

**EAST RUTHERFORD BOARD OF EDUCATION**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**EAST RUTHERFORD, NEW JERSEY**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**East Rutherford Board of Education**

**East Rutherford, New Jersey**

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

**Prepared by**

**Business Office**

**EAST RUTHERFORD BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-viii
Organizational Chart	ix
Roster of Officials	x
Consultants and Advisors	xi

**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	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*

Notes to the Financial Statements	23-63
-----------------------------------	-------

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1 Budgetary Comparison Schedule – General Fund	64-70
C-2 Budgetary Comparison Schedule – Special Revenue Fund	71

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

C-3 Budgetary Comparison Schedule – Notes to Required Supplementary Information	72
---	----

**EAST RUTHERFORD BOARD OF EDUCATION  
TABLE OF CONTENTS**

		<u>Page</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION - PART III</b>		
<b>L.</b>	<b>Schedules Related to Accounting and Reporting for Pensions (GASB 68)</b>	
L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	73
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	74
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	75
L-4	Notes to Required Supplementary Information – Net Pension Liability	76
<b>M.</b>	<b>Schedules Related to Accounting and Reporting for Postemployment Retirement Benefits Other Than Pensions (OPEB) (GASB 75)</b>	
M-1	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	77
M-2	Notes to Required Supplementary Information – OPEB Liability	78
<b>D.</b>	<b>School Level Schedules (Not Applicable)</b>	
<b>E.</b>	<b>Special Revenue Fund</b>	
E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	79-80
E-2	Preschool Education Aid – Schedule of Expenditures – Not Applicable	81
<b>F.</b>	<b>Capital Projects Fund</b>	
F-1	Summary Schedule of Project Expenditures	82
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	83
F-2a	Schedule of Project Revenues, Expenditures, Project Balances and Project Status – 2020 Bond Referendum – Various Renovations to all District Schools and Addition to Faust School	84
<b>G.</b>	<b>Proprietary Funds</b>	
	<i>Enterprise Fund</i>	
G-1	Combining Schedule of Net Position - N/A	85
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Position – N/A	85
G-3	Combining Schedule of Cash Flows – N/A	85
	<i>Internal Service Fund – Not Applicable</i>	
<b>H.</b>	<b>Fiduciary Funds/Agency Funds – Not Applicable</b>	
<b>I.</b>	<b>Long-Term Debt</b>	
I-1	Schedule of Serial Bonds	86
I-2	Schedule of Financing Agreements and Leases Payable	87
I-3	Debt Service Fund Budgetary Comparison Schedule	88
I-4	Schedule of Obligations Under Subscription-Based Information Technology Arrangements	89

**EAST RUTHERFORD BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	90
J-2	Changes in Net Position	91-92
J-3	Fund Balances – Governmental Funds	93
J-4	Changes in Fund Balances - Governmental Funds	94
J-5	General Fund Other Local Revenue by Source	95
J-6	Assessed Value and Actual Value of Taxable Property	96
J-7	Property Tax Rates	97
J-8	Principal Property Taxpayers	98
J-9	Property Tax Levies and Collections	99
J-10	Ratios of Outstanding Debt by Type	100
J-11	Ratios of Net General Bonded Debt Outstanding	101
J-12	Computation of Direct and Overlapping Debt	102
J-13	Legal Debt Margin Information	103
J-14	Demographic and Economic Statistics	104
J-15	Principal Employers	105
J-16	Full-Time Equivalent District Employees by Function/Program	106
J-17	Operating Statistics	107
J-18	School Building Information	108
J-19	Schedule of Required Maintenance for School Facilities	109
J-20	Schedule of Insurance	110-111

**K. SINGLE AUDIT SECTION**

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	112-113
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	114-116
K-3	Schedule of Expenditures of Federal Awards	117-118
K-4	Schedule of Expenditures of State Financial Assistance	119-120
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	121-122
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	123-124
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	125
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	126-127
K-7	Summary Schedule of Prior Year Audit Findings	128

## **INTRODUCTORY SECTION**



# EAST RUTHERFORD PUBLIC SCHOOLS

## Office of the Board of Education

250 Grove Street  
East Rutherford, NJ 07073  
Phone: (201) 804-3100  
[www.erboe.net](http://www.erboe.net)

November 29, 2023

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the East Rutherford Board of Education for the fiscal year ended June 30, 2023.

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

The East Rutherford Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public-school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the East Rutherford Board of Education for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the East Rutherford Board of Education's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

The district provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Grade 8. These include both regular and special education programs. The district completed the 2022-2023 school year with an enrollment of 746 students. The following details the changes in the student enrollment of the district over the last several years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	746	-12.47%
2021-2022	839	-0.04%
2020-2021	842	8.93%
2019-2020	773	-3.86%
2018-2019	804	-1.71%
2017-2018	818	0.37%
2016-2017	815	0.74%
2015-2016	809	5.34%
2014-2015	768	3.22%
2013-2014	744	-3.13%
2012-2013	768	-1.41%
2011-2012	779	1.70%
2010-2011	766	8.65%

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

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

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



### **3. MAJOR INITIATIVES:**

#### **Mathematics**

The District will revise, enhance and/or adjust math curricula based on assessment results that show learning gaps in some areas. During the 2023-2024 school year, to address deficit areas, the district will continue to carry out the following actions steps:

1. Using performance data, teachers will receive specific guidance on key concepts from the last third of the prior year's instructional goals and specific suggestions for which concepts and skills are key to student success in the current course and when and how teachers can effectively incorporate instruction and review of these concepts within the current grade's curriculum.
2. MAP and STAR assessments will be administered at the beginning of September 2023 to further determine gap areas and students' readiness levels.
3. Gaps in learning will be addressed in small groups or individualized instruction.
4. Special education students needing additional instructional support will receive small group instruction via Math labs twice weekly.
5. At-risk students will receive Math intervention after school twice per week. A Summer Enrichment session will also be offered to at-risk and struggling learners.
6. At the middle school level, "cusp" students will receive an extra period of Math.
7. Additionally, students K-4 who meet the criteria will be admitted into our Basic Skills program at the elementary level.

The mathematics curriculum will be revised to reflect the new Math standards as soon as the standards revisions are released to School Districts. The District's Math Coach K-5 and Consultants 6-8 will work with teachers to identify new areas of revision and where they fall in our existing program. Funds are budgeted for curriculum work over the summer of 2023 as needed.

In the meantime, online platforms such as Freckle, Star Renaissance Learning, IX, and Mathseeds will continue to provide targeted online intervention and extended practice for students. One Math education consultant will be assigned at the elementary level (K-5), and a second consultant will be assigned (6-8). These consultants will work closely with teachers to develop interventions and track student progress data throughout the school year. They will conduct lunch and learn sessions centered on research base and best practices in addressing learning gaps.

Departmental/grade-level team meetings will be conducted to allow for the development of rigorous lessons and assessments aligned with the NJSLs and the district's curriculum. Student achievement data and instruction will be analyzed and reviewed continuously. Finally, the district will continue to host parent academies to garner parent involvement and provide useful and meaningful strategies to parents to assist their children at home.

#### **Science**

Based on Start Strong Assessment Data, the District needs to shore up Science instruction at the elementary level since most students showed gaps in the mastery of 3rd and 4th grade standards. For the 2023-2024 school year, the East Rutherford School District will revise, enhance, and or adjust Science instruction by implementing the following action steps: At the K-2 level, teachers will receive professional development in the following areas:

Writing in Science with Claim, Evidence, Reasoning: how to use writing in your 3D science lessons.

Lesson and Unit Planning: work with the science coach on creating 3D science lessons and units to implement in your classroom.

Notebooking in Science: how to create and use notebooks in your science classroom, including

- o Digital Notebook
- o Interactive Notebook

3D Assessments: what they are and how to create performance tasks for your science units.

Integrating Science and Engineering Practices: focusing on the SEPs part of the NGSS performance expectations (standards) and how to integrate them into your science lessons

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

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

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

Professional development will be provided through Rutgers University and PRISM Institute. A PRISM consultant will be assigned 4th-8th grade, and a Rutgers consultant will be assigned K-3rd grade. Departmental/grade-level team meetings will allow for the development of rigorous benchmark assessments and infusing the ELA and Mathematics standards.

### **English Language Arts**

To address learning gaps in ELA for the 2023-2024 school year, the following action steps will be implemented:

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

The ELA curriculum will be revised to reflect the new standards as soon as the revisions are released to School Districts. The District's ELA Coaches K-3 and 4th-8th will work with teachers to identify new areas of revision and where they fall in our existing program. Funds are budgeted for curriculum work over the summer of 2023 as needed. In the meantime, online platforms such as Freckle, Star Renaissance Learning, IX, and Reading Eggs will continue to provide targeted online intervention and extended practice for students.

During the 2023-2024 school year, the district will continue to provide education consultants in English Language Arts, both at the elementary and middle school levels. The consultants will continue working with teachers to revise the curriculum to reflect the new standards, implement balanced literacy, conduct reading assessments, host lunch and learn sessions, and conduct demo lessons as requested by teachers. Implement a new Phonic program at the elementary level and shore up Words their Way in 3rd and 4th grade. Departmental/grade-level team meetings will be utilized to track student progress data and develop rigorous benchmark assessments aligned to the NJSLs and cross-content area lessons. Articulation and coaching sessions will be scheduled to promote further dialogue centered around: vocabulary development, reading intervention strategies, implementation of the district's newly revised curriculum, student-centered learning, and co-teaching. Additionally, teachers will receive professional development in using Intervention Lessons, Guided Reading, and Reports and Data to inform instruction.

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

### **Social Studies**

The East Rutherford School District recently developed a five-year curriculum plan which addresses the integration of statutorily required instruction around Amistad, the Holocaust, and Genocide and the contributions of Asian American Pacific Islanders, LGBTQ+ individuals, and persons with disabilities. The district has revised its Social Studies curriculum to reflect the contributions of LGBTQ+ individuals and persons with disabilities in grades 6-8. Currently, all grade levels participate in Black History Month activities to specifically study the contributions of African Americans throughout our nation. As students move into middle school, there are specific units on slavery and abolition that are addressed in the 6th and 7th-grade social studies curricula. Concerning the Holocaust mandate, elementary students gain exposure to the ideas of good citizenship, which includes preventing prejudice and discrimination. This ties in with our social-emotional learning program and our district-wide stigma-free activities. At the middle school level, students in grade 6 read the *Diary of Anne Frank* and discuss the Holocaust. Students in the 7th grade discuss several sensitive topics, including the Native American removal and genocide. In the 8th grade honors ELA, students read *Night* by Elie Wiesel. All 8th graders also study the Holocaust in social studies class. AAPI is integrated across the curriculum K-8th grade. The district will continue to work closely with the South Bergen Jointure Commission and our curriculum consultants to revise our curriculum. Revisions are inclusive of but

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

### **21<sup>st</sup> Century Life & Careers**

The Career Readiness, Life Literacies, and Key Skills Standards are revised and fully integrated within the ERSD curriculum. Middle school students receive personal finance literacy as a cycle course. The district will be exploring the use of career exploration platforms and web-based financial literacy platforms to meet these mandates further. Benchmark assessments are administered throughout the course to ensure students meet standard 9.1. Students can work on projects targeting financial literacy at the elementary level within the Math curriculum. Financial literacy is also embedded in science projects wherein students must “purchase” materials to conduct experiments. It is also embedded in behavior management systems where students earn “class dollars/money” to purchase rewards at class stores.

