(10,631,343)	(1,038,527)		(11,669,870)
Right-to-Use Leased Buildings	(119,906)	(6,661)		(126,567)
Machinery and Equipment	(979,319)	(239,696)		(1,219,015)
Right-to-Use Leased Machinery and Equipment	-	(1,523)	-	(1,523)
Total Accumulated Depreciation	<u>(12,665,495)</u>	<u>(1,339,240)</u>	<u>-</u>	<u>(14,004,735)</u>
Total Assets, Being Depreciation, Net	<u>24,819,256</u>	<u>149,183</u>	<u>-</u>	<u>24,968,439</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,379,099</u>	<u>\$ 149,183</u>	<u>\$ -</u>	<u>\$ 25,528,282</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 246,584	\$ 65,335	\$ (23,667)	\$ 288,252
Total Capital Assets Being Depreciated	<u>246,584</u>	<u>65,335</u>	<u>(23,667)</u>	<u>288,252</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(186,052)</u>	<u>(18,956)</u>	<u>23,667</u>	<u>(181,341)</u>
Total Accumulated Depreciation	<u>(186,052)</u>	<u>(18,956)</u>	<u>23,667</u>	<u>(181,341)</u>
Total Capital Assets, Being Depreciated, Net	<u>60,532</u>	<u>46,379</u>	<u>-</u>	<u>106,911</u>
Business-Type Activities Capital Assets, Net	<u>\$ 60,532</u>	<u>\$ 46,379</u>	<u>\$ -</u>	<u>\$ 106,911</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 62,273
Total Instruction	<u>62,273</u>
Support Services	
Instructional	51,638
General Administrative Services	1,523
School Administrative Services	10,203
Plant Operations and Maintenance	1,119,994
Pupil Transportation	<u>93,609</u>
Total Support Services	<u>1,276,967</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,339,240</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 18,956</u>



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

The composition of interfund balances as of June 30, 2023, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 278,841
General Fund	Food Service Fund	20
Special Revenue Fund	General Fund	<u>12</u>
<b>Total</b>		<b><u>\$ 278,873</u></b>

The above balances are the result of revenues earned or receipts deposited in one fund which are due to another fund.

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

**F. Leases Payable**

On July 20, 2004, the District entered into a 25-year lease agreement as lessee for the use of the Riggin Field Athletic Facility. An initial lease liability was recorded in the amount of \$1,281,051. The lease has an interest rate of 4.375%. The District is required to make annual payments of \$110,000. As of June 30, 2023 the value of the lease liability was \$569,662. The land and buildings have a 25-year estimated useful life. The values of the right -to-use assets as of June 30, 2023 is \$1,281,051 and had accumulated depreciation of \$973,599.

On March 25, 2023 the District entered into a five year lease agreement as lessee for the use of photocopiers. An initial lease liability was recorded in the amount of \$30,460. The lease has an interest rate of 15.06%. The District is required to make monthly payments of \$726. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$29,417. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$30,460 and had accumulated depreciation of \$1,523.

The future principal and interest lease payments as of June 30, 2023 were as follows:

**Governmental Activities:**

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 89,662	\$ 29,044	\$ 118,706
2025	94,125	24,581	118,706
2026	98,870	19,837	118,707
2027	103,922	14,785	118,707
2028	107,111	9,419	116,530
2029	<u>105,389</u>	<u>4,611</u>	<u>110,000</u>
<b>Total</b>	<b><u>\$ 599,079</u></b>	<b><u>\$ 102,277</u></b>	<b><u>\$ 701,356</u></b>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**G. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreements to finance the acquisition of photo copier machines and postage machines under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2023 are comprised of the following:

\$18,582, fiscal year 2018 agreement for the acquisition of postage machines for a term of five (5) years due in a final quarterly principal installment of \$885 on June 12, 2023, interest at 0%	\$ <u>885</u>
Total	\$ <u><u>885</u></u>

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Capital Financing Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ <u>885</u>	<u>-</u>	\$ <u>885</u>
Total	\$ <u><u>885</u></u>	\$ <u><u>-</u></u>	\$ <u><u>885</u></u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 105,028,365
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u><u>\$ 105,028,365</u></u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance,</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Leases Payable	\$ 651,173	\$ 30,460	\$ 82,554	\$ 599,079	\$ 89,662
Capital Financing Agreements	13,403	-	12,518	885	885
Compensated Absences	112,252	154,003	150,635	115,620	20,000
Net Pension Liability	<u>1,461,871</u>	<u>577,656</u>	<u>157,282</u>	<u>1,882,245</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 2,238,699</u>	<u>\$ 762,119</u>	<u>\$ 402,989</u>	<u>\$ 2,597,829</u>	<u>\$ 110,547</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, 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, 2023, 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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:

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS 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).

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 157,282	\$ 2,129,892	\$ 12,528
2022	144,517	1,801,532	4,414
2021	132,175	1,256,691	4,812



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$642, \$248 and \$363, 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 \$483,920 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$1,882,245 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .01247 percent, which was an increase of .00013 percent from its proportionate share measured as of June 30, 2021 of .01234 percent.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$117,139 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 13,585	\$ 11,980
Changes of Assumptions	5,832	281,847
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	77,904	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>75,345</u>	<u>47,703</u>
Total	<u>\$ 172,666</u>	<u>\$ 341,530</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension benefit as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2023	\$ (154,321)
2024	(79,501)
2025	(27,579)
2026	92,536
2027	1
Thereafter	<u>-</u>
	<u>\$ (168,864)</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2022. 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 percent, 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>2,418,133</u>	\$ <u>1,882,245</u>	\$ <u>1,426,182</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, 2022. A sensitivity analysis specific to the District's net pension liability at June 30, 2022 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).

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$592,367 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$22,010,617. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .04315 percent, which was an increase of .00073 percent from its proportionate share measured as of June 30, 2021 of .04242 percent.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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.



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 25,807,916</u>	<u>\$ 22,010,617</u>	<u>\$ 18,811,870</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, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 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, 2022. 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

**Measurement Focus and Basis of Accounting**

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$559,517, \$420,911 and \$393,827, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$393,451. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$18,079,395. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .03570 percent, which was an increase of .00173 percent from its proportionate share measured as of June 30, 2021 of .03397 percent.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>20,383,584</u>
Changes Recognized for the Fiscal Year:	
Service Cost	804,802
Interest on the Total OPEB Liability	479,124
Differences Between Expected and Actual Experience	1,721,206
Changes of Assumptions	(4,849,960)
Gross Benefit Payments	(474,586)
Contributions from the Member	<u>15,225</u>
Net Changes	\$ <u>(2,304,189)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>18,079,395</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>21,250,427</u>	\$ <u>18,079,395</u>	\$ <u>15,537,971</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 14,943,725	\$ 18,079,395	\$ 22,198,288

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

**F. Subsequent Events**

**Appropriation of Fund Balance**

On July 26, 2023 and August 23, 2023 the Board approved the appropriation of an additional \$314,059 and \$1,198,900, respectively, of General Fund capital reserve fund balance to the 2023/2024 budget.

**G. 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 Carlstadt-East Rutherford Regional Board of Education, the District’s share of abated taxes resulting from the two municipalities having entered into tax abatement agreements is indeterminate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 RESTATEMENT**

During the 2023 fiscal year, the Carlstadt-East Rutherford Regional Board of Education contracted with an independent consulting firm to complete an update of its capital assets inventory records. The Carlstadt-East Rutherford Regional Board of Education has determined that the effect of updating its capital assets inventory records on the financial statements previously reported as of and for the fiscal year ended June 30, 2022 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2022 have been restated to reflect certain capital asset activities previously unrecorded. The effect of this restatement is to increase governmental activities capital assets, net by \$626,005 from \$24,753,094 as previously reported to \$25,379,099 as of June 30, 2022 and to increase net position of governmental activities by \$626,005 from \$28,537,321 as previously reported to \$29,163,326 as of June 30, 2022.

**NOTE 6 RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, 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. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,066,739 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 14,141,169		\$ 14,141,169	\$ 14,141,169	
Tuition From Other LEA's Within the State	2,520,000		2,520,000	2,678,300	\$ 158,300
Tuition From Individuals				18,900	18,900
Transportation Fees				81,600	81,600
Building Rentals				161,264	161,264
Interest Earned on Maintenance Reserve	1,000		1,000		(1,000)
Interest Earned on Capital Reserve	1,000		1,000	144	(856)
Interest Earned				95,328	95,328
Unrestricted Miscellaneous Revenues	363,259	-	363,259	74,873	(288,386)
<b>Total Local Sources</b>	<b>17,026,428</b>	<b>-</b>	<b>17,026,428</b>	<b>17,251,578</b>	<b>225,150</b>
State Sources					
Special Education Aid	549,460		549,460	549,460	-
Transportation Aid	92,141		92,141	92,141	-
Security Aid	46,880		46,880	46,880	-
Extraordinary Aid				220,474	220,474
On-behalf TPAF Payments (Non-Budget)					
Pension Benefit Contribution				2,100,747	2,100,747
Pension NCGI Premium				29,145	29,145
Post-Retirement Medical Benefits				559,517	559,517
Long-Term Disability Insurance				642	642
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	483,920	483,920
<b>Total State Sources</b>	<b>688,481</b>	<b>-</b>	<b>688,481</b>	<b>4,082,926</b>	<b>3,394,445</b>
Federal Sources					
Medicaid Reimbursement	15,397	-	15,397	-	(15,397)
<b>Total Federal Sources</b>	<b>15,397</b>	<b>-</b>	<b>15,397</b>	<b>-</b>	<b>(15,397)</b>
<b>Total Revenues</b>	<b>17,730,306</b>	<b>-</b>	<b>17,730,306</b>	<b>21,334,504</b>	<b>3,604,198</b>
<b>EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	4,876,933	\$ 67,730	4,944,663	4,944,438	225
Purchased Professional - Educational Services	60,000	(58,747)	1,253	1,253	-
Regular Program - Home Instruction					
Salaries of Teachers	25,000	(4,003)	20,997	19,407	1,590
Purchased Professional - Educational Services	25,000	43,434	68,434	68,433	1
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	10,000	(2,537)	7,463	7,462	1
Other Purchased Services	12,000	5,420	17,420	15,926	1,494
General Supplies	449,429	(3,560)	445,869	445,749	120
Textbooks	20,000	18,819	38,819	38,818	1
Other Objects	7,000	4,497	11,497	11,494	3
<b>Total Regular Programs</b>	<b>5,485,362</b>	<b>71,053</b>	<b>5,556,415</b>	<b>5,552,980</b>	<b>3,435</b>
Special Education					
Resource Room					
Salaries of Teachers	528,474	(31,250)	497,224	458,874	38,350
Other Salaries for Instruction	120,000	(42,392)	77,608	77,608	-
Purchased Professional - Educational Services		3,400	3,400	3,009	391
General Supplies	4,000	(400)	3,600	1,107	2,493
Textbooks	1,000	-	1,000	-	1,000
Other Objects	500	-	500	-	500
<b>Total Resource Room</b>	<b>653,974</b>	<b>(70,642)</b>	<b>583,332</b>	<b>540,598</b>	<b>42,734</b>
<b>Total Special Education</b>	<b>653,974</b>	<b>(70,642)</b>	<b>583,332</b>	<b>540,598</b>	<b>42,734</b>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Basic Skills/Remedial General Supplies	\$ 1,000	-	\$ 1,000	-	\$ 1,000
Total Basic Skills/Remedial	1,000	-	1,000	-	1,000
Bilingual Education					
Salaries of Teachers	63,000	\$ 2,500	65,500	\$ 65,500	
General Supplies	2,000	1,217	3,217	3,026	191
Textbooks	500	2,446	2,946	2,945	1
Other Objects	500	(173)	327	-	327
Total Bilingual Education	66,000	5,990	71,990	71,471	519
School Sponsored Co/Extra Curricular Activities					
Salaries	70,000	7,876	77,876	76,715	1,161
Purchased Services		6,194	6,194	6,193	1
Supplies and Materials	6,500	10,125	16,625	16,624	1
Other Objects	2,000	(183)	1,817	1,816	1
Transfers to Cover Deficit	3,000	(3,000)	-	-	-
Total School Sponsored Co/Extra Curricular Activities	81,500	21,012	102,512	101,348	1,164
School Sponsored Athletics					
Salaries	272,533	(22,772)	249,761	249,761	-
Purchased Services	20,000	26,295	46,295	46,294	1
Supplies and Materials	50,000	6,341	56,341	56,341	-
Other Objects	15,000	(1,105)	13,895	13,894	1
Total School Sponsored Athletics	357,533	8,759	366,292	366,290	2
Total Instruction	6,645,369	36,172	6,681,541	6,632,687	48,854
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	120,000	(50,484)	69,516	-	69,516
Tuition to Other LEAs Within the State - Special		20	20	17	3
Tuition to County Vocational School - Districts - Regular	437,976	113,976	551,952	551,951	1
Tuition to County Vocational School - Districts - Special	157,464	(157,464)	-	-	-
Tuition to County Special Services School Districts and Regional Day Schools	730,233	98,572	828,805	623,136	205,669
Tuition to Priv Sch for Disabled W/I State	1,132,442	(262,431)	870,011	857,076	12,935
Total Undistributed Expenditures - Instruction	2,578,115	(257,811)	2,320,304	2,032,180	288,124
Attendance and Social Work Services					
Salaries		56,432	56,432	56,432	-
Other Purchased Services	5,000	(5,000)	-	-	-
Total Attendance and Social Work Services	5,000	51,432	56,432	56,432	-

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 110,846	\$ (9,957)	\$ 100,889	\$ 100,889	-
Purchased Professional and Technical Services	60,000	(30,673)	29,327	29,327	-
Other Purchased Services	2,500	2,120	4,620	4,620	-
Supplies and Materials	4,000	(1,110)	2,890	2,890	-
Other Objects	500	(500)	-	-	-
Total Health Services	<u>177,846</u>	<u>(40,120)</u>	<u>137,726</u>	<u>137,726</u>	<u>-</u>
Speech, OT, PT & Related Services					
Purchased Professional-Educational Services	<u>225,000</u>	<u>(111,831)</u>	<u>113,169</u>	<u>113,169</u>	<u>-</u>
Total Speech, OT, PT & Related Services	<u>225,000</u>	<u>(111,831)</u>	<u>113,169</u>	<u>113,169</u>	<u>-</u>
Other Support Serv. Students - Extra Serv.					
Salaries	12,000	33,898	45,898	45,898	-
Purchased Professional-Educational Services	65,000	40,595	105,595	105,595	-
Supplies and Materials	-	908	908	908	-
Total Other Support Serv. Students- Extra Serv.	<u>77,000</u>	<u>75,401</u>	<u>152,401</u>	<u>152,401</u>	<u>-</u>
Guidance					
Salaries of Other Professional Staff	496,040	33,356	529,396	522,866	\$ 6,530
Salaries of Secretarial and Clerical Assistants	54,620	-	54,620	54,620	-
Purchased Professional-Educational Services	22,000	(19,186)	2,814	2,814	-
Other Purchased Professional and Technical Services	34,000	(15,141)	18,859	18,808	51
Other Purchased Services	-	10,694	10,694	10,692	2
Supplies and Materials	4,000	4,137	8,137	8,055	82
Other Objects	500	(335)	165	165	-
Total Guidance	<u>611,160</u>	<u>13,525</u>	<u>624,685</u>	<u>618,020</u>	<u>6,665</u>
Child Study Teams					
Salaries of Other Professional Staff	174,354	94,053	268,407	268,406	1
Salaries of Secretarial and Clerical Assistants	47,000	(28,975)	18,025	18,025	-
Purchased Professional-Educational Services	469,283	2,515	471,798	471,698	100
Other Purchased Professional and Technical Services	35,000	(7,795)	27,205	27,205	-
Other Purchased Services	-	4,823	4,823	4,822	1
Supplies and Materials	2,000	997	2,997	2,997	-
Other Objects	-	63	63	63	-
Total Child Study Teams	<u>727,637</u>	<u>65,681</u>	<u>793,318</u>	<u>793,216</u>	<u>102</u>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	31,461	4,331	35,792	35,792	-
Salaries of Other Professional Staff	-	2,948	2,948	638	2,310
Purchased Professional-Educational Services	-	750	750	750	-
Other Purchased Services	-	215	215	203	12
Supplies and Materials	1,000	(464)	536	535	1
Total Improvement of Instructional Services	<u>32,461</u>	<u>7,780</u>	<u>40,241</u>	<u>37,918</u>	<u>2,323</u>
Educational Media Services/School Library					
Salaries	-	2,363	2,363	1,744	619
Salaries of Technology Coordinators	291,336	8,898	300,234	300,234	-
Purchased Professional and Technical Services	35,000	(10,523)	24,477	24,477	-
Purchased Professional-Educational Services	-	2,948	2,948	2,948	-
Other Purchased Services	3,500	(1,286)	2,214	2,213	1
Supplies and Materials	15,000	90,527	105,527	105,526	1
Other Objects	1,500	(370)	1,130	1,130	-
Total Educational Media Serv./School Library	<u>346,336</u>	<u>92,557</u>	<u>438,893</u>	<u>438,272</u>	<u>621</u>
Instructional Staff Training Services					
Salaries of Other Professional Staff	10,000	(10,000)	-	-	-
Other Purchased Professional and Technical Services	-	467	467	467	-
Other Purchased Services	17,000	1,787	18,787	18,727	60
Supplies and Materials	-	830	830	829	1
Total Instructional Staff Training Services	<u>27,000</u>	<u>(6,916)</u>	<u>20,084</u>	<u>20,023</u>	<u>61</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 292,137	\$ 82,084	\$ 374,221	\$ 374,221	-
Legal Services	80,000	75,015	155,015	146,765	\$ 8,250
Audit Fees	55,000	25,189	80,189	40,289	39,900
Expenditure and Internal Control Audit Fees	2,400	-	2,400	2,400	-
Architectural/Engineering Services		93,863	93,863	19,863	74,000
Purchased Technical Services	1,000	1,451	2,451	2,451	-
Communications/Telephone	90,000	(39,150)	50,850	50,849	1
BOE Other Purchased Services	18,000	(10,055)	7,945	5,472	2,473
Misc Purchased Services	167,000	(94,636)	72,364	72,044	320
General Supplies	10,500	(4,377)	6,123	6,122	1
BOE In-House Training/Meeting Supplies	3,000	(3,000)			-
Judgments against the School District	15,000	(15,000)			-
Miscellaneous Expenditures	14,500	(14,300)	200	200	-
BOE Membership Dues and Fees	15,000	(6,504)	8,496	6,169	2,327
<b>Total Support Services General Administration</b>	<b>763,537</b>	<b>90,580</b>	<b>854,117</b>	<b>726,845</b>	<b>127,272</b>
Support Services School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	155,000	10,005	165,005	165,005	-
Salaries of Secretarial and Clerical Assistants	171,558	(45,134)	126,424	105,275	21,149
Other Purchased Services	5,000	475	5,475	4,873	602
Supplies and Materials	10,000	(50)	9,950	7,744	2,206
Other Objects	5,000	50	5,050	5,050	-
<b>Total Support Services School Administration</b>	<b>346,558</b>	<b>(34,654)</b>	<b>311,904</b>	<b>287,947</b>	<b>23,957</b>
Central Services					
Salaries	353,000	6,379	359,379	359,379	-
Purchased Professional Services	18,500	(3,009)	15,491	15,491	-
Purchased Technical Services	4,000	3,742	7,742	7,741	1
Miscellaneous Purchased Services	5,000	1,493	6,493	5,619	874
Supplies and Materials	5,000	2,479	7,479	7,478	1
Miscellaneous Expenditures	500	(148)	352	352	-
<b>Total Central Services</b>	<b>386,000</b>	<b>10,936</b>	<b>396,936</b>	<b>396,060</b>	<b>876</b>
Admin. Info. Technology					
Purchased Professional Services	8,000	(7,895)	105		105
Purchased Technical Services	40,000	(1,419)	38,581	33,546	5,035
Supplies and Materials	25,000	(21,120)	3,880	3,880	-
<b>Total Admin. Info. Technology</b>	<b>73,000</b>	<b>(30,434)</b>	<b>42,566</b>	<b>37,426</b>	<b>5,140</b>
Required Maintenance for School Facilities					
Salaries	197,980	4,131	202,111	202,110	1
Cleaning, Repair and Maint. Serv.	420,291	(217,328)	202,963	125,203	77,760
General Supplies	40,000	123,363	163,363	67,023	96,340
Other Objects	3,000	10,558	13,558	7,173	6,385
<b>Total Required Maintenance for School Fac.</b>	<b>661,271</b>	<b>(79,276)</b>	<b>581,995</b>	<b>401,509</b>	<b>180,486</b>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 501,640	\$ 51,055	\$ 552,695	\$ 548,865	\$ 3,830
Cleaning, Repair and Maint. Serv.	12,000	478	12,478	12,478	-
Rental of Land & Building Other than Lease Purchase Agreement	110,000	-	110,000	110,000	-
Other Purchased Property Services	25,000	(599)	24,401	24,400	1
Insurance	185,000	10,501	195,501	195,501	-
Miscellaneous Purchased Services	1,000	(1,000)	-	-	-
General Supplies	30,000	(4,250)	25,750	25,002	748
Energy (Natural Gas)	185,000	33,049	218,049	218,049	-
Energy (Electricity)	190,000	(133,329)	56,671	56,019	652
<b>Total Custodial Services</b>	<b>1,239,640</b>	<b>(44,095)</b>	<b>1,195,545</b>	<b>1,190,314</b>	<b>5,231</b>
Care and Upkeep of Grounds					
Salaries		40,492	40,492	40,492	-
Purchased Professional and Technical Services	15,000	(14,680)	320	320	-
Cleaning, Repair and Maint. Serv.	20,000	(215)	19,785	13,794	5,991
General Supplies	500	4,360	4,860	4,860	-
Other Objects	200	-	200	-	200
<b>Total Care and Upkeep of Grounds</b>	<b>35,700</b>	<b>29,957</b>	<b>65,657</b>	<b>59,466</b>	<b>6,191</b>
Security					
Cleaning, Repair and Maint. Serv.		10,241	10,241		10,241
General Supplies	-	9,038	9,038	8,601	437
<b>Total Security</b>	<b>-</b>	<b>19,279</b>	<b>19,279</b>	<b>8,601</b>	<b>10,678</b>
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	50,000	897	50,897	50,253	644
Salaries for Pupil Transportation					
(Between Home and School) - Spec. Ed	75,000	(34,979)	40,021	40,021	-
Salaries for Pupil Transportation					
(Other Than Between Home and School)	50,000	(50,000)	-	-	-
Cleaning, Repair and Maint. Serv.	50,000	(16,473)	33,527	29,705	3,822
Contract. Svcs. Aid in Lieu Payments - Charter School	8,000	-	8,000	8,000	-
Contract. Svcs. (Bet. Home & Sch) - Vendors	15,000	(10,177)	4,823	4,422	401
Contract. Svcs. (Bet. Home & Sch) - Joint Agreements	24,000	41,532	65,532	65,531	1
Contract. Svcs. (Spec Ed. Students) - Joint Agreements	450,000	96,284	546,284	546,283	1
Miscellaneous Purchased Services - Transportation	9,000	(4,490)	4,510	4,510	-
General Supplies	20,000	(19,999)	1	-	1
Transportation Supplies	20,000	12,245	32,245	32,245	-
Other Objects	1,400	(58)	1,342	1,341	1
<b>Total Student Transportation Services</b>	<b>772,400</b>	<b>14,782</b>	<b>787,182</b>	<b>782,311</b>	<b>4,871</b>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	155,000	67,092	222,092	222,092	-
Other Retirement Contributions - PERS	145,000	18,502	163,502	163,501	1
Other Retirement Contributions - Regular	8,000	63,055	71,055	71,055	-
Unemployment Compensation	25,000	25,240	50,240	31,047	19,193
Workmen's Compensation	90,000	(29,714)	60,286	60,286	-
Health Benefits	2,343,847	(287,753)	2,056,094	1,982,280	73,814
Tuition Reimbursement	30,000	(10,492)	19,508	19,507	1
Unused Sick Payment to Terminated/Retired Staff		155,525	155,525	150,635	4,890
Other Employee Benefits	90,000	(8,223)	81,777	81,776	1
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>2,886,847</b>	<b>(6,768)</b>	<b>2,880,079</b>	<b>2,782,179</b>	<b>97,900</b>
Transfers to Cover Deficit (Enterprise Fund)	5,000	-	5,000	-	5,000