### **Visual & Performing Arts**

The district’s curriculum has been updated. As of September 2022, Media Arts was incorporated into the visual and performing arts programs and our STEM/STEAM program, currently offered as a cycle course to students (Grades 5-8). As the district refines its curriculum, it will work towards offering Media Arts as a stand-alone course projection for the 2023-2024 school year. With the continuation of “Innovation Time” at the middle school level, students are encouraged to engage in problem-based learning that promotes generalization and real-world application of skills learned in media arts classes. For the 2023-2024 school year, in grades K-4, Dance and Theatre will continue to be infused and taught primarily by homeroom teachers. Music and Art will continue to be taught by subject specialists with media arts infused into the art programs. At the middle school level 5-8, Dance, Theatre, Music, and Art/ Media Arts will continue as cycle classes with student choice offered for Dance, theatre, chorus, and band.

### **Comprehensive Health & Physical Education**

With a regular school schedule, the District can meet the 150 minutes of CHPE weekly for all grade levels K-8. It can also meet this 150-minute requirement outside of mandated recess minutes. The district addresses newer statutory requirements such as Consent, Mental Health, NJ Safe Haven Infant Protection, and Sexting. Sexual Abuse and Assault Awareness and Prevention Education through our existing curriculum, teacher, and parent training.

### **World Languages**

For the 2023-2024 school year, Spanish will be offered once weekly for 46 minutes per grade at the elementary level. Spanish will be offered as a year-long cycle class at the middle school level to ensure compliance with the required number of minutes at this grade level. To ensure the implementation of the 2020 NJSLs, the district has allocated local funds to hire a World Language Coach. This coach has been working with all World Language Teachers K-8. So far, the World Language Coach has conducted lunch and learn sessions to expose teachers to the newly developed units, review sample assessments, ensure the use of age-compatible images for assessment, and focus on other assessment areas such as Language Control, Vocabulary, and Content.

### **Computer Science & Design Thinking**

During the 2023-2024 school year, the District will embed these standards in the STEM/STEAM curriculum units. Additionally, the district has partnered with William Paterson University to participate in its Expanding Access to Computer Science: Professional Learning initiative. William Paterson University will provide multiple inter-related services to support our district's expansion of computer science education. They will work with our teachers to cover the ten disciplinary concepts and core ideas of the NJSLs-CSDT 2020 standards. Administrators will also receive training.

## Maintaining Our School System

The 23-24 budget seeks to maintain the current 13:1 staff-to-student ratio at McKenzie School, 8:1 staff-to-student ratio at Faust School, and the District's overall 10:1 staff to student ratio. No staff will be added to the 23-24 school year budget. There are currently three F/T WL teachers in District. The District budgeted funds (11-000-221-320-XXX-03-991) for PD and WL Consultant support for our staff. This budget supports one F/T PK-8 Dance teacher (11-130-100-101-040-00-00), and one F/T PK-8 Theatre teacher. The District will continue with the employment of a media specialist (11-000-222-100-040-00-000). Online library sources through BELS Consort. are included within the budget to ensure access to online databases and other district-wide resources (11-000-222-300-040-04-000 at \$13,600.00). The District will continue to employ three F/T and thirty-four P/T paras. The District seeks to adopt a new Phonics Series at the K-2 level and a new Social Studies Series at K-4. This initiative will require an increase in funding to purchase the new textbook series (11-190-100-640-XXX-03-000). The District budgeted \$40,000.00 to provide Reading Intervention grades K-8 (20-487-200-300-XXX-03-000). The District will utilize ARP Funds to provide After School Academic Interv. programs for K-8 for the 23-24 school year. Funds from the ARP grant will also be allocated for our Sum.Enrich. Prog. a program offered to our ESL, I&RS, BSI, SPED, and other students identified as at risk of failing (20-487-200-1XX-XXX-03-000). This budget supports the implementation of mandated initiatives such as Amistad, Holocaust, Persons with Disabilities, and LGBTQ+ by allocating \$50,000.00 of local funds to support curriculum revisions and implementation (11-000-221-104-XXX-00-991). These allocated funds will also support revising the existing curriculum. The budget also supports student assessment and learning resources (11-190-100-610-080-03-000). We will refine I&RS during the SY23-24. So far, revisions demonstrate the following nine essential components: Effective district and school leadership; Family and community engagement-ongoing collaboration with families to develop action plans as needed to support students - parents are invited to meetings about their child (ren); Positive school culture and climate - implementation of various district & school-wide initiatives to promote a positive school culture; High-quality learning environments implementation of a co-teaching model to enhance quality of support and instruction; curricula, and instructional practices, Universal screening conducted K-8 annually, data collected is utilized to tier students- ongoing progress monitoring is also a continuous component of this process; Data-based decision making-using data to inform instruction and intervention services provided; Collaborative problem-solving teams, Progress monitoring, and staff PD. We will continue to hold I&RS meetings with our interdisciplinary teams. Team members will continue to develop action plans to meet students' behavioral, emotional, and academic needs. Teachers will continue to receive training in universal screening, progress monitoring, and other classroom data to inform decisions when developing student action plans (STAR). Money is allocated for PD, and team members will continue to attend I&RS and MTSS workshops. Tier 3 students will continue to receive reading interv. Svc. through small groups and individualized instruction.

## Raising Standards & Expanding Opportunities

Currently, the district's data reflects an improvement in attendance across most subgroups. SPED students are showing some lag in attendance, and as such, the District's school counselors, behaviorist, school social workers, school psychologists, and administrators have been working in tandem with parents and teachers to develop learning goals/plans as well as behavioral intervention plans to increase student attendance, participation, and performance across subject areas. Data from 22-23 STAR assessment, report cards, benchmark assessments, and progress monitoring shows some learning gaps in different subgroups; therefore, to address these gaps as well as to promote the academic advancement of different subgroups within the District, in the areas of Math and ELA across grade levels during the 23-24SY, the district will: Continue to offer after school academic intervention program K-8, offer a summer enrichment program, expand upon our co-teaching model, and hone in on SGI and intervention. ERSR will promote student-centered learning by providing Coaches in ELA, Math, and Science at the elementary and middle school level. For SY 22-23, an ELA education consultant will be working with the elementary school teachers focusing on balanced literacy and one at the intermediate and middle schools focusing on diversity and multiculturalism. The middle school reading intervention teacher will continue to provide one-to-one and SGI as part of our tiered support systems. Reading intervention services will be provided by a certified Reading Specialist, K-8. Specific coaching techniques for ELA, Science, Math & W.Language will be implemented. Other steps such as co-planning, auditing classroom materials for diversity, goal setting for the success of underserved, vulnerable populations, & modeling inclusive language, and implementing "ethnic" culture infusion in the arts will be conducted. ESRD will explore blended learning opportunities to integrate into our academic offerings for students who could benefit from this option. The budget will provide formative assessment tools, teaching materials, and supplies to support the implementation of the NJSL and NGSS, promote problem-based learning, and acquire more technology to be infused in instruction across all content areas. Current and prior-year assessments will be reviewed to determine strengths and weaknesses. Teachers will be required to develop and integrate cross-content area lessons. Distr. Admin. will continue to implement incentives to address Chronic Absentecism at all schools in all

demographic areas. ERSD will expand its SEL program district-wide to address learning gaps further. This SEL initiative will include training and developing principals in leading culturally competent schools. ERSD will review and alter policies and practices on discipline and student conduct to focus on equity and student-centered discipline. Track behavioral data, Continue to Revamp I&RS to concentrate on academic interventions with standards-based progress monitoring.

The district will assess the implementation of its technology plan to make revisions throughout 23-24SY. For the 23-24SY, the District will continue to use platforms such as Brainpop Jr. to support our ESL program. ERSD will purchase WIDA Model Kits for each grade level to enhance instruction. ERSD will set aside funds for attendance at the ELL summit, which NJPSA usually offers. Funds set aside during the ESSA application process will purchase instructional supplies and materials for our homeless students. Finally, the budget supports enhancing computer science and design thinking by purchasing additional upgraded Chromebooks, Smartboards, and other technological devices.

### **Building Professionalism**

In regards to professional development, for the 2023-2024 school year, the highest priority will be given to Math and ELA 11-000-221-104-XXX-00-991 and 11-000-221-320-XXX-00-991 as these subject areas are slated for full implementation for September 2024.

SEL, diversity and equity, and closing the learning gap will be additional focus areas. Staff members will receive further professional development in blended learning, standard-based tiered interventions, and social-emotional learning (how to infuse within the curriculum and everyday instruction). The district staff will receive in-person professional development as well as utilize the district's two online professional development platforms (OTIS and Educational Impact) for self-directed learning. Educational coaches will be used to facilitate in-house professional development. PRISM institute will provide in-house consulting and professional development for our teachers in Science 3rd-8th grade. Rutgers University will offer consultation services to Science K-2 and Math 4-8. William Paterson University will be utilized for education consultants in English Language Arts.

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

### **Protecting Our Investment (Capital & Maintenance Projects)**

During the 2023-2024 school year, the District will continue to move forward with plans for securing maintenance plans to ensure our capital investment of our infrastructure is protected. The District has also developed its Long-Range Facility Plan so that other capital projects that were not part of the school bond referendum are addressed. The following areas that are addressed in the District's Long-Range Facility Plan are;

- 4th & 5th Grade Building
- Faust School Building
- Board Offices
- McKenzie School Building

### **Planning for the Future**

The district recently completed a 5-year curriculum development plan to document action steps in ensuring compliance with all state mandates. The District is currently conducting curriculum writing/revisions and monthly curriculum meetings to ensure compliance with New Jersey Student Learning Standards in Science, Visual and Performing Arts, World Languages, Career Readiness, Life Literacies, and Key Skills, and Computer Science and Design Thinking. The curriculum team will carry out additional curriculum revisions summer of 2023. Professional development will be offered to staff throughout 2023-2024 to implement all new revisions fully. Education Consultants will be utilized to facilitate in-house professional development regarding recent revisions.