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
On-behalf TPAF Payments - (Non-Budget)					
Pension Benefit Contribution				\$ 2,100,747	\$ (2,100,747)
Pension NCGI Premium				29,145	(29,145)
Post-Retirement Medical Benefits				559,517	(559,517)
Long-Term Disability Insurance				642	(642)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	483,920	(483,920)
Total On-Behalf and Reimbursed Payments	-	-	-	3,173,971	(3,173,971)
Interest on Maintenance Reserve	\$ 1,000	-	\$ 1,000	-	1,000
Total Undistributed Expenditures	11,978,508	\$ (139,995)	11,838,513	14,245,986	(2,407,473)
Total Expenditures - Current Expenditures	18,623,877	(103,823)	18,520,054	20,878,673	(2,358,619)
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
School Sponsored and Other Instructional Programs	-	2,618	2,618	2,618	-
Admin. Info. Technology		380,414	380,414	292,080	88,334
School Buses	69,904	12,000	81,904	74,955	6,949
Total Equipment	69,904	395,032	464,936	369,653	95,283
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services		126,200	126,200	116,205	9,995
Construction Services	-	976,755	976,755	940,574	36,181
Total Facilities Acquisition and Construction Services	-	1,102,955	1,102,955	1,056,779	46,176
Interest on Capital Reserve	1,000	-	1,000	-	1,000
<b>Assets Acquired Under Leases (Non-Budget)</b>					
Leased Equipment - General Administration	-	-	-	30,460	(30,460)
Total Assets Acquired Under Leases	-	-	-	30,460	(30,460)
Total Capital Outlay	70,904	1,497,987	1,568,891	1,456,892	111,999
Transfers of Funds to Charter Schools	78,353	-	78,353	53,706	24,647
Total Expenditures	18,773,134	1,394,164	20,167,298	22,389,271	(2,221,973)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,042,828)	(1,394,164)	(2,436,992)	(1,054,767)	1,382,225
<b>Other Financing Sources (Uses)</b>					
Leases Issued				30,460	30,460
Transfer Out - Special Revenue Fund (Athletics)	(50,000)	-	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(50,000)	-	(50,000)	(19,540)	30,460

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Net Change in Fund Balance	\$ (1,092,828)	\$ (1,394,164)	\$ (2,486,992)	\$ (1,074,307)	\$ 1,412,685
Fund Balance, Beginning of Year	<u>6,261,259</u>	<u>-</u>	<u>6,261,259</u>	<u>6,261,259</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,168,431</u>	<u>\$ (1,394,164)</u>	<u>\$ 3,774,267</u>	<u>\$ 5,186,952</u>	<u>\$ 1,412,685</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted</b>					
Capital Reserve				\$ 2,543,134	
Capital Reserve - Designated for Subsequent Year's Expenditures				345,000	
Maintenance Reserve				200,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				280,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				300,000	
<b>Assigned</b>					
Year-End Encumbrances				162,343	
Designated for Subsequent Year's Expenditures				751,304	
<b>Unassigned</b>				<u>605,171</u>	
Reconciliation to Governmental Funds Statements (GAAP):				5,186,952	
Less: State Aid Payments not Recognized on GAAP Basis				<u>(220,474)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,966,478</u>	

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET (NON-GAAP) AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 520,000	\$ 626,668	\$ 1,146,668	\$ 510,475	\$ (636,193)
State		38,191	38,191	37,993	(198)
Local	-	224,214	224,214	187,321	(36,893)
	<u>520,000</u>	<u>889,073</u>	<u>1,409,073</u>	<u>735,789</u>	<u>(673,284)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	\$ 95,000	\$ 4,896	\$ 99,896	\$ 59,913	\$ 39,983
Purchased Prof. - Technical Services		20,000	20,000	-	20,000
Tuition	120,000	204,987	324,987	324,987	-
General Supplies		32,297	32,297	24,400	7,897
Co-curricular/Extra-curricular Activities		127,255	127,255	127,255	-
Athletic Activities	-	57,758	57,758	57,758	-
	<u>215,000</u>	<u>447,193</u>	<u>662,193</u>	<u>594,313</u>	<u>67,880</u>
Support Services					
Salaries	295,000	(59,974)	235,026	62,374	172,652
Personal Services - Employee Benefits		85,881	85,881	25,645	60,236
Purchased Prof. - Technical Services		60,373	60,373	5,373	55,000
Other Purchased Services		348	348	150	198
General Supplies		49,093	49,093	24,095	24,998
Scholarship Awards	-	27,650	27,650	27,650	-
	<u>295,000</u>	<u>163,371</u>	<u>458,371</u>	<u>145,287</u>	<u>313,084</u>
Capital Outlay					
Construction Services		288,509	288,509	31,531	256,978
Non-Instructional Equipment	10,000	(10,000)	-	-	-
	<u>10,000</u>	<u>278,509</u>	<u>288,509</u>	<u>31,531</u>	<u>256,978</u>
	<u>520,000</u>	<u>889,073</u>	<u>1,409,073</u>	<u>771,131</u>	<u>637,942</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-	(35,342)	(35,342)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In - General Fund	-	-	-	50,000	50,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	-	-	-	14,658	14,658
Fund Balance, Beginning of Year	872,491	-	872,491	872,491	-
Fund Balance, End of Year	<u>\$ 872,491</u>	<u>\$ -</u>	<u>\$ 872,491</u>	<u>\$ 887,149</u>	<u>\$ 14,658</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted</b>					
Scholarships				\$ 822,385	
Student Activities				<u>64,764</u>	
				<u>\$ 887,149</u>	



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	(C-1)	\$ 21,334,504	(C-2)	\$ 735,789
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2022, Net of Cancellations				
Encumbrances, June 30, 2023				
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2021/2022 State Aid)		221,050		
State Aid payments recognized for Budgetary purposes, not recognized for GAAP statements (2022/2023 State Aid)		<u>(220,474)</u>		<u>-</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 (B-2)	 <u>\$ 21,335,080</u>	 (B-2)	 <u>\$ 735,789</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1)	\$ 22,389,271	(C-2)	\$ 771,131
Difference - Budget to GAAP:				
Encumbrances for supplies and equipment ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2022, Net of Cancellations				
Encumbrances, June 30, 2023		<u>-</u>		<u>-</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 (B-2)	 <u>\$ 22,389,271</u>	 (B-2)	 <u>\$ 771,131</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**CARLSTADT EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Public Employees Retirement System**

**Last Ten Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.01247 %	0.01234 %	0.01208 %	0.01230 %	0.01282 %	0.01199 %	0.01188 %	0.01274 %	0.01283 %	0.01255 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,882,245	\$ 1,461,871	\$ 1,970,318	\$ 2,215,611	\$ 2,524,143	\$ 2,791,569	\$ 3,518,208	\$ 2,859,017	\$ 2,402,589	\$ 2,398,182
District's Covered-Employee Payroll	\$ 1,142,439	\$ 930,095	\$ 895,800	\$ 862,646	\$ 930,046	\$ 883,124	\$ 799,117	\$ 827,948	\$ 870,268	\$ 881,888
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	164.76 %	157.17 %	219.95 %	256.84 %	271.40 %	316.10 %	440.26 %	345.31 %	276.07 %	271.94 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91 %	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

**CARLSTADT EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 157,282	\$ 144,517	\$ 132,175	\$ 119,609	\$ 127,515	\$ 111,094	\$ 105,531	\$ 109,497	\$ 105,789	\$ 96,047
Contributions in Relation to the Contractually Required Contribution	<u>157,282</u>	<u>144,517</u>	<u>132,175</u>	<u>119,609</u>	<u>127,515</u>	<u>111,094</u>	<u>105,531</u>	<u>109,497</u>	<u>105,789</u>	<u>96,047</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,264,258	\$ 1,142,439	\$ 930,095	\$ 895,800	\$ 862,646	\$ 930,046	\$ 883,124	\$ 799,117	\$ 827,948	\$ 870,268
Contributions as a Percentage of Covered-Employee Payroll	\$ 12.44 %	\$ 12.65 %	\$ 14.21 %	\$ 13.35 %	\$ 14.78 %	\$ 11.95 %	\$ 11.95 %	\$ 13.70 %	\$ 12.78 %	\$ 11.04 %

**CARLSTADT EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Ten Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
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 %	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>\$ 22,010,617</u>	<u>\$ 20,395,627</u>	<u>\$ 27,620,105</u>	<u>\$ 25,297,832</u>	<u>\$ 26,635,227</u>	<u>\$ 28,738,398</u>	<u>\$ 34,000,640</u>	<u>\$ 26,537,917</u>	<u>\$ 23,989,774</u>	<u>\$22,444,712</u>
<b>Total</b>	<u>\$ 22,010,617</u>	<u>\$ 20,395,627</u>	<u>\$ 27,620,105</u>	<u>\$ 25,297,832</u>	<u>\$ 26,635,227</u>	<u>\$ 28,738,398</u>	<u>\$ 34,000,640</u>	<u>\$ 26,537,917</u>	<u>\$ 23,989,774</u>	<u>\$22,444,712</u>
District's Covered Payroll	\$ 5,896,730	\$ 5,522,040	\$ 4,829,836	\$ 4,631,021	\$ 4,494,641	\$ 4,277,660	\$ 4,364,263	\$ 4,276,160	\$ 4,332,959	\$ 4,228,545
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29 %	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.

**CARLSTADT EAST RUTHERFORD REGIONAL 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, 2023**

**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 4C.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Six Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 804,802	\$ 874,645	\$ 475,632	\$ 486,232	\$ 589,348	\$ 701,824
Interest on Total OPEB Liability	479,124	528,772	498,129	623,597	699,058	608,955
Changes in Benefit Terms		(21,696)				
Differences Between Expected and Actual Experience	1,721,206	(3,209,898)	3,929,371	(2,789,784)	(2,369,608)	
Changes of Assumptions	(4,849,960)	20,110	4,127,267	207,931	(1,816,929)	(2,528,669)
Gross Benefit Payments	(474,586)	(416,524)	(393,354)	(428,091)	(423,372)	(378,726)
Contribution from the Member	<u>15,225</u>	<u>13,518</u>	<u>11,923</u>	<u>12,690</u>	<u>14,632</u>	<u>13,946</u>
<b>Net Change in Total OPEB Liability</b>	(2,304,189)	(2,211,073)	8,648,968	(1,887,425)	(3,306,871)	(1,582,670)
<b>Total OPEB Liability - Beginning</b>	<u>20,383,584</u>	<u>22,594,657</u>	<u>13,945,689</u>	<u>15,833,114</u>	<u>19,139,985</u>	<u>20,722,655</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 18,079,395</u>	<u>\$ 20,383,584</u>	<u>\$ 22,594,657</u>	<u>\$ 13,945,689</u>	<u>\$ 15,833,114</u>	<u>\$ 19,139,985</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>18,079,395</u>	<u>20,383,584</u>	<u>22,594,657</u>	<u>13,945,689</u>	<u>15,833,114</u>	<u>19,139,985</u>
Total OPEB Liability - Ending	<u>\$ 18,079,395</u>	<u>\$ 20,383,584</u>	<u>\$ 22,594,657</u>	<u>\$ 13,945,689</u>	<u>\$ 15,833,114</u>	<u>\$ 19,139,985</u>
District's Covered Payroll	<u>\$ 7,039,169</u>	<u>\$ 6,452,135</u>	<u>\$ 5,725,636</u>	<u>\$ 5,493,667</u>	<u>\$ 5,424,687</u>	<u>\$ 5,160,784</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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.



**CARLSTADT-EAST RUTHERFORD REGIONAL 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, 2023**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>IDEIA Part B Basic</b>	<b>Title I Part A</b>	<b>Title II Part A</b>	<b>Title IV</b>	<b>ACSERS</b>	<b>SDA Emergent &amp; Capital Maint. Needs</b>	<b>Climate Change Awareness</b>	<b>Local Donations</b>	<b>Student Activities</b>	<b>Scholarship</b>	<b>Total</b>
<b>REVENUES</b>											
Intergovernmental											
Federal	\$ 153,105	\$ 63,830	\$ 13,175	\$ 9,804	\$ 171,882						\$ 411,796
State						\$ 31,531	\$ 6,462				37,993
Local	-	-	-	-	-	-	-	\$ 10,000	\$ 138,027	\$ 39,294	187,321
Total Revenues	<u>\$ 153,105</u>	<u>\$ 63,830</u>	<u>\$ 13,175</u>	<u>\$ 9,804</u>	<u>\$ 171,882</u>	<u>\$ 31,531</u>	<u>\$ 6,462</u>	<u>\$ 10,000</u>	<u>\$ 138,027</u>	<u>\$ 39,294</u>	<u>\$ 637,110</u>
<b>EXPENDITURES</b>											
Instruction											
Salaries of Teachers		\$ 41,738	\$ 13,175					\$ 5,000			\$ 59,913
Tuition	\$ 153,105				\$ 171,882						324,987
General Supplies				\$ 9,804			\$ 6,312	5,000			21,116
Co-curricular/Extra-curricular Activities									\$ 127,255		127,255
Athletic Activities	-	-	-	-	-	-	-	-	57,758	-	57,758
Total Instruction	<u>153,105</u>	<u>41,738</u>	<u>13,175</u>	<u>9,804</u>	<u>171,882</u>	<u>-</u>	<u>6,312</u>	<u>10,000</u>	<u>185,013</u>	<u>-</u>	<u>591,029</u>
Support Services											
Personal Services - Employee Benefits		22,092									22,092
Other Purchased Services							150				150
Scholarship Awards	-	-	-	-	-	-	-	-	-	\$ 27,650	27,650
Total Support Services	<u>-</u>	<u>22,092</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>27,650</u>	<u>49,892</u>
Capital Outlay											
Construction Services	-	-	-	-	-	\$ 31,531	-	-	-	-	31,531
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,531</u>
Total Expenditures	<u>153,105</u>	<u>63,830</u>	<u>13,175</u>	<u>9,804</u>	<u>171,882</u>	<u>31,531</u>	<u>6,462</u>	<u>10,000</u>	<u>185,013</u>	<u>27,650</u>	<u>672,452</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,986)</u>	<u>11,644</u>	<u>(35,342)</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfer In - General Fund	-	-	-	-	-	-	-	-	50,000	-	50,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	-	-	-	-	-	-	-	-	3,014	11,644	14,658
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	61,750	810,741	872,491
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,764</u>	<u>\$ 822,385</u>	<u>\$ 887,149</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Exhibit E-1	American Rescue Plan - ESSER III						Grand Total	
	Total	ESSER II		Mental Health	Accelerated Learning Coach and Educator Support			
		CRRSA Act	Learning Acceleration			ESSER III	NJTSS	
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 411,796	\$ 1,046	\$ 2,611	\$ 38,579	\$ 24,095	\$ 27,348	\$ 5,000	\$ 510,475
State	37,993							37,993
Local	187,321	-	-	-	-	-	-	187,321
<b>Total Revenues</b>	<b>\$ 637,110</b>	<b>\$ 1,046</b>	<b>\$ 2,611</b>	<b>\$ 38,579</b>	<b>\$ 24,095</b>	<b>\$ 27,348</b>	<b>\$ 5,000</b>	<b>\$ 735,789</b>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers	\$ 59,913							\$ 59,913
Tuition	324,987							324,987
General Supplies	21,116	\$ 1,046	\$ 2,238					24,400
Co-curricular/Extra-curricular Activities	127,255							127,255
Athletic Activities	57,758	-	-	-	-	-	-	57,758
<b>Total Instruction</b>	<b>591,029</b>	<b>1,046</b>	<b>2,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594,313</b>
Support Services								
Salaries	-			\$ 38,579		\$ 23,795		62,374
Personal Services - Employee Benefits	22,092					3,553		25,645
Purchased Prof. - Technical Services	-		373				\$ 5,000	5,373
Other Purchased Services	150							150
General Supplies	-				\$ 24,095			24,095
Scholarship Awards	27,650	-	-	-	-	-	-	27,650
<b>Total Support Services</b>	<b>49,892</b>	<b>-</b>	<b>373</b>	<b>38,579</b>	<b>24,095</b>	<b>27,348</b>	<b>5,000</b>	<b>145,287</b>
Capital Outlay								
Construction Services	31,531	-	-	-	-	-	-	31,531
<b>Total Capital Outlay</b>	<b>31,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,531</b>
<b>Total Expenditures</b>	<b>672,452</b>	<b>1,046</b>	<b>2,611</b>	<b>38,579</b>	<b>24,095</b>	<b>27,348</b>	<b>5,000</b>	<b>771,131</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(35,342)	-	-	-	-	-	-	(35,342)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfer In - General Fund	50,000	-	-	-	-	-	-	50,000
<b>Total Other Financing Sources (Uses)</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>
Net Change in Fund Balance	14,658	-	-	-	-	-	-	14,658
Fund Balance, Beginning of Year	872,491	-	-	-	-	-	-	872,491
<b>Fund Balance, End of Year</b>	<b>\$ 887,149</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 887,149</b>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**ENTERPRISE FUND**



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest</u>	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Copier Machines - 2018	\$ 59,894	0.00%	\$ 8,979		\$ 8,979	
Postage Machine - 2018	18,582	0.00%	4,424	-	3,539	\$ 885
			<u>\$ 13,403</u>	<u>\$ -</u>	<u>\$ 12,518</u>	<u>\$ 885</u>

## EXHIBIT I-1A

**SCHEDULE OF OBLIGATIONS UNDER LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest</u>	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Riggin Field Athletic Facility	\$ 1,281,051	4.375%	\$ 651,173	-	\$ 81,511	\$ 569,662
Copier Machines - 2023	30,460	15.06%	-	\$ 30,460	1,043	29,417
			<u>\$ 651,173</u>	<u>\$ 30,460</u>	<u>\$ 82,554</u>	<u>\$ 599,079</u>

## STATISTICAL SECTION

This part of the Carlstadt-East Rutherford Regional 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.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 26,500,315	\$ 28,171,002	\$ 27,788,325	\$ 27,919,956	\$ 27,308,026	\$ 27,045,943	\$ 26,339,419	\$ 25,008,116	\$ 24,714,523	\$ 24,928,318
Restricted	2,151,663	1,599,992	1,502,566	2,230,769	2,324,344	1,656,554	3,375,436	4,072,308	4,838,762	4,255,283
Unrestricted	(1,205,715)	(1,401,461)	(1,211,729)	(1,396,155)	(1,428,897)	(920,327)	(1,223,970)	(732,511)	(389,959)	(587,077)
<b>Total governmental activities net position</b>	<b>\$ 27,446,263</b>	<b>\$ 28,369,533</b>	<b>\$ 28,079,162</b>	<b>\$ 28,754,570</b>	<b>\$ 28,203,473</b>	<b>\$ 27,782,170</b>	<b>\$ 28,490,885</b>	<b>\$ 28,347,913</b>	<b>\$ 29,163,326</b>	<b>\$ 28,596,524</b>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 31,871	\$ 23,437	\$ 31,553	\$ 23,634	\$ 26,669	\$ 26,841	\$ 19,981	\$ 16,009	\$ 60,532	\$ 106,911
Unrestricted	89,800	81,897	55,062	61,636	90,610	108,974	101,171	195,930	224,055	183,826
<b>Total business-type activities net position</b>	<b>\$ 121,671</b>	<b>\$ 105,334</b>	<b>\$ 86,615</b>	<b>\$ 85,270</b>	<b>\$ 117,279</b>	<b>\$ 135,815</b>	<b>\$ 121,152</b>	<b>\$ 211,939</b>	<b>\$ 284,587</b>	<b>\$ 290,737</b>
<b>District-wide</b>										
Net Investment in capital assets	\$ 26,532,186	\$ 28,194,439	\$ 27,819,878	\$ 27,943,590	\$ 27,334,695	\$ 27,072,784	\$ 26,359,400	\$ 25,024,125	\$ 24,775,055	\$ 25,035,229
Restricted	2,151,663	1,599,992	1,502,566	2,230,769	2,324,344	1,656,554	3,375,436	4,072,308	4,838,762	4,255,283
Unrestricted	(1,115,915)	(1,319,564)	(1,156,667)	(1,334,519)	(1,338,287)	(811,353)	(1,122,799)	(536,581)	(165,904)	(403,251)
<b>Total district net position</b>	<b>\$ 27,567,934</b>	<b>\$ 28,474,867</b>	<b>\$ 28,165,777</b>	<b>\$ 28,839,840</b>	<b>\$ 28,320,752</b>	<b>\$ 27,917,985</b>	<b>\$ 28,612,037</b>	<b>\$ 28,559,852</b>	<b>\$ 29,447,913</b>	<b>\$ 28,887,261</b>

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

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

Note 3 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB No. 87 "Leases".