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

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

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

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

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

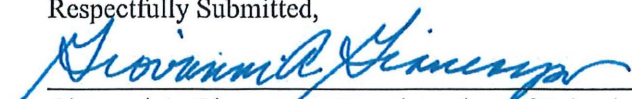
**7. CASH MANAGEMENT:** The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements". The district has adopted a cash management plan which is to deposit public funds in public depositories protected from loss under the provisions of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

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

**9. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Uniform Guidance and State Treasury OMB Circular Letter 15-08. The auditors' report on the basic financial statements and schedules are included in the financial section of the report. The auditors' reports relating specifically to the Single Audit are included in the Single Audit Section of this report.

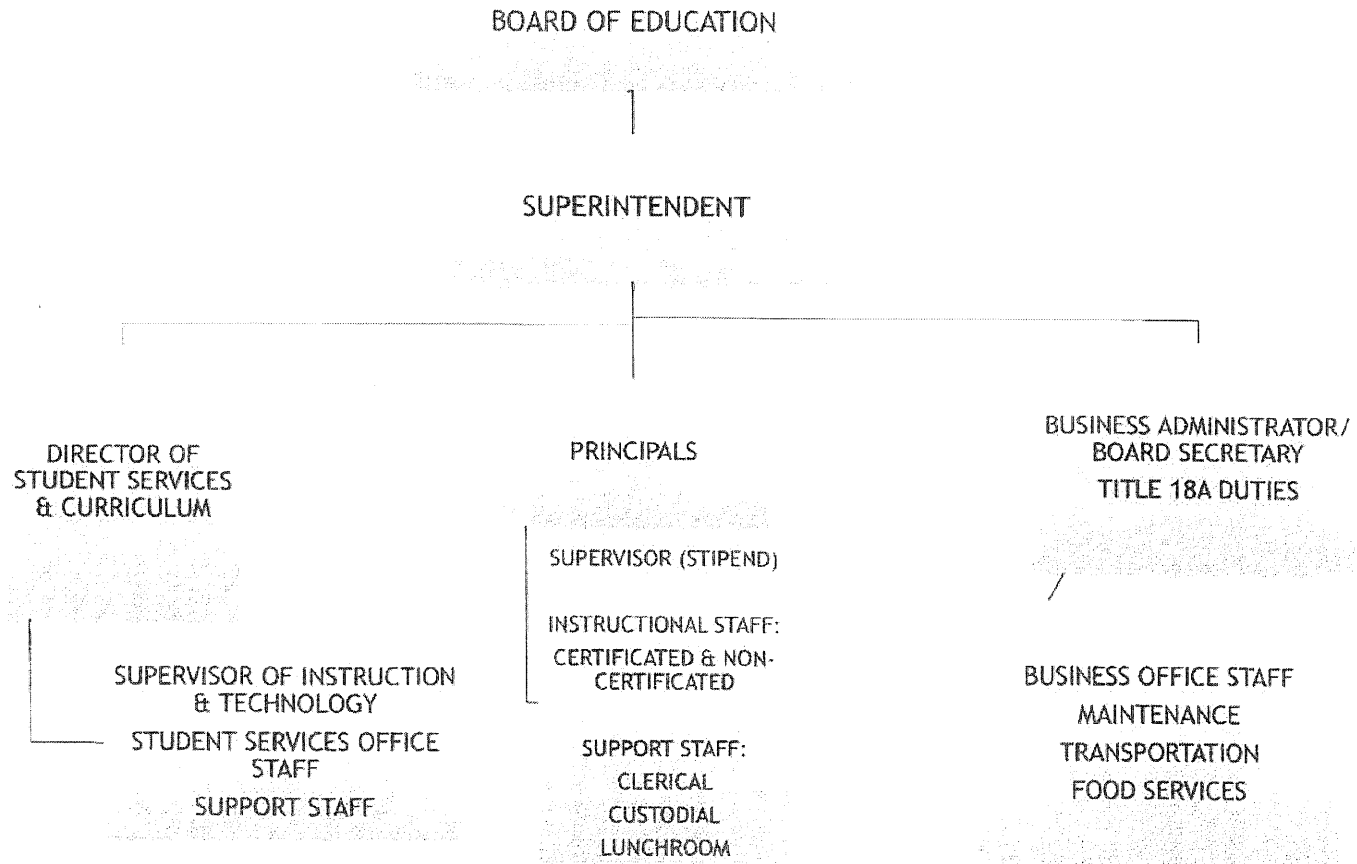
**10. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the East Rutherford School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully Submitted,

  
Giovanni A. Giancaspro, Superintendent of Schools

  
Alessandro Verace, Business Administrator/Board Sec.

EAST RUTHERFORD BOARD OF EDUCATION  
ORGANIZATIONAL CHART  
100 UHLAND STREET EAST RUTHERFORD NJ 07073



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

**ROSTER OF OFFICIALS  
JUNE 30, 2023**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Antonio Segalini, President	2025
Gina Lorusso, Vice-President	2025
Thomas Banca	2024
Maria Caruso	2023
Orville Drummond	2024
Erin Shemeley	2024
Richard Vartan	2023

**OTHER OFFICIALS**

Giovanni A. Giancaspro, Superintendent of Schools  
Emidio D'Andrea, Interim School Business Administrator/Board Secretary  
Diane Chorazy, Treasurer of School Monies  
Thomas Kobin, Esq., Solicitor



**EAST RUTHERFORD BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

Thomas Kobin, Esq.  
Chasan, Lamparello, Mallon, & Cappuzzo, P.C.  
300 Lighting Way, Suite 200  
Secaucus, NJ 07094

**OFFICIAL DEPOSITORY**

Capital One Bank  
Essex Street  
Lodi, NJ 07644

**ARCHITECT OF RECORD**

DiCara Rubino Architects  
30 Galesi Drive  
Wayne, NJ 07470

**FINANCIAL SECTION**

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 VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education, as of and for the fiscal year ended June 30, 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 East Rutherford 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 East Rutherford Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

## ***Auditor's Responsibilities for the Audit of Financial Statements***

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the East Rutherford 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 East Rutherford Board of Education's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

**Supplementary Information**

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

**Other Information**

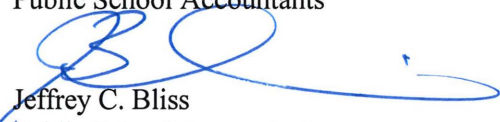
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 29, 2023 on our consideration of the East Rutherford Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Rutherford Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the East Rutherford Board of Education’s internal control over financial reporting and compliance.

*Lerch, Vinci & Bliss, LLP*  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 29, 2023

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

***EAST RUTHERFORD BOARD OF EDUCATION***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2023***

The discussion and analysis of the East Rutherford Board of Education's financial performance provides an overall review by management of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$12,384,735. (net position)
- Total School District's net position increased \$1,210,214 or 11%.
- District-Wide general revenues accounted for \$18,641,003, or 77 percent, of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,723,220, or 23 percent, of total revenues of \$24,364,223.
- The District had \$22,672,535 in expenses related to governmental activities; only \$5,300,271 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$18,641,003 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 \$8,230,555. Of this amount, \$5,230,941 is restricted for capital projects, \$740,082 is restricted for required maintenance of District facilities, \$1,200,000 is restricted for excess surplus, \$485,057 is restricted for other purposes and \$392,699 is committed or assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$181,776.
- Among governmental funds, the General Fund had \$23,071,856 in revenues and \$22,660,578 in expenditures. The General Fund's fund balance increased \$411,278 from the previous year to \$6,357,803 at June 30, 2023.
- The General Fund unassigned budgetary fund balance decreased \$427,426 from the previous year to \$390,369 at June 30, 2023.

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

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

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

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

**Reporting the District as a Whole**

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2023?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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



**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

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

**Fund Financial Statements**

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

**Governmental Funds**

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

**Enterprise Fund**

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

**Notes to the Financial Statements**

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

**Other Information**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**The District as a Whole**

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

The following provides a summary of the District's net position as of June 30, 2023 and 2022.

The District's combined net position was \$12,384,735 and \$11,174,521 at June 30, 2023 and 2022, respectively. This was an increase of \$1,210,214, or 11 percent, from the prior year.

	Net Position					
	As of June 30, 2023 and 2022					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2023	2022
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current Assets	\$ 8,789,575	\$ 16,025,411	\$ 523,272	\$ 581,992	\$ 9,312,847	\$ 16,607,403
Capital Assets	43,570,541	38,249,045	254,883	266,504	43,825,424	38,515,549
<b>Total Assets</b>	<u>52,360,116</u>	<u>54,274,456</u>	<u>778,155</u>	<u>848,496</u>	<u>53,138,271</u>	<u>55,122,952</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amount on Net Pension Liability	537,927	251,835	-	-	537,927	251,835
<b>Total Deferred Outflows of Resources</b>	<u>537,927</u>	<u>251,835</u>	<u>-</u>	<u>-</u>	<u>537,927</u>	<u>251,835</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>52,898,043</u>	<u>54,526,291</u>	<u>778,155</u>	<u>848,496</u>	<u>53,676,198</u>	<u>55,374,787</u>
<b>LIABILITIES</b>						
Other Liabilities	904,996	3,364,288	20,673	33,051	925,669	3,397,339
Long-Term Liabilities	39,653,926	39,114,026	-	-	39,653,926	39,114,026
<b>Total Liabilities</b>	<u>40,558,922</u>	<u>42,478,314</u>	<u>20,673</u>	<u>33,051</u>	<u>40,579,595</u>	<u>42,511,365</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Amount on Net Pension Liability	711,182	1,688,777	-	-	711,182	1,688,777
Deferred Commodities Revenue	-	-	686	124	686	124
<b>Total Deferred Inflows of Resources</b>	<u>711,182</u>	<u>1,688,777</u>	<u>686</u>	<u>124</u>	<u>711,868</u>	<u>1,688,901</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>41,270,104</u>	<u>44,167,091</u>	<u>21,359</u>	<u>33,175</u>	<u>41,291,463</u>	<u>44,200,266</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	8,289,247	8,689,997	254,883	266,504	8,544,130	8,956,501
Restricted	5,068,385	4,181,982	-	-	5,068,385	4,181,982
Unrestricted	(1,729,693)	(2,512,779)	501,913	548,817	(1,227,780)	(1,963,962)
<b>Total Net Position</b>	<u>\$ 11,627,939</u>	<u>\$ 10,359,200</u>	<u>\$ 756,796</u>	<u>\$ 815,321</u>	<u>\$ 12,384,735</u>	<u>\$ 11,174,521</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 used these capital assets to provide services to 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 state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

The following schedule shows changes in the District's net position for fiscal years ended June 30, 2023 and 2022.