Note 4 - Net Position at June 30, 2022 is restated to reflect revisions for updated capital assets inventory report.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 5,033,334	\$ 5,722,852	\$ 6,426,622	\$ 7,247,684	\$ 7,046,759	\$ 6,566,836	\$ 6,596,295	\$ 7,861,055	\$ 7,795,495	\$ 8,667,168
Special Education	2,764,697	3,243,691	3,153,436	3,000,119	2,890,090	2,921,703	2,338,262	2,630,224	2,558,341	2,582,982
Other Instruction	172,315	197,667	208,184	230,325	232,880	193,892	199,426	247,052	82,109	112,294
School Sponsored Activities and Athletics	427,761	431,300	453,105	477,660	517,132	474,879	590,216	544,632	706,903	755,102
Support Services:										
Student & Instruction Related Services	1,553,049	1,644,704	1,646,036	1,951,656	2,361,810	2,365,614	2,538,627	2,718,964	2,653,421	3,127,512
General Administration Services	461,320	540,825	721,154	706,275	731,486	584,517	726,549	771,036	1,055,027	865,599
School Administrative Services	271,174	352,560	319,612	408,947	382,769	368,582	313,510	361,911	304,853	407,712
Central Services and Info. Technology	507,443	578,771	605,589	602,211	628,373	480,505	467,530	498,672	477,735	571,008
Plant Operations and Maintenance	1,375,347	1,713,511	2,003,097	1,556,962	2,416,386	2,528,182	2,396,539	2,410,393	2,783,931	2,918,254
Pupil Transportation	508,110	564,270	617,235	655,194	662,114	695,835	601,812	428,366	701,400	904,249
Interest on Long-Term Debt	14,602	18,575	12,022	5,037	2,882	174	14		28,774	22,200
<b>Total governmental activities expenses</b>	<b>13,089,152</b>	<b>15,008,726</b>	<b>16,166,092</b>	<b>16,842,070</b>	<b>17,872,681</b>	<b>17,180,719</b>	<b>16,768,780</b>	<b>18,472,305</b>	<b>19,147,989</b>	<b>20,934,080</b>
<b>Business-type activities:</b>										
Food service	504,397	698,665	747,239	507,928	510,074	535,376	485,751	431,993	932,249	772,979
<b>Total business-type activities expense</b>	<b>504,397</b>	<b>698,665</b>	<b>747,239</b>	<b>507,928</b>	<b>510,074</b>	<b>535,376</b>	<b>485,751</b>	<b>431,993</b>	<b>932,249</b>	<b>772,979</b>
<b>Total district expenses</b>	<b>\$ 13,593,549</b>	<b>\$ 15,707,391</b>	<b>\$ 16,913,331</b>	<b>\$ 17,349,998</b>	<b>\$ 18,382,755</b>	<b>\$ 17,716,095</b>	<b>\$ 17,254,531</b>	<b>\$ 18,904,298</b>	<b>\$ 20,080,238</b>	<b>\$ 21,707,059</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for Services										
Regular Instruction				\$ 141,258	\$ 89,100	\$ 74,477		\$ 698,325	\$ 1,721,216	\$ 2,697,200
School Sponsored Activities and Athletics							\$ 138,894	102,558	162,278	138,027
Student and Instruction Related Services										
General Administrative Services	\$ 76,550									
Plant Operations and Maintenance	242,300	\$ 248,000	\$ 236,979	64,450	70,750	89,153	28,163	2,918,254	148,465	161,264
Transportation	105,200	108,125	115,700	122,460	115,700	114,100	111,550	35,300	75,100	81,600
Operating Grants and Contributions	1,336,900	2,554,231	2,959,095	3,852,675	3,996,562	3,223,450	3,257,495	4,131,699	3,208,135	2,946,142
Capital Grants	7,397,885	919,992	202,554	631,964			106,379	2,946,142	46,392	31,531
<b>Total governmental activities program revenues</b>	<b>9,158,835</b>	<b>3,830,348</b>	<b>3,514,328</b>	<b>4,812,807</b>	<b>4,272,112</b>	<b>3,501,180</b>	<b>3,642,481</b>	<b>10,832,278</b>	<b>5,361,586</b>	<b>6,055,764</b>
<b>Business-type activities:</b>										
Charges for services										
Food Service	\$ 438,367	\$ 613,865	\$ 660,842	\$ 429,578	\$ 464,857	\$ 486,799	\$ 401,821	\$ 381,260	\$ 618,590	\$ 600,826
Operating Grants and Contributions	57,414	68,463	67,678	77,005	77,226	67,113	69,267	141,520	386,307	178,303
<b>Total business type activities program revenues</b>	<b>495,781</b>	<b>682,328</b>	<b>728,520</b>	<b>506,583</b>	<b>542,083</b>	<b>553,912</b>	<b>471,088</b>	<b>522,780</b>	<b>1,004,897</b>	<b>779,129</b>
<b>Total district program revenues</b>	<b>\$ 9,654,616</b>	<b>\$ 4,512,676</b>	<b>\$ 4,242,848</b>	<b>\$ 5,319,390</b>	<b>\$ 4,814,195</b>	<b>\$ 4,055,092</b>	<b>\$ 4,113,569</b>	<b>\$ 11,355,058</b>	<b>\$ 6,366,483</b>	<b>\$ 6,834,893</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,930,317)	\$ (11,178,378)	\$ (12,651,764)	\$ (12,029,263)	\$ (13,600,569)	\$ (13,679,539)	\$ (13,126,299)	\$ (7,640,027)	\$ (13,786,403)	\$ (14,878,316)
Business-type activities	(8,616)	(16,337)	(18,719)	(1,345)	32,009	18,536	(14,663)	90,787	72,648	6,150
<b>Total district-wide net expense</b>	<b>\$ (3,938,933)</b>	<b>\$ (11,194,715)</b>	<b>\$ (12,670,483)</b>	<b>\$ (12,030,608)</b>	<b>\$ (13,568,560)</b>	<b>\$ (13,661,003)</b>	<b>\$ (13,140,962)</b>	<b>\$ (7,549,240)</b>	<b>\$ (13,713,755)</b>	<b>\$ (14,872,166)</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 11,832,698	\$ 12,069,351	\$ 12,310,738	\$ 12,556,953	\$ 12,808,092	\$ 13,064,254	\$ 13,325,539	\$ 13,592,050	\$ 13,863,891	\$ 14,141,169
Unrestricted grants and contributions		10,560	10,560	15,570	15,849	235				-
Interest - Capital Reserve Funds	990									
Investment earnings	7,796	7,279	4,763	3,173	11,053	49,571	36,945	12,034	9,965	95,472
Miscellaneous income	33,785	14,458	35,332	128,975	214,478	144,176	73,606	105,945	101,955	74,873
Total governmental activities	<u>11,875,269</u>	<u>12,101,648</u>	<u>12,361,393</u>	<u>12,704,671</u>	<u>13,049,472</u>	<u>13,258,236</u>	<u>13,436,090</u>	<u>13,710,029</u>	<u>13,975,811</u>	<u>14,311,514</u>
Business-type activities:										
Investment earnings	12									
Transfers										
Total business-type activities	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 11,875,281</u>	<u>\$ 12,101,648</u>	<u>\$ 12,361,393</u>	<u>\$ 12,704,671</u>	<u>\$ 13,049,472</u>	<u>\$ 13,258,236</u>	<u>\$ 13,436,090</u>	<u>\$ 13,710,029</u>	<u>\$ 13,975,811</u>	<u>\$ 14,311,514</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 7,944,952	\$ 923,270	\$ (290,371)	\$ 675,408	\$ (551,097)	\$ (421,303)	\$ 309,791	\$ 6,070,002	\$ 189,408	\$ (566,802)
Business-type activities	(8,604)	(16,337)	(18,719)	(1,345)	32,009	18,536	(14,663)	90,787	72,648	6,150
Total district	<u>\$ 7,936,348</u>	<u>\$ 906,933</u>	<u>\$ (309,090)</u>	<u>\$ 674,063</u>	<u>\$ (519,088)</u>	<u>\$ (402,767)</u>	<u>\$ 295,128</u>	<u>\$ 6,160,789</u>	<u>\$ 262,056</u>	<u>\$ (560,652)</u>

Note 1 - Changes in Net Position for the year ended June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	\$ 3,151,663	\$ 2,599,992	\$ 2,139,943	\$ 2,087,085	\$ 3,428,829	\$ 2,858,897	\$ 3,750,420	\$ 4,406,118	\$ 4,866,271	\$ 3,668,134
Committed									237,601	-
Assigned	27,925	106,021	52,359	89,468	62,281	481,944	189,092	309,471	406,083	913,647
Unassigned	262,135	266,511	272,605	256,623	262,908	284,365	272,099	563,089	530,254	384,697
<b>Total general fund</b>	<u>\$ 3,441,723</u>	<u>\$ 2,972,524</u>	<u>\$ 2,464,907</u>	<u>\$ 2,433,176</u>	<u>\$ 3,754,018</u>	<u>\$ 3,625,206</u>	<u>\$ 4,211,611</u>	<u>\$ 5,278,678</u>	<u>\$ 6,040,209</u>	<u>\$ 4,966,478</u>
<b>All Other Governmental Funds</b>										
Unreserved										
Restricted			\$ 407,574	\$ 1,190,777			817,844	859,018	872,491	887,149
Unassigned	\$ (22,909)	\$ (274,134)								
<b>Total all other governmental funds</b>	<u>\$ (22,909)</u>	<u>\$ (274,134)</u>	<u>\$ 407,574</u>	<u>\$ 1,190,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817,844</u>	<u>\$ 859,018</u>	<u>\$ 872,491</u>	<u>\$ 887,149</u>

Note 1 - Fund balances at June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Property Tax levy	\$ 11,832,698	\$ 12,069,351	\$ 12,310,738	\$ 12,556,953	\$ 12,808,092	\$ 13,064,254	\$ 13,325,539	\$ 13,592,050	\$ 13,863,891	\$ 14,141,169
Tuition from Other LEAs Within State								698,325	1,721,216	2,697,200
Interest Earnings	8,786	7,279	4,763	3,173	11,053	49,571	33,662	12,034	9,965	95,472
Miscellaneous Income	381,285	386,357	388,011	457,143	490,028	457,136	971,253	308,002	507,470	505,058
State Sources	3,723,450	1,638,383	1,692,119	1,599,866	1,793,856	2,082,653	2,241,792	2,743,792	3,540,259	4,121,495
Federal Sources	4,763,065	736,291	205,002	802,002	221,395	209,944	205,144	425,195	607,064	510,475
Other Intermediate Source	248,270	30,460	756	23,099						
<b>Total revenue</b>	<b>20,957,554</b>	<b>14,868,121</b>	<b>14,601,389</b>	<b>15,442,236</b>	<b>15,324,424</b>	<b>15,863,558</b>	<b>16,777,390</b>	<b>17,779,398</b>	<b>20,249,865</b>	<b>22,070,869</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,036,953	4,957,651	5,466,245	5,642,723	5,734,604	5,956,521	6,368,434	7,305,679	8,528,960	9,788,875
Special Education Instruction	2,764,697	3,161,424	3,066,950	2,857,127	2,749,702	2,857,936	2,318,448	2,572,356	2,642,521	2,701,590
Other Instruction	172,315	169,232	175,924	177,084	185,293	173,751	190,781	226,927	86,540	129,520
School Sponsored Activities and Athletics	427,491	431,030	439,660	442,698	477,078	462,964	606,791	549,021	744,490	801,121
<b>Support Services:</b>										
Tuition										
Student & Inst. Related Services	1,553,345	1,530,008	1,518,199	1,780,303	2,123,603	2,247,559	2,489,008	2,616,740	2,804,732	3,366,434
General Administrative	380,365	519,279	708,896	679,412	694,961	562,263	707,689	733,509	983,891	938,371
School Administrative Services	269,389	305,487	273,392	331,877	312,197	336,896	306,319	345,517	335,372	451,064
Central Services and Info. Tech.	509,112	540,126	554,354	509,095	535,801	445,616	449,082	473,484	519,985	637,121
Plant Operations and Maintenance	1,261,231	1,243,509	1,273,510	1,299,200	1,247,018	1,424,072	1,352,863	1,292,136	1,753,905	1,909,823
Pupil Transportation	492,725	555,585	601,649	636,942	636,424	683,290	600,358	421,811	706,795	823,365
Employee Benefits										
Capital outlay	9,815,390	1,985,004	145,846	134,045	357,696	841,344	365,704	118,465	242,157	1,488,423
<b>Debt service:</b>										
Principal	196,609	184,007	189,206	193,746	195,458	18,566	16,574	15,512	93,607	95,072
Interest and other charges	8,761	19,990	13,467	6,512	4,388	174	14	-	31,906	29,623
<b>Total expenditures</b>	<b>22,888,383</b>	<b>15,602,332</b>	<b>14,427,298</b>	<b>14,690,764</b>	<b>15,254,223</b>	<b>16,010,952</b>	<b>15,772,065</b>	<b>16,671,157</b>	<b>19,474,861</b>	<b>23,160,402</b>
Excess (Deficiency) of revenues over (under) expenditures	(1,930,829)	(734,211)	174,091	751,472	70,201	(147,394)	1,005,325	1,108,241	775,004	(1,089,533)
<b>Other Financing sources (uses)</b>										
Capital Financing Agreement Proceeds	946,361	13,787			59,864	18,582				30,460
Transfers in	1,000,000	800,000	625,000	250,000	1,060,097					50,000
Transfers out	(1,000,000)	(800,000)	(625,000)	(250,000)	(1,060,097)					(50,000)
<b>Total other financing sources (uses)</b>	<b>946,361</b>	<b>13,787</b>	<b>-</b>	<b>-</b>	<b>59,864</b>	<b>18,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,460</b>
<b>Net change in fund balances</b>	<b>\$ (984,468)</b>	<b>\$ (720,424)</b>	<b>\$ 174,091</b>	<b>\$ 751,472</b>	<b>\$ 130,065</b>	<b>\$ (128,812)</b>	<b>\$ 1,005,325</b>	<b>\$ 1,108,241</b>	<b>\$ 775,004</b>	<b>\$ (1,059,073)</b>
Debt service as a percentage of noncapital expenditures	1.57%	1.50%	1.42%	1.38%	1.34%	0.12%	0.11%	0.09%	0.65%	0.58%

\* Noncapital expenditures are total expenditures less capital outlay.

Note 1 - Changes in Fund Balances for the year ended June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Athletic Receipts</b>	<b>E-Rate Reimb.</b>	<b>Transportation Jointures</b>	<b>Building Rentals</b>	<b>Refunds</b>	<b>Tuition</b>	<b>Insurance Settlement</b>	<b>Shared Service Fees</b>	<b>Interest Earnings</b>	<b>Miscellaneous</b>	<b>Total</b>
2014	\$ 9,621	\$ 14,418	\$ 105,200	\$ 242,300						\$ 9,746	\$ 381,285
2015	9,210		108,125	248,000						5,248	370,583
2016			115,700	236,979	\$ 29,422					5,910	388,011
2017			122,460	64,450	46,198	\$ 141,258	\$ 75,000			7,777	457,143
2018			115,700	70,750	58,721	89,100	125,000			30,757	490,028
2019	7,573		114,100	89,153	61,861	74,477				74,742	421,906
2020	17,026		111,550	28,162	43,031				-	13,550	213,319
2021	404	9,691	35,300		37,233				-	46,583	129,211
2022	10,139	11,628	75,100	148,465	4,565			\$ 35,140	\$ 9,665	40,782	335,484
2023	11,894	32,056	81,600	161,264	11,300				95,472	19,623	413,209

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

**Borough of Carlstadt**

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2014	\$ 31,223,500	\$ 514,640,900	\$ 373,118,400	\$ 1,087,516,700	\$ 12,522,700	\$ 2,019,022,200	\$ 3,613,428	\$ 2,022,635,628	\$ 1,932,600,159	\$ 0.306
2015	33,288,000	512,603,600	361,637,400	1,083,418,000	12,497,700	2,003,444,700	3,817,993	2,007,262,693	2,058,775,005	0.316
2016	30,238,700	512,535,900	337,670,700	1,085,006,205	12,497,700	1,977,949,205	3,473,074	1,981,422,279	2,187,721,816	0.364
2017 (B)	26,542,600	558,534,900	401,686,300	1,248,209,800	12,256,700	2,247,230,300	3,837,014	2,251,067,314	2,290,376,074	0.324
2018	25,142,600	558,268,800	376,844,900	1,279,654,400	12,256,700	2,252,167,400	3,837,014	2,256,004,414	2,327,118,392	0.322
2019	28,374,300	584,327,100	405,706,600	1,415,030,800	12,998,400	2,446,437,200	3,837,014	2,450,274,214	2,389,704,018	0.295
2020	27,114,600	610,110,800	405,771,000	1,516,042,500	13,496,500	2,572,535,400	4,391,676	2,576,927,076	2,499,177,637	0.270
2021	21,331,300	652,435,300	405,723,600	1,531,068,200	13,655,000	2,624,213,400	4,512,252	2,628,725,652	2,657,552,097	0.278
2022	21,167,400	694,969,500	408,806,300	1,660,860,200	14,055,600	2,799,859,000	4,413,386	2,804,272,386	2,689,627,863	0.242
2023	30,435,600	753,633,800	418,913,900	1,792,463,400	14,937,600	3,010,384,300	4,485,384	3,014,869,684	2,936,833,889	0.246

**Borough of East Rutherford**

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2014	\$ 29,874,100	\$ 619,122,800	\$ 420,711,800	\$ 653,342,200	\$ 128,040,300	\$ 1,851,091,200	\$ 3,752,509	\$ 1,854,843,709	\$ 1,897,754,949	\$ 0.318
2015	33,244,900	620,552,400	418,328,100	647,161,000	126,574,700	1,845,861,100	3,687,646	1,849,548,746	2,174,418,518	0.323
2016	32,423,900	619,817,100	476,992,500	633,405,000	126,427,400	1,889,065,900	4,161,949	1,893,227,849	2,174,965,200	0.283
2017	33,919,400	620,007,200	390,632,800	632,456,800	190,853,400	1,867,869,600	4,069,535	1,871,939,135	2,502,356,056	0.294
2018	38,695,300	701,720,900	495,793,000	599,137,100	255,007,700	2,090,354,000	4,657,962	2,095,011,962	2,037,938,982	0.268
2019	43,130,000	769,090,400	493,955,600	672,542,900	243,343,500	2,222,062,400	4,657,962	2,226,720,362	2,292,227,281	0.274
2020	42,654,100	765,683,300	496,912,600	715,514,200	250,188,900	2,270,953,100	4,517,960	2,275,471,060	2,361,376,820	0.291
2021	42,150,500	789,556,700	517,837,700	763,106,500	259,625,400	2,372,276,800	4,531,110	2,376,807,910	2,519,937,873	0.275
2022	28,824,500	842,373,300	543,194,800	802,330,500	335,805,600	2,552,528,700	4,589,279	2,557,117,979	2,709,785,940	0.287
2023	19,837,100	915,253,400	569,966,200	860,270,700	361,364,600	2,726,692,000	4,674,455	2,731,366,455	2,705,492,899	0.258

Source: Municipal Tax Collector

(A) Carlstadt underwent a revaluation of property effective January 1, 2013.

(B) Carlstadt conducted a reassessment of property effective January 1, 2017.

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

**Borough of Carlstadt**

Calendar Year	Total Direct School Tax Rate Regional School	Overlapping Rates				Total Direct and Overlapping Tax Rate
		Local School	Borough of Carlstadt	Municipal Library	County	
2014	\$ 0.306	\$ 0.565	\$ 0.884	\$ 0.031	\$ 0.205	\$ 1.991
2015	0.316	0.578	0.896	0.034	0.246	2.070
2016	0.364	0.596	0.869	0.036	0.261	2.126
2017 (B)	0.324	0.538	0.763	0.034	0.247	1.906
2018	0.322	0.533	0.780	0.048	0.239	1.922
2019	0.295	0.512	0.759	0.031	0.238	1.835
2020	0.270	0.488	0.746	0.030	0.241	1.775
2021	0.278	0.486	0.762	0.033	0.254	1.813
2022	0.242	0.459	0.726	0.030	0.231	1.688
2023	0.246	0.433	0.703	0.031	0.222	1.635

**Borough of East Rutherford**

Calendar Year	Total Direct School Tax Rate Regional School	Overlapping Rates				Total Direct and Overlapping Tax Rate
		Local School	Borough of East Rutherford	Municipal Library	County	
2014	\$ 0.318	\$ 0.762	\$ 0.556	\$ 0.034	\$ 0.234	\$ 1.904
2015	0.323	0.779	0.545	0.039	0.281	1.967
2016	0.283	0.783	0.532	0.034	0.313	1.945
2017	0.294	0.843	0.570	0.038	0.329	2.074
2018	0.268	0.789	0.497	0.033	0.191	1.778
2019	0.274	0.756	0.516	0.034	0.252	1.832
2020	0.291	0.754	0.483	0.035	0.256	1.819
2021	0.275	0.734	0.484	0.037	0.267	1.797
2022	0.287	0.713	0.460	0.035	0.256	1.751
2023	0.258	0.683	0.415	0.031	0.236	1.623

Source: Municipal Tax Collector

(A) Carlstadt underwent a revaluation of property effective 2013.

(B) Carlstadt conducted a reassessment of property effective January 1, 2017.