**Change in Net Position**  
**for the Fiscal Years Ended June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 161,285	\$ 126,435	\$ 151,977	\$ 2,503	\$ 313,262	\$ 128,938
Operating Grants and Contributions	5,138,986	5,500,736	270,972	713,042	5,409,958	6,213,778
Capital Grants and Contributions		306,951			-	306,951
General Revenues						
Property Taxes	18,227,376	17,427,917			18,227,376	17,427,917
Unrestricted State Aid and Local Contributions	95,990				95,990	-
Other	317,637	118,806	-	-	317,637	118,806
	<u>23,941,274</u>	<u>23,480,845</u>	<u>422,949</u>	<u>715,545</u>	<u>24,364,223</u>	<u>24,196,390</u>
<b>Total Revenues</b>						
<b>Expenses</b>						
Instruction						
Regular	9,371,845	8,824,944			9,371,845	8,824,944
Special Education	3,145,903	3,322,301			3,145,903	3,322,301
Other Instruction	730,454	997,472			730,454	997,472
School Sponsored Activities and Athletics	71,211	44,745			71,211	44,745
Support Services						
Student and Instruction Related Services	3,076,710	2,720,286			3,076,710	2,720,286
General Administration Services	845,750	744,518			845,750	744,518
School Administration Services	903,479	795,742			903,479	795,742
Central and Other Support Services	632,251	732,396			632,251	732,396
Plant Operations and Maintenance	2,640,108	2,009,478			2,640,108	2,009,478
Pupil Transportation	463,457	460,519			463,457	460,519
Interest on Long Term Debt	791,367	713,285			791,367	713,285
Food Service	-	-	481,474	532,587	481,474	532,587
	<u>22,672,535</u>	<u>21,365,686</u>	<u>481,474</u>	<u>532,587</u>	<u>23,154,009</u>	<u>21,898,273</u>
<b>Total Expenses</b>						
<b>Increase (Decrease) in Net Position</b>	1,268,739	2,115,159	(58,525)	182,958	1,210,214	2,298,117
<b>Beginning of Year, Net Position</b>	10,359,200	8,037,316	815,321	403,880	11,174,521	8,441,196
<b>Prior Period Adjustments</b>	-	206,725	-	228,483	-	435,208
<b>Ending of Year, Net Position</b>	<u>\$ 11,627,939</u>	<u>\$ 10,359,200</u>	<u>\$ 756,796</u>	<u>\$ 815,321</u>	<u>\$ 12,384,735</u>	<u>\$ 11,174,521</u>

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Governmental Activities**

The District's total revenues were \$23,941,274 for the fiscal year ended June 30, 2023, property taxes of \$18,227,376 made up 76 percent of revenues. Federal, state and local grants and contributions of \$5,234,976 accounted for another 22 percent of revenues for the fiscal years ended June 30, 2023.

The total cost of all programs and services was \$22,672,535 for the fiscal year ended June 30, 2023. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$13,319,413 (59%) of total expenses and support services costs were \$8,561,755 (38%) of total expense for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$1,268,739 from the previous year.

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$22,672,535. After applying program revenues, derived from operating and capital grants and contributions of \$5,138,986 and charges for services of \$161,285 the net cost of services of the District is \$17,372,264 for the fiscal year ended June 30, 2023.

**Total and Net Cost of Services**  
**for the Fiscal Years Ended June 30, 2023 and 2022**

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Instruction</b>				
Regular	\$ 9,371,845	\$ 8,824,944	\$ 7,500,978	\$ 6,302,138
Special Education	3,145,903	3,322,301	1,694,948	1,915,791
Other Instruction	730,454	997,472	556,398	584,815
School Sponsored Activities and Athletics	71,211	44,745	51,824	25,182
<b>Support Services</b>				
Student and Instruction Related Services	3,076,710	2,720,286	2,362,681	2,149,855
General Administration Services	845,750	744,518	781,177	630,296
School Administration Services	903,479	795,742	791,433	665,594
Central and Other Support Services	632,251	732,396	620,767	690,214
Plant Operations and Maintenance	2,640,108	2,009,478	2,434,086	1,419,432
Pupil Transportation	463,457	460,519	324,742	336,955
Interest on Long Term Debt	791,367	713,285	253,230	711,292
<b>Total</b>	<u>\$ 22,672,535</u>	<u>\$ 21,365,686</u>	<u>\$ 17,372,264</u>	<u>\$ 15,431,564</u>

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

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues of \$422,949 compared to expenses of \$481,474 for the fiscal year ended June 30, 2023. Of the revenues, 36% were from charges for services paid by patrons for daily food served and 64% were from State and Federal reimbursements for the fiscal year ended June 30, 2023.

**The School District's Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$25,498,293 and expenditures were \$30,610,828 for the fiscal year ended June 30, 2023.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2023 and 2022.

<u>Revenue</u>	<u>Fiscal Year</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2023</u>	<u>2022</u>		
Local Sources:				
Property Taxes	\$ 18,227,376	\$ 17,427,917	\$ 799,459	5%
Other	953,922	214,632	739,290	344%
State Sources	5,655,337	5,359,325	296,012	6%
Federal Sources	<u>661,658</u>	<u>1,248,276</u>	<u>(586,618)</u>	-47%
 Total	 <u>\$ 25,498,293</u>	 <u>\$ 24,250,150</u>	 <u>\$ 1,248,143</u>	 5%

For fiscal year 2023 total governmental revenues increased \$1,248,143, or 5%, from the previous year.

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2023 and 2022.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2023</u>	<u>2022</u>		
Current				
Instruction	\$ 14,650,016	\$ 14,111,258	\$ 538,758	4%
Support Services	8,036,291	7,485,716	550,575	7%
Debt Service	1,431,514	878,655	552,859	63%
Capital Outlay	<u>6,493,007</u>	<u>20,427,095</u>	<u>(13,934,088)</u>	-68%
Total	<u>\$ 30,610,828</u>	<u>\$ 42,902,724</u>	<u>\$ (12,291,896)</u>	-29%

For fiscal year 2023, total governmental funds expenditures decreased \$12,291,896, or 29%.

Of the governmental funds, the General Fund had \$23,071,856 in revenues (predominately property taxes) and \$22,660,578 in expenditures. As a result, the General Fund's fund balance increased \$411,278 from \$5,946,525 at June 30, 2022 to \$6,357,803 at June 30, 2023.

**General Fund Budgetary Highlights**

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

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

For the fiscal year 2023 General Fund budgetary revenues exceeded budgetary expenditures increasing budgetary fund balance \$324,527. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance decreased \$427,426 from an unassigned fund balance of \$817,795 at June 30, 2022 to \$390,369 at June 30, 2023. In addition, at June 30, 2023 the District had balances in its capital reserve of \$3,843,243, maintenance reserve of \$740,082, and reserved excess surplus of \$1,200,000.

**EAST RUTHERFORD BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

**Capital Assets**

At the end of fiscal years 2023, the District had \$43,570,541 invested in land, construction in progress, buildings, site improvements, furniture, equipment, vehicles and IT software net of depreciation for governmental activities. For 2022-2023 depreciation expenses for governmental activities was \$1,171,511 and for business-type activities was \$23,013. The following schedule is a comparison of capital assets net of depreciation at June 30, 2023 and 2022.

**Capital Assets, Net of Depreciation**  
**As of June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,809,211	\$ 1,809,211		
Construction in Progress	454,082	28,891,982		
Building and Building Improvements	39,893,530	5,996,313		
Site Improvements	49,204	55,955		
Machinery and Equipment	1,279,359	1,377,294	\$ 254,883	\$ 266,504
Right-to-Use Leased Equipment	10,935	25,515		
Right-to-Use IT Software	<u>74,220</u>	<u>92,775</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 43,570,541</u>	<u>\$ 38,249,045</u>	<u>\$ 254,883</u>	<u>\$ 266,504</u>

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

**Long-Term Liabilities**

At June 30, 2023, the District had \$39,653,926 of long-term liabilities. For fiscal year 2023 total outstanding long-term liabilities increased by \$539,900 from the prior year. The following schedule is a comparison of the long-term liabilities at June 30, 2023 and 2022.

**Long-Term Liabilities**  
**As of June 30, 2023 and 2022**

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Serial Bonds Payable (including premium)	\$ 36,584,000	\$ 36,784,000
Other Financing Agreements	23,292	95,313
Leases Payable	10,695	24,303
IT Subscription Arrangements	74,294	92,821
Compensated Absences	66,102	49,847
Net Pension Liability	<u>2,895,543</u>	<u>2,067,742</u>
<b>Total</b>	<u>\$ 39,653,926</u>	<u>\$ 39,114,026</u>

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

***EAST RUTHERFORD BOARD OF EDUCATION***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2023***

**For the Future**

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

East Rutherford Board of Education's budget for 2023-2024 was approved by the Board in April of 2023. Budgeted expenditures in the General Fund increased 4% to \$19,749,586 for fiscal year 2023-2024. The increase was the direct result of the increase of budgeted employee health benefit costs in the 2023-2024 budget.

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

**Contacting the District's Financial Management**

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at East Rutherford Board of Education Board of Education, Administration Office, 250 Grove Street, East Rutherford, New Jersey 07073.



## **FINANCIAL STATEMENTS**

**EAST RUTHERFORD 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	\$ 8,609,418	\$ 469,101	\$ 9,078,519
Receivables	180,157	48,904	229,061
Inventory		5,267	5,267
Capital Assets Not Being Depreciated	2,263,293		2,263,293
Capital Assets Being Depreciated, Net	41,307,248	254,883	41,562,131
Total Assets	<u>52,360,116</u>	<u>778,155</u>	<u>53,138,271</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	<u>537,927</u>		<u>537,927</u>
Total Deferred Outflows of Resources	<u>537,927</u>		<u>537,927</u>
Total Assets and Deferred Outflows of Resources	<u>52,898,043</u>	<u>778,155</u>	<u>53,676,198</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	541,649	17,178	558,827
Accrued Interest Payable	345,976		345,976
Unearned Revenue	17,371	3,495	20,866
Noncurrent Liabilities			
Due Within One Year	1,487,533		1,487,533
Due Beyond One Year	38,166,393		38,166,393
Total Liabilities	<u>40,558,922</u>	<u>20,673</u>	<u>40,579,595</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		686	686
Deferred Amount on Net Pension Liability	<u>711,182</u>		<u>711,182</u>
Total Deferred Inflows of Resources	<u>711,182</u>	<u>686</u>	<u>711,868</u>
Total Liabilities and Deferred Inflows of Resources	<u>41,270,104</u>	<u>21,359</u>	<u>41,291,463</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,289,247	254,883	8,544,130
Restricted for:			
Capital Projects	3,843,246		3,843,246
Plant Maintenance	740,082		740,082
Debt Service	475,001		475,001
Student Activities	10,056		10,056
Unrestricted	<u>(1,729,693)</u>	<u>501,913</u>	<u>(1,227,780)</u>
Total Net Position	<u>\$ 11,627,939</u>	<u>\$ 756,796</u>	<u>\$ 12,384,735</u>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular	\$ 9,371,845	\$ 121,100	\$ 1,749,767	\$ (7,500,978)		\$ (7,500,978)
Special Education	3,145,903		1,450,955	(1,694,948)		(1,694,948)
Other Instruction	730,454		174,056	(556,398)		(556,398)
School Sponsored Activities and Athletics						
	71,211	18,185	1,202	(51,824)		(51,824)
Support Services						
Student and Instruction Related Svcs.	3,076,710		714,029	(2,362,681)		(2,362,681)
General Administrative Services	845,750		64,573	(781,177)		(781,177)
School Administrative Services	903,479		112,046	(791,433)		(791,433)
Central and Other Support Services	632,251		11,484	(620,767)		(620,767)
Plant Operations and Maintenance	2,640,108	22,000	184,022	(2,434,086)		(2,434,086)
Pupil Transportation	463,457		138,715	(324,742)		(324,742)
Interest on Long-Term Debt	791,367		538,137	(253,230)		(253,230)
Total Governmental Activities	<u>22,672,535</u>	<u>161,285</u>	<u>5,138,986</u>	<u>(17,372,264)</u>	<u>-</u>	<u>(17,372,264)</u>
Business-Type Activities						
Food Service	481,474	151,977	270,972		\$ (58,525)	(58,525)
Total Business-Type Activities	<u>481,474</u>	<u>151,977</u>	<u>270,972</u>	<u>-</u>	<u>(58,525)</u>	<u>(58,525)</u>
Total Primary Government	<u>\$ 23,154,009</u>	<u>\$ 313,262</u>	<u>\$ 5,409,958</u>	<u>\$ (17,372,264)</u>	<u>\$ (58,525)</u>	<u>\$ (17,430,789)</u>
<b>General Revenues:</b>						
Property Taxes, Levied for General Purposes, Net				17,109,001		17,109,001
Property Taxes, Levied for Debt Service, Net				1,118,375		1,118,375
State Aid for Debt Principal				24,087		24,087
Local Contribution for Debt Principal				71,903		71,903
Miscellaneous Income				317,637		317,637
Total General Revenues				<u>18,641,003</u>	<u>-</u>	<u>18,641,003</u>
Change in Net Position				1,268,739	(58,525)	1,210,214
Net Position, Beginning of Year, (Restated)				<u>10,359,200</u>	<u>815,321</u>	<u>11,174,521</u>
Net Position, End of Year				<u>\$ 11,627,939</u>	<u>\$ 756,796</u>	<u>\$ 12,384,735</u>

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

## **FUND FINANCIAL STATEMENTS**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,039,078	\$ 700,966	\$ 1,394,373	\$ 475,001	\$ 8,609,418
Receivables:					
Receivables from Other Governments	73,288	104,942			178,230
Other		1,927			1,927
Due from Other Funds	764,919				764,919
Total Assets	<u>\$ 6,877,285</u>	<u>\$ 807,835</u>	<u>\$ 1,394,373</u>	<u>\$ 475,001</u>	<u>\$ 9,554,494</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 369,822	\$ 25,219	\$ 6,678		\$ 401,719
Accrued Salaries and Wages	1,591				1,591
Payroll Deductions and Withholdings Payable	138,339				138,339
Due to Other Funds		764,919			764,919
Unearned Revenue	9,730	7,641			17,371
Total Liabilities	<u>519,482</u>	<u>797,779</u>	<u>6,678</u>	<u>-</u>	<u>1,323,939</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Reserve	3,843,246				3,843,246
Maintenance Reserve	740,082				740,082
Excess Surplus	600,000				600,000
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000				600,000
Student Activities		10,056			10,056
Capital Projects			1,387,695		1,387,695
Debt Service				\$ 475,001	475,001
<b>Committed</b>					
Year-End Encumbrances	368,475				368,475
<b>Assigned</b>					
Year-End Encumbrances	24,224				24,224
Unassigned	181,776				181,776
Total Fund Balances	<u>6,357,803</u>	<u>10,056</u>	<u>1,387,695</u>	<u>475,001</u>	<u>8,230,555</u>
Total Liabilities and Fund Balances	<u>\$ 6,877,285</u>	<u>\$ 807,835</u>	<u>\$ 1,394,373</u>	<u>\$ 475,001</u>	<u>\$ 9,554,494</u>

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

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

**Total Fund Balances (Exhibit B-1)** \$ 8,230,555

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 \$50,902,922 and the accumulated depreciation is \$7,332,381.

43,570,541

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

Deferred Outflows of Resources

\$ 537,927

Deferred Inflows of Resources

(711,182)

(173,255)

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

(345,976)

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

Bonds Payable, Net

(36,584,000)

Other Financing Agreements Payable

(23,292)

Leases Payable

(10,695)

IT Subscriptions Arrangements

(74,294)

Compensated Absences Payable

(66,102)

Net Pension Liability

(2,895,543)

(39,653,926)

**Net position of governmental activities (Exhibit A-1)**

\$ 11,627,939

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 17,109,001			\$ 1,118,375	\$ 18,227,376
Tuition	121,100				121,100
Interest Earned	214,569				214,569
Rents	22,000				22,000
Miscellaneous	103,068	\$ 18,185		475,000	596,253
Total - Local Sources	17,569,738	18,185	-	1,593,375	19,181,298
State Sources	5,455,584	40,626		159,127	5,655,337
Federal Sources	46,534	615,124			661,658
Total Revenues	23,071,856	673,935	-	1,752,502	25,498,293
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	\$ 10,268,653	\$ 59,162			10,327,815
Special Education Instruction	3,187,503	249,260			3,436,763
Other Instruction	765,794	43,234			809,028
School Sponsored Activities and Athletics	57,520	18,890			76,410
Support Services					
Student and Instruction Related Services	2,980,738	270,079			3,250,817
General Administrative Services	914,098				914,098
School Administrative Services	986,199				986,199
Central and Other Support Services	667,341				667,341
Plant Operations and Maintenance	1,717,048	34,015			1,751,063
Pupil Transportation	466,773				466,773
Debt Service					
Principal	104,156			\$ 200,000	304,156
Interest	6,129			1,121,229	1,127,358
Capital Outlay	538,626		\$ 5,954,381		6,493,007
Total Expenditures	22,660,578	674,640	5,954,381	1,321,229	30,610,828
Net Change in Fund Balance	411,278	(705)	(5,954,381)	431,273	(5,112,535)
Fund Balance, Beginning of Year	5,946,525	10,761	7,342,076	43,728	13,343,090
Fund Balance, End of Year	<u>\$ 6,357,803</u>	<u>\$ 10,056</u>	<u>\$ 1,387,695</u>	<u>\$ 475,001</u>	<u>\$ 8,230,555</u>

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

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (5,112,535)**

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	\$ 6,493,007	
Depreciation Expense	<u>(1,171,511)</u>	
		5,321,496

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

Increase in Compensated Absences	(16,255)	
Decrease in Pension Expense	<u>435,886</u>	
		419,631

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

Principal Repayments		
Bonds Paid	200,000	
Other Financing Agreements Paid	72,021	
Right-to-Use IT Software	18,527	
Leases Paid	<u>13,608</u>	
		304,156

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>335,991</u>
------------------------------	--	----------------

**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,268,739**



**EAST RUTHERFORD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2023**

**Business-Type  
 Activities  
 Enterprise  
 Funds  
 Food  
 Service**

**ASSETS**

## Current Assets

Cash and Cash Equivalents	\$ 469,101
Intergovernmental Receivable	21,860
Other Accounts Receivable	27,044
Inventories	<u>5,267</u>

Total Current Assets 523,272

## Capital Assets

Machinery and Equipment	327,849
Less: Accumulated Depreciation	<u>(72,966)</u>

Total Capital Assets, Net of Accumulated Depreciation 254,883

Total Assets 778,155

**LIABILITIES**

## Current Liabilities

Accounts Payable	17,178
Unearned Revenue	<u>3,495</u>

Total Current Liabilities 20,673

**DEFERRED INFLOWS OF RESOURCES**

Deferred Commodities Revenue	<u>686</u>
------------------------------	------------

Total Deferred Inflows of Resources 686

Total Liabilities and Deferred Inflows of Resources 21,359

**NET POSITION**

Investment in Capital Assets	254,883
Unrestricted	<u>501,913</u>

Total Net Position \$ 756,796

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

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

	<b>Business-Type            Activities            Enterprise Fund            Food            Service</b>
Operating Revenues	
Daily Sales - Reimbursable Programs	\$ 104,245
Daily Sales - Non-Reimbursable Programs	47,732
Total Operating Revenues	151,977
Operating Expenses	
Cost of Sales - Reimbursable Programs	167,055
Cost of Sales - Non-Reimbursable Programs	59,984
Salaries and Benefits	178,858
Other Purchased Services	24,611
Management Fee	16,875
Supplies and Materials	6,500
Miscellaneous Expenditures	4,578
Depreciation	23,013
Total Operating Expenses	481,474
Operating Loss	(329,497)
Nonoperating Revenues	
State Sources	
School Lunch Program	5,709
School Breakfast Program	752
Federal Sources	
National School Breakfast Program	27,928
National School Lunch Program	133,542
Supply Chain Assistance Program	47,443
Food Distribution Program	55,598
Total Nonoperating Revenues	270,972
Change in Net Position	(58,525)
Net Position, Beginning of Year, (Restated)	815,321
Net Position, End of Year	\$ 756,796

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

**EAST RUTHERFORD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 124,098
Cash Payments for Employees Salaries and Benefits	(178,858)
Cash Payments to Suppliers	(236,459)
Net Cash Used for Operating Activities	(291,219)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Cash Received from State and Federal Reimbursements	251,518
Net Cash Provided By Non-Capital Financing Activities	251,518
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	(11,392)
Net Cash Used for Capital and Related Financing Activities	(11,392)
Net Decrease in Cash and Cash Equivalents	(51,093)
Cash and Cash Equivalents—Beginning of Year	520,194
Cash and Cash Equivalents—End of Year	\$ 469,101
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>	
Operating Loss	\$ (329,497)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities	
Depreciation	23,013
Non-Cash Federal Assistance - Food Distribution Program	55,598
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Other Accounts Receivable	(26,374)
(Increase) Decrease in Inventories	(2,143)
Increase (Decrease) in Accounts Payable	(10,873)
Increase (Decrease) in Unearned Revenue	(1,505)
Increase (Decrease) in Deferred Commodities Revenue	562
Total Adjustments	38,278
Net Cash Used For Operating Activities	\$ (291,219)
Non-Cash Financing Activities	
Value Received - Food Distribution Program	\$ 56,160

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The East Rutherford Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

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

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

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

**B. New Accounting Standards**

During fiscal year 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 or 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.