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

Taxpayer	Borough of Carlstadt			
	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Russo	\$ 320,181,000	10.6%	\$ 225,491,700	11.1%
AMB Properties	142,158,100	4.7%	90,242,000	4.5%
ICON US Industrial	60,885,100	2.0%		
Prologis	58,931,200	2.0%	39,990,500	2.0%
Trans Con Pipe Line	42,250,000	1.4%	85,754,600	4.2%
Starke Commercial Center	40,000,000	1.3%		
760 Washington Ave, LLC	29,321,100	1.0%		
455 Sixteenth St., LLC	24,596,400	0.8%	17,313,700	0.86%
STRS Ohio	24,357,500	0.8%		
Plank Pat Realty	20,000,000	0.7%	18,520,900	0.92%
Meadowland Ptns.			38,837,200	1.9%
Barell Assoc.			16,318,650	0.8%
A.G. Holdings			12,524,800	0.6%
Individual Taxpayer			300,000	0.0%
	<u>\$ 762,680,400</u>	<u>25.30%</u>	<u>\$ 545,294,050</u>	<u>26.96%</u>

Taxpayer	Borough of East Rutherford			
	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Federal Reserve Bank	\$ 221,810,800	8.12%	\$ 321,169,300	17.32%
One Met Center LLC	95,000,000	3.48%	75,000,000	4.04%
Waterside Gardens at Brick LLC	86,899,500	3.18%		
Central and Oak Multi Family LLC	59,990,000	2.20%		
201 Railroad Ave. LLC	45,691,000	1.67%		
450 Murray Hill Corp.	39,350,900	1.67%		
Liberty Terrace, LLC	37,167,000	1.36%	23,300,000	1.26%
Honeywell International, Inc.	36,600,000	1.34%		
ML Plaza Owner LLC Hilton	36,471,300	1.34%	42,500,000	2.29%
Brancasons	35,034,700	1.28%	19,534,900	1.05%
Vornado Realty Trust			37,207,300	2.01%
MRFEXEF-Rutherford Station			35,715,600	1.93%
Richard Branca Family LP			29,606,400	1.60%
Racioppi, (etals)			23,500,000	1.27%
Liberty Commons			22,000,000	1.19%
	<u>\$ 694,015,200</u>	<u>25.64%</u>	<u>\$ 629,533,500</u>	<u>33.94%</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 11,832,698	\$ 11,832,698	100.00%	
2015	12,069,351	12,069,351	100.00%	
2016	12,310,738	11,782,250	100.00%	\$ 528,488
2017	12,556,953	12,556,953	100.00%	
2018	12,808,092	12,808,092	100.00%	
2019	13,064,254	13,064,254	100.00%	
2020	13,325,539	13,325,539	100.00%	
2021	13,592,050	13,592,050	100.00%	
2022	13,863,891	13,863,891	100.00%	
2023	14,141,169	14,141,169	100.00%	

Source: District Records

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

Fiscal Year Ended June 30,	Governmental Activities					Total District	Population	Per Capita
	General Obligation Bonds	Grant Anticipation Notes	Capital Financing Agreements	Leases Payable				
2014		\$ 6,000,000	\$ 749,752		\$ 6,749,752	15,194	\$ 444	
2015		3,000,000	579,532		3,579,532	15,219	235	
2016			390,326		390,326	15,226	26	
2017			196,580		196,580	15,956	12	
2018			60,986		60,986	15,951	4	
2019			61,002		61,002	15,857	4	
2020			44,428		44,428	15,797	3	
2021			28,916	\$ 729,267	758,183	15,797	48	
2022			13,403	651,173	664,576	16,294 (E)	41	
2023			885	599,079	599,964	16,716 (E)	36	

Source: District records

( E) - Estimate



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

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value <sup>a</sup> of Property</u>	<u>Per Capita <sup>b</sup></u>
2014				0.00%	
2015				0.00%	
2016				0.00%	
2017				0.00%	
2018				0.00%	
2019				0.00%	
2020				0.00%	
2021				0.00%	
2022				0.00%	
2023				0.00%	

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

Total Direct Debt of Carlstadt-East Rutherford Regional Board of Education as of June 30, 2023	\$ <u>          -</u>
 Total Direct Debt of School District	 <u>                          -</u>
Municipal Debt: (1)	
Borough of Carlstadt	\$ 28,465,000
Carlstadt Public Schools K-8 as of June 30, 2023	10,395,000
Borough of East Rutherford	37,517,921
East Rutherford Public Schools K-8 as of June 30, 2023	36,584,000
Bergen County:	
County of Bergen (A)	41,851,361
Bergen County Utilities Authority (B)	<u>5,521,126</u>
 Total Overlapping Debt	 <u>160,334,408</u>
 Total Direct and Overlapping Debt	 <u>\$ 160,334,408</u>

Source:

(1) Borough of Carlstadt's and East Rutherford's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Carlstadt and East Rutherford by dividing the municipality's 2022 equalized value by the total 2023 equalized value for Bergen County.

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Legal Debt Margin Calculation for Fiscal Year 2023**

Year	Borough of Carlstadt Equalized Valuation Basis	Borough of East Rutherford Equalized Valuation Basis	Combined Equalized Valuation Basis
2022	\$ 2,813,928,643	\$ 2,614,492,164	\$ 5,428,420,807
2021	2,530,093,907	2,728,636,761	5,258,730,668
2020	2,634,714,666	2,609,391,129	5,244,105,795
			<u>\$ 10,502,836,463</u>
	Average equalized valuation of taxable property		\$ 3,500,945,488
	Debt limit (3% of average equalization value)		105,028,365
	Total Net Debt Applicable to Limit		<u>\$ 105,028,365</u>
	Legal debt margin		<u>\$ 105,028,365</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 119,037,294	\$ 119,765,859	\$ 121,961,625	\$ 127,707,981	\$ 139,194,270	\$ 153,565,094	\$ 156,623,148	\$ 156,247,439	\$ 152,793,326	\$ 105,028,365
Total net debt applicable to limit										
Legal debt margin	<u>\$ 119,037,294</u>	<u>\$ 119,765,859</u>	<u>\$ 121,961,625</u>	<u>\$ 127,707,981</u>	<u>\$ 139,194,270</u>	<u>\$ 153,565,094</u>	<u>\$ 156,623,148</u>	<u>\$ 156,247,439</u>	<u>\$ 152,793,326</u>	<u>\$ 105,028,365</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Borough of Carlstadt**

<u>Fiscal Year</u>	<u>Population</u>	(E)	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	6,188		\$ 73,637	6.60%
2015	6,199		76,821	5.60%
2016	6,181		77,901	5.60%
2017	6,214		81,203	5.00%
2018	6,191		85,951	5.00%
2019	6,132		89,456	4.50%
2020	6,109		91,972	3.80%
2021	6,809		97,343	12.10%
2022	6,319		97,343 (E)	7.50%
2023	6,319		97,343 (E)	3.70%

**Borough of East Rutherford**

<u>Fiscal Year</u>	<u>Population</u>	(E)	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	9,006		\$ 73,883	5.90%
2015	9,020		77,323	4.90%
2016	9,045		78,836	4.90%
2017	9,742		81,024	3.80%
2018	9,760		85,191	3.80%
2019	9,725		88,241	3.70%
2020	9,688		91,972	3.10%
2021	9,646		97,343	9.60%
2022	9,953		97,343 (E)	6.50%
2023	10,397		97,343 (E)	3.90%

(E) Estimated

Source: New Jersey State Department of Education

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

**Borough of Carlstadt**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>% of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u> <u>% of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

**Borough of East Rutherford**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>% of Total Municipal Employment</u>	<u>Employees</u>	<u>% of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</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>	<u>2023</u>
Instruction										
Regular	39	39	39	39	38	38	38	45	65	53.8
Special Education	4	4	4	4	3	3	3	4	4	6.6
Support Services:										
Student & instruction related services	3	3	3	4	4	4	4	4	11.5	24.5
General administration	3	3	3	3	3	3	3	3	1.5	2.5
School administrative services	3	3	3	3	3	3	3	3	4.5	4.6
Central services	3	3	3	3	3	3	3	3	3	1.8
Plant operations and maintenance	4	4	4	5	5	5	5	5	6.5	7.3
Pupil transportation	2	1	1						1.5	2.0
<b>Total</b>	<u>61.0</u>	<u>60.0</u>	<u>60.0</u>	<u>61.0</u>	<u>58.5</u>	<u>59.0</u>	<u>59.0</u>	<u>67.0</u>	<u>97.5</u>	<u>103.1</u>

Source: District Personnel Records

**CARLSTADT-EAST RUTHERFORD REGIONAL 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	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	High School				
2014	543	\$ 12,867,623	\$ 23,697	3.44%	43	1:12	492.5	467.7	-0.02%	94.96%
2015	529	13,413,331	25,356	7.00%	44	1:12	484.5	456.6	-1.62%	94.24%
2016	503	14,078,779	28,017	10.50%	43	1:12	457.5	432.1	-5.57%	94.45%
2017	503	14,356,461	28,570	1.97%	43	1:12	471.0	445.0	2.95%	94.48%
2018	522	14,696,681	28,155	-1.45%	43.5	1:12	476.0	450.0	1.06%	94.54%
2019	523	15,150,868	28,969	2.89%	44	1:12	490.0	464.0	2.94%	94.69%
2020	525	15,772,065	30,042	3.70%	44	1:12	495.0	464.0	1.02%	93.74%
2021	569	16,537,180	29,064	-3.26%	50	1:11	566.0	540.0	14.34%	95.41%
2022	654	19,107,191	29,216	0.52%	69	1:9.5	650.5	615.7	14.93%	94.65%
2023	848	21,547,284	25,410	-13.03%	60.4	1:14.04	757.0	712.4	16.37%	94.11%

Sources: District records

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

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

<u>District Building</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>	<u>2023</u>
<b>High School</b>										
<b>Becton Regional High School</b>										
Square Feet	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849
Capacity (students)	800	800	800	800	800	800	800	800	800	800
Enrollment	543	529	503	503	522	523	525	569	654	848

101

Number of Schools at June 30, 2023  
High School = 1

Source: District Records



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

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

Project # (s)	<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>	<u>2023</u>
School Facilities										
Becton Regional High School	<u>\$ 301,732</u>	<u>\$ 317,593</u>	<u>\$ 281,404</u>	<u>\$ 320,246</u>	<u>\$ 371,778</u>	<u>\$ 335,423</u>	<u>\$ 432,162</u>	<u>\$ 326,519</u>	<u>\$ 547,240</u>	<u>\$ 401,509</u>
Grand Total	<u>\$ 301,732</u>	<u>\$ 317,593</u>	<u>\$ 281,404</u>	<u>\$ 320,246</u>	<u>\$ 371,778</u>	<u>\$ 335,423</u>	<u>\$ 432,162</u>	<u>\$ 326,519</u>	<u>\$ 547,240</u>	<u>\$ 401,509</u>