**EAST RUTHERFORD 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.

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.

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

**Reclassifications**

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements, 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, facility rental fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

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



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

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

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

**4. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets, the measurement of which is discussed in Note 1. E.8 and E.9, respectively. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5
Right-to-use Leased Equipment	5
Right-to-use IT Software	6

**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 only one item which arises 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 items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

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

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

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

***6. Compensated Absences***

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

***7. Pensions***

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

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

***8. Leases***

**Leases Payable**

Non-cancellable leases for the use of another entity's 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.

**EAST RUTHERFORD 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)**

***9. Subscription Bases Information Technology Arrangements (SBITAs)***

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

In the fund financial statements SBITAs are recognized as other financing sources at the initial amount of the subscription liability. Intangible right-to-use IT subscription assets are reported as capital outlay expenditures.

***10. 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.

***11. Long-Term Obligations***

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are reported as deferred outflows or inflows of resources. Bond and note premiums are deferred and amortized over the life of the debt using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds, whichever is less, using the effective interest method. Bonds and notes payable are reported with the unamortized premium. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

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

EAST RUTHERFORD 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)

12. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

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

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

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

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

**EAST RUTHERFORD 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)**

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

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

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

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

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

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

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

***13. 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.

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

**EAST RUTHERFORD 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 (Continued)**

**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.

**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.

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

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

**A. Budgetary Information (Continued)**

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. 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 by \$898,216 in the general fund and \$853,912 in the special revenue fund. The increase was funded by additional appropriation of capital reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations from the general fund of capital reserve of \$801,635.

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

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

**B. Capital Reserve**

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

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

**EAST RUTHERFORD 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 (Continued)**

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

Balance, July 1, 2022	\$ 3,387,411
Increased by:	
Deposits Approved by Board Resolution	<u>1,257,470</u>
	4,644,881
Decreased by:	
Approved by Board Resolution	<u>801,635</u>
Balance, June 30, 2023	<u>\$ 3,843,246</u>

The June 30, 2023 LRFPP balance of the total costs of uncompleted capital projects is estimated by management to be \$6,910,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. Maintenance Reserve**

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

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

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

Balance, July 1, 2022	<u>\$ 740,082</u>
Balance, June 30, 2023	<u>\$ 740,082</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$740,082. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.



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

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

**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 \$1,200,000. Of this amount \$600,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining \$600,000 will be appropriated in the 2024/2025 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.

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 \$9,078,519 and bank and brokerage firm balances of the Board's deposits amounted to \$9,398,595. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ 9,187,769
Uninsured and Collateralized	<u>210,826</u>
	<u>\$ 9,398,595</u>

**EAST RUTHERFORD 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)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board’s bank balances of \$210,826 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>\$ 210,826</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.

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

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.

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

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

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

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

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

**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				
Federal		\$ 104,496	\$ 21,008	\$ 125,504
State	\$ 73,288	446	852	74,586
Accounts	-	1,927	27,044	28,971
Gross Receivables	73,288	106,869	48,904	229,061
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 73,288</u>	<u>\$ 106,869</u>	<u>\$ 48,904</u>	<u>\$ 229,061</u>

**C. Unearned Revenue**

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

General Fund	
Prepaid Tuition	\$ 9,730
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>7,641</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 17,371</u>

**EAST RUTHERFORD 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>June 30, 2022</u> <i>(Restated)</i>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,809,211			\$ 1,809,211
Construction in Progress	<u>28,891,982</u>	<u>\$ 6,408,463</u>	<u>\$ (34,846,363)</u>	<u>454,082</u>
Total Capital Assets, Not Being Depreciated	<u>30,701,193</u>	<u>6,408,463</u>	<u>(34,846,363)</u>	<u>2,263,293</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	11,480,029	34,846,363		46,326,392
Site Improvements	245,322			245,322
Machinery and equipment	1,799,141	84,544		1,883,685
Right-to-Use Leased Equipment	72,900			72,900
Right-to-Use IT Software	<u>111,330</u>	<u>-</u>	<u>-</u>	<u>111,330</u>
Total Capital Assets Being Depreciated	<u>13,708,722</u>	<u>34,930,907</u>	<u>-</u>	<u>48,639,629</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(5,483,716)	(949,146)		(6,432,862)
Site Improvements	(189,367)	(6,751)		(196,118)
Machinery and Equipment	(421,847)	(182,479)		(604,326)
Right-to-Use Leased Equipment	(47,385)	(14,580)		(61,965)
Right-to-Use IT Software	<u>(18,555)</u>	<u>(18,555)</u>	<u>-</u>	<u>(37,110)</u>
Total Accumulated Depreciation	<u>(6,160,870)</u>	<u>(1,171,511)</u>	<u>-</u>	<u>(7,332,381)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,547,852</u>	<u>33,759,396</u>	<u>-</u>	<u>41,307,248</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,249,045</u>	<u>\$ 40,167,859</u>	<u>\$ (34,846,363)</u>	<u>\$ 43,570,541</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	<u>\$ 316,457</u>	<u>\$ 11,392</u>	<u>-</u>	<u>\$ 327,849</u>
Total Capital Assets Being Depreciated	<u>316,457</u>	<u>11,392</u>	<u>-</u>	<u>327,849</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(49,953)</u>	<u>(23,013)</u>	<u>-</u>	<u>(72,966)</u>
Total Accumulated Depreciation	<u>(49,953)</u>	<u>(23,013)</u>	<u>-</u>	<u>(72,966)</u>
Total Capital Assets, Being Depreciated, Net	<u>266,504</u>	<u>(11,621)</u>	<u>-</u>	<u>254,883</u>
Business-Type Activities Capital Assets, Net	<u>\$ 266,504</u>	<u>\$ (11,621)</u>	<u>\$ -</u>	<u>\$ 254,883</u>

**EAST RUTHERFORD 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)**

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

**Governmental Activities:**

Instruction

Regular	\$ 52,363
Special	10,728
Total Instruction	<u>63,091</u>

Support Services

Student and Instruction Related Services	78,377
School Administration	11,621
Central and Other Support Services	14,580
Plant Operations And Maintenance	980,408
Pupil Transportation	23,434
Total Support Services	<u>1,108,420</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,171,511</u>
--	---------------------

**Business-Type Activities:**

Food Service Fund	<u>\$ 23,013</u>
-------------------	------------------

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Remaining Commitments</u>
Various Renovations and Upgrades to Faust and McKenzie Schools	\$ 925,927
Technology Renovations and Upgrades to Faust and McKenzie Schools	190,161
Boiler Replacement at McKenzie School	<u>333,395</u>
	<u>\$ 1,449,483</u>

**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	<u>\$ 764,919</u>

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

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

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

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

**F. Leases Payable**

On January 25, 2019, the District entered into a five year lease agreement as lessee for the use of photocopy machines. An initial lease liability was recorded in the amount of \$72,900. The lease has an interest rate of 5.36%. The District is required to make monthly payments of \$1,215. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2023 the value of the lease liability was \$10,695. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2023 is \$72,900 and had accumulated depreciation of \$61,965.

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

**Governmental Activities:**

Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,695	\$ 240	\$ 10,935

**G. Financing Agreements**

**Other Financing Agreements**

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

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

\$110,624, Fiscal Year 2020 agreement for the acquisition of computer equipment for a term of five (5) years with final principal installment due of \$23,292, on August 1, 2023 interest rate at 5.59%	<u>\$ 23,292</u>
---	------------------

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 23,292	\$ 1,302	\$ 24,594

**EAST RUTHERFORD 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. Subscription – Based Information Technology Arrangements (SBITAs)**

During fiscal year 2022, the District entered into a SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$111,330. The SBITA has an interest rate of .10%. The District is required to make annual payments of \$18,620. At the conclusion of the initial SBITA term the District has the option to renew the SBITA for an additional five (5) one (1) year terms. The District intends to renew the SBITA for all 5 year options. As of June 30, 2023 the value of the subscription liability was \$74,294. The instructional learning software has a six year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2023 is \$111,330 and had accumulated depreciation of \$37,110.

The future principal and interest SBITA payments as of June 30, 2023 are as follows:

**Governmental Activities:**

Fiscal Year Ending

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 18,546	\$ 74	\$ 18,620
2025	18,564	56	18,620
2026	18,583	37	18,620
2027	<u>18,601</u>	<u>19</u>	<u>18,620</u>
Total	<u>\$ 74,294</u>	<u>\$ 186</u>	<u>\$ 74,480</u>

**I. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2023 are comprised of the following issues:

\$2,491,000, 2012 School Bonds, due in annual installments of \$200,000 to \$210,000 through July 15, 2027 interest at 2.25% to 2.75%	\$ 1,031,000
\$35,553,000, 2021 School Bonds, due in annual installments of \$1,225,000 to \$2,350,000 through July 15, 2041 interest at 2.00% to 2.25%	<u>35,553,000</u>
	<u>\$ 36,584,000</u>

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

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

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

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,425,000	\$ 740,258	\$ 2,165,258
2025	1,505,000	710,195	2,215,195
2026	1,535,000	678,758	2,213,758
2027	1,585,000	646,245	2,231,245
2028	1,631,000	612,525	2,243,525
2029-2033	9,175,000	2,529,963	11,704,963
2034-2038	10,500,000	1,544,713	12,044,713
2039-2042	<u>9,228,000</u>	<u>412,736</u>	<u>9,640,736</u>
	<u>\$ 36,584,000</u>	<u>\$ 7,875,391</u>	<u>\$ 44,459,391</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)	\$ 79,525,201
Less: Net Debt Issued and Authorized But Not Issued	<u>36,584,000</u>
Remaining Borrowing Power	<u>\$ 42,941,201</u>



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

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

**J. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Balance, <u>July 1, 2022</u> <i>(Restated)</i>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 36,784,000		\$ 200,000	\$ 36,584,000	\$ 1,425,000
Other Financing Agreements	95,313		72,021	23,292	23,292
Leases Payable	24,303		13,608	10,695	10,695
IT Subscription Arrangements	92,821		18,527	74,294	18,546
Compensated Absences	49,847	\$ 16,255		66,102	10,000
Net Pension Liability	<u>2,067,742</u>	<u>1,069,755</u>	<u>241,954</u>	<u>2,895,543</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 39,114,026</u>	<u>\$ 1,086,010</u>	<u>\$ 546,110</u>	<u>\$ 39,653,926</u>	<u>\$ 1,487,533</u>

For the governmental activities, the liabilities for other financing agreements, leases payable, IT subscription arrangements, 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 insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

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

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

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

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

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

**EAST RUTHERFORD 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:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**EAST RUTHERFORD 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).