Source: District Records

Source: School District's financial statements

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2023**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Ins. Co.		
Property - Blanket Building & Contents	\$ 46,908,190	\$ 5,000
Earthquake Damage	5,000,000	100,000
Flood Damage - Outside Flood Zone	5,000,000	50,000
Flood Damage - Inside Flood Zone	1,000,000	500,000
Comprehensive General Liability (Each Occurrence/Aggregate)	1,000,000	2,500
Excess Umbrella Liability - (excess of \$1,000,000)	9,000,000	10,000
Comprehensive Automobile Liability	1,000,000	1,000
Building Ordinance Costs-Demolition Costs and Cost of Construction - each	1,000,000	5,000
Systems Power (Boiler and Machinery)	250,000	5,000
Abuse or Molestation Occurrence Liability	1,000,000/2,000,000	10,000
Computer Equipment	5,000,000	5,000
Valuable Papers	5,000,000	5,000
Contractors Equipment	250,000	5,000
Cameras and Audio Visual Equipment	250,000	5,000
Musical Instruments and Related Equipment	250,000	5,000
Unscheduled Miscellaneous Property	150,000	5,000
Employee Dishonesty and Faithful Performance-Per Loss	500,000	5,000
Computer Fraud	250,000	5,000
Funds Transfer Fraud	250,000	5,000
Forgery and Alteration	250,000	5,000
Pesticide and Herbicide Applicator	1,000,000	1,000
Employee Benefits:	1,000,000	1,000
Each Loss	1,000,000	10,000
Aggregate	2,000,000	10,000
Aggregate	2,000,000	1,000
Educator's Legal Liability-Greenwich Insurance Co.	1,000,000	5,000
Educator's Legal Liability-Greenwich Insurance Co.	1,000,000	5,000
Public/Educational Entity Pollution Liability -		
Environmental Impairment	2,000,000	25,000
Markel Insurance (Per Condition/Pool Aggregate)	1,000,000/20,000,000	15,000
Excess Umbrella Liability -Hudson Insurance (excess of \$10,000,000)	10,000,000	
Excess Umbrella Liability - Allied World (excess of \$30,000,000)	10,000,000	
Excess Umbrella Liability - Great American Unshared (excess of \$30,000,000)	10,000,000	
Public Employee Surety Bonds-Travelers Casualty and Surety Company of America		
Treasurer of School Moneys	225,000	
Board Secretary/School Business Administrator	225,000	
Blanket Accident Insurance for Full-Time Employees-		
Aggregate	500,000	
Each Loss	100,000	
Workers' Compensation-	Statutory	
Excess Workers' Compensation	1,000,000	
Workers' Compensation-Safety National Insurance Company	Statutory	
Student Accident - QBE Insurance Company	500,000	350,000
Student Catastrophic-Berkley Life & Health Insurance Company	6,000,000	25,000
Volunteer Workers Accident & Health-Philadelphia Indemnity Ins. Co.	500,000	25,000
Cyber Liability - (Third Party Liability/First Party Coverages)	1000000	25000

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt-East Rutherford Regional Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Carlstadt-East Rutherford Regional Board of Education's basic financial statements and have issued our report thereon dated February 22, 2024.

**Report on Internal Control Over Financial Reporting**

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

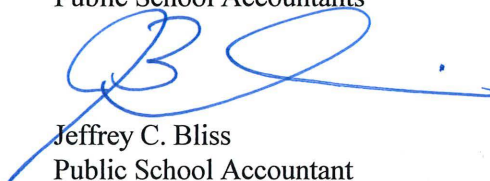
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Carlstadt-East Rutherford Regional Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated February 22, 2024.

### 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lerch, Vinci & Bliss, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 22, 2024





# 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, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinion on Each Major State Program***

We have audited the Carlstadt-East Rutherford Regional Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Carlstadt-East Rutherford Regional Board of Education's major state programs for the fiscal year ended June 30, 2023. The Carlstadt-East Rutherford Regional Board of Education's major 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 Carlstadt-East Rutherford Regional 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 state programs for the fiscal year ended June 30, 2023.

***Basis for Opinion on Each Major 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 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 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 Carlstadt-East Rutherford Regional 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 state program. Our audit does not provide a legal determination of the Carlstadt-East Rutherford Regional Board of Education's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Carlstadt-East Rutherford Regional Board of Education's 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 Carlstadt-East Rutherford Regional 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 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 Carlstadt-East Rutherford Regional Board of Education's compliance with the requirements of each major 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 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Carlstadt-East Rutherford Regional 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 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 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 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.

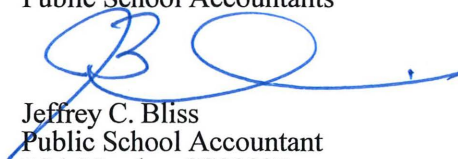
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Carlstadt-East Rutherford Regional Board of Education, as of and for the fiscal year ended June 30, 2023, 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 February 22, 2024, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
February 22, 2024



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	June 30, 2023		MEMO GAAP Receivable
								(Account Receivable)	Unearned Revenue	
<b>U.S. Department of Agriculture</b>										
<b>Passed-through State Department of Education</b>										
<u>Enterprise Fund</u>										
National School Breakfast Program										*
Cash Assistance	10.553	231NJ304N1099	7/1/22-6/30/23	\$ 5,008		\$ 3,610	\$ 5,008	\$ (1,398)		* \$ (1,398)
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	54,979	\$ (4,139)	4,139				*
National School Lunch Program										*
Non-Cash Assistance (Food Distribution)	10.555	231NJ304N1099	7/1/22-6/30/23	19,208		19,208	16,366		\$ 2,842	*
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	18,438	2,843		2,843			*
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	73,373		62,297	73,373	(11,076)		* (11,076)
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	299,511	(12,150)	12,150				*
Supply Chain Assistance		231NJ304N1099	7/1/22-6/30/23	44,075		44,075	44,075	-		*
Local Food for Schools Cooperative	10.185	231NJ304N1099	7/1/22-6/30/23	60	-	60	60	-	-	* -
Total Child Nutrition Program / Enterprise Fund					(13,446)	145,539	141,725	(12,474)	2,842	* (12,474)
<b>U.S. Department of Education</b>										
<b>Passed-through State Department of Education</b>										
<u>Special Revenue</u>										
Title I A	84.010	S010A220030	7/1/22-9/30/23	70,699			63,830	(70,699)	6,869	* (63,830)
Title II A	84.367A	S367A220029	7/1/22-9/30/23	13,175		4,932	13,175	(8,243)	-	* (8,243)
Title IV	84.424	S424A220031	7/1/22-9/30/23	10,000	-	-	9,804	(10,000)	196	* (9,804)
Total ESEA Programs					-	4,932	86,809	(88,942)	7,065	* (81,877)
C.A.R.E.S. Emergency Relief Grant - ESSER I	84.425D	S425D200027	3/13/20-9/30/22	58,430	(103)			(103)		* (103)
Coronavirus Response and Relief Supplem. Appropriations (CRRSA) - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	226,734	1,046		1,046			*
CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	2,611		2,611			*
CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	38,579		38,579			*
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	509,571			24,095	(509,571)	485,476	* (24,095)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	50,000			27,348	(50,000)	22,652	* (27,348)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000				(40,000)	40,000	* -
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000				(40,000)	40,000	* -
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	5,000	(45,000)	40,000	* (5,000)
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					42,133	-	98,679	(684,674)	628,128	* (56,546)
I.D.E.I.A Part B, Basic Regular	84.027A	H027A230100	7/1/22-9/30/23	153,105	-	153,105	153,105	-	-	* -
Total IDEA Cluster					-	153,105	153,105	-	-	* -
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	7/1/22-6/30/23	171,882			171,882	(171,882)		* (171,882)
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	7/1/21-6/30/22	103,563	(51,781)	51,781				* -
Total ACSERS					(51,781)	51,781	171,882	(171,882)		* (171,882)
Total Special Revenue Fund					(9,648)	209,818	510,475	(945,498)	635,193	* (310,305)
Total Federal Awards					\$ (23,094)	\$ 355,357	\$ 652,200	\$ (957,972)	\$ 638,035	* \$ (322,779)

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

\$ 704,433.25

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Balance, June 30, 2023		MEMO	
							(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>										
<u>General Fund</u>										
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 549,460		\$ 549,460	\$ 549,460				\$ 549,460
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	46,880	-	46,880	46,880	-	-	-	46,880
Total State Aid Public Cluster				-	596,340	596,340	-	-	-	596,340
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	92,141		92,141	92,141				92,141
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	220,474			220,474	\$ (220,474)			220,474
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	221,050	\$ (221,050)	221,050					
TPAF Pension Benefit Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,100,747		2,100,747	2,100,747				2,100,747
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	29,145		29,145	29,145				29,145
TPAF Post-Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	559,517		559,517	559,517				559,517
TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	642		642	642				642
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	483,920		432,998	483,920	(50,922)		\$ (50,922)	483,920
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	432,990	(23,973)	23,973	-	-	-	-	-
Total General Fund				(245,023)	4,056,553	4,082,926	(271,396)	-	(50,922)	4,082,926
<b>State Department of Agriculture</b>										
<u>Enterprise Fund</u>										
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	199		149	199	(50)		(50)	199
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	3,438		2,931	3,438	(507)		(507)	3,438
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	6,591	(280)	280	-	-	-	-	-
Total Enterprise Fund				(280)	3,360	3,637	(557)	-	(557)	3,637
<b>Special Revenue Fund</b>										
School Security Grant	22E00135	9/1/21-8/31/22	31,890	(31,890)			(31,890)		(31,890)	-
Climate Change Awareness Pilot	23E00313	4/1/23-6/30/23	6,660		6,462	6,462	-		-	6,462
Schools Development Authority										
Emergent and Capital Maintenance Needs	N/A	N/A	17,877			17,877	(17,877)	-	(17,877)	17,877
Emergent and Capital Maintenance Needs	N/A	N/A	13,654	-	-	13,654	(13,654)	-	(13,654)	13,654
Total Special Revenue Fund				(31,890)	6,462	37,993	(63,421)	-	(63,421)	37,993
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				(277,193)	4,066,375	4,124,556	(335,374)	-	(114,900)	4,124,556
<b>State Financial Assistance Not Subject to Major Program Determination</b>										
<u>General Fund</u>										
TPAF Pension Benefit Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,100,747		(2,100,747)	(2,100,747)				(2,100,747)
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	29,145		(29,145)	(29,145)				(29,145)
TPAF Post-Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	559,517		(559,517)	(559,517)				(559,517)
TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	642	-	(642)	(642)	-	-	-	(642)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				\$ (277,193)	\$ 1,376,324	\$ 1,434,505	\$ (335,374)	\$ -	\$ (114,900)	\$ 1,434,505

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 REPORTING ENTITY**

The Carlstadt-East Rutherford Regional Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board’s financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

**NOTE 4 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 \$576 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,083,502	\$ 4,083,502
Special Revenue Fund	\$ 510,475	37,993	548,468
Food Service Fund	<u>141,725</u>	<u>3,637</u>	<u>145,362</u>
Total Financial Assistance	<u>\$ 652,200</u>	<u>\$ 4,125,132</u>	<u>\$ 4,777,332</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 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 6 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 \$483,920 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$2,129,892, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$559,517 and TPAF Long-Term Disability Insurance in the amount of \$642 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

**NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

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

**NOTE 8 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.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I – Summary of Auditor’s Results

**Financial Statement Section**

Type of auditor's report issued on Financial Statements Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses?            yes       X       none reported

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

**Federal Awards Section**

Not Applicable

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*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 deficiency identified that are 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:

GMIS Number(s):  
  
23-495-034-5120-089  
\_\_\_\_\_  
23-495-034-5120-084  
\_\_\_\_\_  
\_\_\_\_\_

Name of State Program:  
  
Special Education Aid - State Aid Public Cluster  
\_\_\_\_\_  
Security Aid - State Aid Public Cluster  
\_\_\_\_\_  
\_\_\_\_\_

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*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**

Not Applicable.



**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*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 STATE AWARDS**

There are none.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2022-001**

**Condition**

The Board Secretary's and Treasurer's monthly reports for June 2022 were not submitted to and approved by the Board within 60 days of the respective month end. In addition, the June 2022 monthly reports did not appear to be submitted to the Executive County Superintendent by August 10, 2022.

**Current Status**

Corrective action has been taken.

**Finding 2022-002**

**Condition**

The report to reimburse the State for District employees enrolled in the TPAF pension system whose pensionable base pay was funded by Federal grant programs was not prepared and remitted to the State for the 2022 fiscal year.

**Current Status**

Corrective action has been taken.