**EAST RUTHERFORD 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).

**EAST RUTHERFORD 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	\$ 241,954	\$ 2,941,613	\$ 25,718
2022	204,412	3,014,764	23,789
2021	210,719	2,044,030	22,607

**EAST RUTHERFORD 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 \$1,151, \$1,177 and \$1,048, 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 \$628,929 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 \$2,895,543 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 .01919 percent, which was an increase of .00174 percent from its proportionate share measured as of June 30, 2021 of .01745 percent.

**EAST RUTHERFORD 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 \$(193,932) 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 20,899	\$ 18,430
Changes of Assumptions	8,971	433,577
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	119,844	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>388,213</u>	<u>259,175</u>
Total	<u>\$ 537,927</u>	<u>\$ 711,182</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 expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (193,280)
2024	(93,044)
2025	(58,429)
2026	169,686
2027	1,812
Thereafter	<u>-</u>
	<u>\$ (173,255)</u>



**EAST RUTHERFORD 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.

**EAST RUTHERFORD 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%

**EAST RUTHERFORD 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>\$ 3,719,925</u>	<u>\$ 2,895,543</u>	<u>\$ 2,193,961</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).

**EAST RUTHERFORD 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 \$1,002,734 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 \$37,258,638. 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 .07221 percent, which was an increase of .00321 percent from its proportionate share measured as of June 30, 2021 of .06900 percent.

**EAST RUTHERFORD 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.

**EAST RUTHERFORD 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.

**EAST RUTHERFORD 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>\$ 43,686,545</u>	<u>\$ 37,258,638</u>	<u>\$ 31,843,934</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).

**EAST RUTHERFORD 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**

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.

**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>



**EAST RUTHERFORD 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)**

**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.

**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 \$772,755, \$704,371 and \$640,567, 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.

**EAST RUTHERFORD 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**

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 \$1,154,615. 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 \$29,095,226. 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 .05745 percent, which was a decrease of .00024 percent from its proportionate share measured as of June 30, 2021 of .05769 percent.

**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 disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 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.

**EAST RUTHERFORD 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)**

**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.

**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 <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ 34,618,337
Changes Recognized for the Fiscal Year:	
Service Cost	1,627,960
Interest on the Total OPEB Liability	771,056
Differences Between Expected and Actual Experience	622,179
Changes of Assumptions	(7,805,055)
Gross Benefit Payments	(763,753)
Contributions from the Member	24,502
Net Changes	<u>\$ (5,523,111)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 29,095,226</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.

**EAST RUTHERFORD 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 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:

	<b>1% Decrease <u>(2.54%)</u></b>	<b>Current Discount Rate <u>(3.54%)</u></b>	<b>1% Increase <u>(4.54%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 34,198,378</u>	<u>\$ 29,095,226</u>	<u>\$ 25,005,305</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 24,048,983</u>	<u>\$ 29,095,226</u>	<u>\$ 35,723,773</u>

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. Tax Abatements**

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

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

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

**NOTE 5 RESTATEMENT**

On July 1, 2022, the East Rutherford Board of Education implemented GASB Statement No. 96 “Subscription-Based Information Technology Arrangements” (SBITAs). In addition on July 1, 2022, the East Rutherford Board of Education contracted with a third party to update its capital asset inventory records. The East Rutherford Board of Education has determined that the effect of implementing this accounting change and updating its capital asset 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 activities related to IT subscription liabilities for the intangible right-to-use IT subscriptions assets and to reflect certain adjustments for the updated capital assets inventory. The effect of this restatement is to increase the value of capital assets, net of accumulated depreciation, by \$299,546 from \$37,949,499 as previously reported to \$38,249,045 as of June 30, 2022, increase long-term liabilities \$92,821 from \$39,021,205 as previously reported to \$39,114,026 as of June 30, 2022 and to increase net position of governmental activities by \$206,725 from \$10,152,475 as previously reported to \$10,359,200 as of June 30, 2022.

**Business-Type Activities and Food Service Enterprise Fund**

The financial statements of the Business-Type Activities and Food Service Enterprise Fund as of June 30, 2022 have been restated to reflect certain adjustments for the updated capital assets inventory. The effect of this restatement is to increase the value of capital assets, net of accumulated depreciation, by \$228,483 from \$38,021 as previously reported to \$266,504 as of June 30, 2022 and to increase total Business-Type Activities and Food Service Enterprise Fund net position by \$228,483 from \$586,838 as previously reported to \$815,321 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 \$2,033,254 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 17,109,001		\$ 17,109,001	\$ 17,109,001	
Tuition - Individuals	110,000		110,000	121,100	\$ 11,100
Tuition - Other LEA's	48,000		48,000		(48,000)
Interest on Investments				214,569	214,569
Interest Earned on Capital Reserve Funds	300		300		(300)
Building Rentals	26,000		26,000	22,000	(4,000)
Unrestricted Miscellaneous Revenues	63,690	-	63,690	103,068	39,378
<b>Total Local Sources</b>	<u>17,356,991</u>	<u>-</u>	<u>17,356,991</u>	<u>17,569,738</u>	<u>212,747</u>
<b>State Sources</b>					
Special Education Aid	625,062		625,062	625,062	
Security Aid	129,901		129,901	129,901	
Transportation Aid	133,577		133,577	133,577	
Extraordinary Aid	100,000		100,000	124,046	24,046
Homeless Tuition Reimbursement				11,799	11,799
TPAF Pension Contribution (Non-Budget) Normal Cost/ Accrued Liability				2,901,360	2,901,360
TPAF Pension Contribution (Non-Budget) NCGI Premium				40,253	40,253
TPAF Contribution (Non-Budget) LTDI Premium				1,151	1,151
TPAF Contribution (Non-Budget) Post - Retirement Medical Benefits				772,755	772,755
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	628,929	628,929
<b>Total State Sources</b>	<u>988,540</u>	<u>-</u>	<u>988,540</u>	<u>5,368,833</u>	<u>4,380,293</u>
<b>Federal Sources</b>					
FFCRA/SEMI		-		2,088	2,088
Medicaid Reimbursement	29,889	-	29,889	44,446	14,557
<b>Total Federal Sources</b>	<u>29,889</u>	<u>-</u>	<u>29,889</u>	<u>46,534</u>	<u>16,645</u>
<b>Total Revenues</b>	<u>18,375,420</u>	<u>-</u>	<u>18,375,420</u>	<u>22,985,105</u>	<u>4,609,685</u>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Preschool	\$ 139,095	\$ (85,000)	\$ 54,095	\$ 53,261	\$ 834
Kindergarten	371,862	96,000	467,862	466,598	1,264
Grades 1-5	2,924,206	45,000	2,969,206	2,966,481	2,725
Grades 6-8	2,271,465	(298,000)	1,973,465	1,971,309	2,156
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	5,000	(4,000)	1,000		1,000
Purchased Professional-Educational Services		6,000	6,000	4,704	1,296
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	305,720	(50,000)	255,720	253,555	2,165
Purchased Professional-Educational Services	160,000	1,965	161,965	139,519	22,446
Purchased Technical Services	190,780	(39,600)	151,180	150,207	973
Other Purchased Services	95,036	2,066	97,102	94,399	2,703
General Supplies	230,929	(24,612)	206,317	204,148	2,169
Textbooks	80,000	(29,051)	50,949	49,955	994
Other Objects	26,376	1,088	27,464	26,936	528
<b>Total Regular Programs</b>	<u>6,800,469</u>	<u>(378,144)</u>	<u>6,422,325</u>	<u>6,381,072</u>	<u>41,253</u>
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	206,759	(40,000)	166,759	156,389	10,370
Other Salaries for Instruction	57,494	-	57,494	56,862	632
General Supplies	9,050	-	9,050	7,587	1,463
<b>Total Learning and/or Language Disabilities</b>	<u>273,303</u>	<u>(40,000)</u>	<u>233,303</u>	<u>220,838</u>	<u>12,465</u>

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Special Education Instruction - Multiple Disabilities					
Salaries of Teachers	\$ 471,364	\$ (5,000)	\$ 466,364	\$ 458,831	\$ 7,533
Other Salaries for Instruction	135,451	52,000	187,451	182,817	4,634
General Supplies	4,800	566	5,366	3,991	1,375
Total Special Education - Multiple Disabilities	<u>611,615</u>	<u>47,566</u>	<u>659,181</u>	<u>645,639</u>	<u>13,542</u>
Special Education Instruction - Resource Room/Center					
Salaries of Teachers	463,418	(20,000)	443,418	430,842	12,576
Other Salaries for Instruction	185,893	(28,000)	157,893	147,404	10,489
General Supplies	3,500	-	3,500	3,463	37
Total Resource Room/Resource Center	<u>652,811</u>	<u>(48,000)</u>	<u>604,811</u>	<u>581,709</u>	<u>23,102</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	22,837	2,000	24,837	24,637	200
General Supplies	1,000	102	1,102	604	498
Total Preschool Disabilities - Part Time	<u>23,837</u>	<u>2,102</u>	<u>25,939</u>	<u>25,241</u>	<u>698</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	137,949	14,000	151,949	150,677	1,272
Other Salaries for Instruction	254,916	64,000	318,916	316,762	2,154
General Supplies	8,000	166	8,166	7,386	780
Total Preschool Disabilities - Full Time	<u>400,865</u>	<u>78,166</u>	<u>479,031</u>	<u>474,825</u>	<u>4,206</u>
Total Special Education	<u>1,962,431</u>	<u>39,834</u>	<u>2,002,265</u>	<u>1,948,252</u>	<u>54,013</u>
Basic Skills/Remedial					
Salaries of Teachers	238,303	(33,500)	204,803	197,391	7,412
General Supplies	3,000	-	3,000	1,710	1,290
Total Basic Skills/Remedial	<u>241,303</u>	<u>(33,500)</u>	<u>207,803</u>	<u>199,101</u>	<u>8,702</u>
Bilingual Education					
Salaries of Teachers	263,473	(1,500)	261,973	261,108	865
General Supplies	4,500	-	4,500	2,479	2,021
Total Bilingual Education	<u>267,973</u>	<u>(1,500)</u>	<u>266,473</u>	<u>263,587</u>	<u>2,886</u>
School Sponsored Co-Curricular Activities					
Salaries	24,250	4,578	28,828	27,923	905
Purchased Services	6,525	(2,578)	3,947	395	3,552
Supplies and Materials	2,000	55	2,055	2,040	15
Total School Sponsored Co-Curricular Activities	<u>32,775</u>	<u>2,055</u>	<u>34,830</u>	<u>30,358</u>	<u>4,472</u>
School Sponsored Athletics - Instruction					
Salaries	10,500	-	10,500	9,995	505
Purchased Services	1,700	-	1,700	1,340	360
Supplies and Materials	1,500	-	1,500	219	1,281
Total School Sponsored Athletics - Instruction	<u>13,700</u>	<u>-</u>	<u>13,700</u>	<u>11,554</u>	<u>2,146</u>
Summer School - Instruction					
Salaries	30,000	-	30,000	-	30,000
Other Salaries for Instruction	10,000	-	10,000	-	10,000
Total Summer School - Instruction	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Instruction	<u>9,358,651</u>	<u>(371,255)</u>	<u>8,987,396</u>	<u>8,833,924</u>	<u>153,472</u>



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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/in State - Special	\$ 153,360	\$ 300	\$ 153,660	\$ 90,642	\$ 63,018
Tuition to CSSD and Regional Day Schools	90,420	(25,000)	65,420	1,689	63,731
Tuition to Private School for Disabled W/I State	<u>419,998</u>	<u>(40,000)</u>	<u>379,998</u>	<u>66,048</u>	<u>313,950</u>
Total Undistributed Expenditures - Instruction	<u>663,778</u>	<u>(64,700)</u>	<u>599,078</u>	<u>158,379</u>	<u>440,699</u>
Attendance & Social Work					
Salaries	<u>48,215</u>	<u>-</u>	<u>48,215</u>	<u>23,682</u>	<u>24,533</u>
Total Attendance & Social Work	<u>48,215</u>	<u>-</u>	<u>48,215</u>	<u>23,682</u>	<u>24,533</u>
Health Services					
Salaries	264,020	2,000	266,020	235,900	30,120
Purchased Professional and Technical Services	11,000	(2,000)	9,000	5,970	3,030
Other Purchased Services	3,062	(1,300)	1,762	791	971
Supplies and Materials	<u>11,653</u>	<u>(1,845)</u>	<u>9,808</u>	<u>9,101</u>	<u>707</u>
Total Health Services	<u>289,735</u>	<u>(3,145)</u>	<u>286,590</u>	<u>251,762</u>	<u>34,828</u>
Speech, OT, PT, and Related Services					
Salaries	294,077	9,000	303,077	301,287	1,790
Purchased Prof. Ed. Services	67,598	10,000	77,598	74,629	2,969
Supplies and Materials	1,000	-	1,000	768	232
Other Objects	<u>435</u>	<u>-</u>	<u>435</u>	<u>-</u>	<u>435</u>
Total Speech, OT, PT, and Related Services	<u>363,110</u>	<u>19,000</u>	<u>382,110</u>	<u>376,684</u>	<u>5,426</u>
Other Support Services - Students - Extraordinary					
Salaries	121,988	(36,900)	85,088	81,765	3,323
Purchased Prof. Ed. Services	210,440	90,319	300,759	298,649	2,110
Supplies and Materials	<u>-</u>	<u>6,900</u>	<u>6,900</u>	<u>1,012</u>	<u>5,888</u>
Total Other Supp.Serv. Student - Extraordinary	<u>332,428</u>	<u>60,319</u>	<u>392,747</u>	<u>381,426</u>	<u>11,321</u>
Guidance					
Salaries of Other Professional Staff	123,540	34,100	157,640	155,772	1,868
Supplies and Materials	<u>12,343</u>	<u>(2,300)</u>	<u>10,043</u>	<u>9,172</u>	<u>871</u>
Total Guidance	<u>135,883</u>	<u>31,800</u>	<u>167,683</u>	<u>164,944</u>	<u>2,739</u>
Child Study Teams					
Salaries of Other Professional Staff	469,376	500	469,876	461,752	8,124
Salaries of Secretarial & Clerical Assistants	60,212	(22,000)	38,212	35,000	3,212
Purchased Prof. Ed. Services	42,080	(10,307)	31,773	19,098	12,675
Other Purchased Professional and Technical Services	4,140	11,970	16,110	16,110	-
Miscellaneous Purchased Services	806	-	806	-	806
Supplies and Materials	<u>14,000</u>	<u>3,180</u>	<u>17,180</u>	<u>12,851</u>	<u>4,329</u>
Total Child Study Teams	<u>590,614</u>	<u>(16,657)</u>	<u>573,957</u>	<u>544,811</u>	<u>29,146</u>

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 281,400	\$ (7,200)	\$ 274,200	\$ 92,500	\$ 181,700
Salaries of Other Professional Staff	70,000	(25,000)	45,000	17,500	27,500
Purchased Prof. Ed. Services	40,500	(400)	40,100	35,475	4,625
Supplies and Materials	-	400	400	290	110
Total Improvement of Instructional Services	<u>391,900</u>	<u>(32,200)</u>	<u>359,700</u>	<u>145,765</u>	<u>213,935</u>
Educational Media/School Library					
Salaries	79,690	12,000	91,690	91,486	204
Purchased Professional and Technical Services	35,950	3,750	39,700	38,559	1,141
Total Educational Media/School Library	<u>115,640</u>	<u>15,750</u>	<u>131,390</u>	<u>130,045</u>	<u>1,345</u>
Instructional Staff Training Services					
Other Purchased Services	2,000	3,000	5,000	1,340	3,660
Total Instructional Staff Training Services	<u>2,000</u>	<u>3,000</u>	<u>5,000</u>	<u>1,340</u>	<u>3,660</u>
Support Services General Administration					
Salaries	287,896	156,000	443,896	443,896	-
General Admin Salaries-Governance Staff	5,200	-	5,200	5,000	200
Legal Services	46,620	2,874	49,494	49,478	16
Audit Fees	29,460	12,420	41,880	41,387	493
Other Purchased Professional Services	9,010	15,000	24,010	13,853	10,157
Purchased Technical Services	8,405	4,000	12,405	12,355	50
Communications/Telephone	37,920	20,774	58,694	58,462	232
Miscellaneous Purchased Services	15,350	(6,340)	9,010	8,643	367
BOE Other Purchased Services	8,301	(6,410)	1,891	1,724	167
General Supplies	3,500	348	3,848	1,994	1,854
Miscellaneous Expenditures	3,900	52	3,952	3,952	-
BOE Membership Dues and Fees	7,000	-	7,000	6,978	22
Total Support Services General Administration	<u>462,562</u>	<u>198,718</u>	<u>661,280</u>	<u>647,722</u>	<u>13,558</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	438,000	(70,000)	368,000	367,250	750
Salaries of Other Professional Staff	1,012	(1,000)	12	12	-
Salaries of Secretarial and Clerical Assistants	210,146	20,200	230,346	229,057	1,289
Purchased Professional and Technical Services	11,220	-	11,220	11,220	-
Other Purchased Services	900	(55)	845	845	-
Supplies and Materials	16,525	10,632	27,157	25,225	1,932
Other Objects	7,949	9,094	17,043	15,531	1,512
Total Support Services School Administration	<u>685,752</u>	<u>(31,129)</u>	<u>654,623</u>	<u>649,128</u>	<u>5,495</u>
Central Services					
Salaries	360,201	(5,600)	354,601	354,540	61
Purchased Technical Services	24,525	10,408	34,933	25,916	9,017
Miscellaneous Purchased Services	5,396	(3,637)	1,759	1,335	424
Supplies and Materials	4,000	8,635	12,635	11,241	1,394
Miscellaneous Expenditures	1,600	(300)	1,300	599	701
Total Central Services	<u>395,722</u>	<u>9,506</u>	<u>405,228</u>	<u>393,631</u>	<u>11,597</u>
Administration Information Technology					
Salaries	20,000	(12,000)	8,000	7,742	258
Purchased Technical Services	143,520	(25,900)	117,620	116,839	781
Total Administration Information Technology	<u>163,520</u>	<u>(37,900)</u>	<u>125,620</u>	<u>124,581</u>	<u>1,039</u>

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

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 102,984	\$ 23,000	\$ 125,984	\$ 124,372	\$ 1,612
Cleaning, Repair and Maintenance Services	274,400	(46,915)	227,485	209,043	18,442
General Supplies	18,000	26,999	44,999	44,956	43
<b>Total Required Maintenance for School Facilities</b>	<b>395,384</b>	<b>3,084</b>	<b>398,468</b>	<b>378,371</b>	<b>20,097</b>
Custodial Services					
Salaries	540,426	5,000	545,426	540,857	4,569
Salaries of Non-Instructional Aides	6,000	-	6,000	1,155	4,845
Purchased Professional and Technical Services	40,400	(19,818)	20,582	1,450	19,132
Cleaning, Repair and Maintenance Services	16,800	3,429	20,229	14,226	6,003
Other Purchased Property Services	15,000	8,300	23,300	23,266	34
Insurance	193,612	43,674	237,286	237,040	246
General Supplies	69,000	18,500	87,500	86,666	834
Energy (Natural Gas)	125,000	(27,000)	98,000	63,469	34,531
Energy (Electricity)	178,000	15,000	193,000	185,000	8,000
Other Objects	1,700	300	2,000	1,904	96
<b>Total Custodial Services</b>	<b>1,185,938</b>	<b>47,385</b>	<b>1,233,323</b>	<b>1,155,033</b>	<b>78,290</b>
Care and Upkeep of Grounds					
Salaries	2,500	-	2,500	-	2,500
Cleaning, Repair and Maintenance Services	2,000	(2,000)	-	-	-
General Supplies	1,000	-	1,000	1,000	-
<b>Total Care and Upkeep of Grounds</b>	<b>5,500</b>	<b>(2,000)</b>	<b>3,500</b>	<b>1,000</b>	<b>2,500</b>
Security					
Purchased Professional and Technical Services	3,800	(3,300)	500	-	500
General Supplies	1,600	(1,000)	600	-	600
<b>Total Security</b>	<b>5,400</b>	<b>(4,300)</b>	<b>1,100</b>	<b>-</b>	<b>1,100</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	48,500	27,600	76,100	74,405	1,695
Salaries for Pupil Trans. (Bet Home & Sch)-Reg	84,750	1,800	86,550	77,999	8,551
Salaries for Pupil Trans. (Bet Home & Sch)-Sp Ed	43,250	2,000	45,250	42,708	2,542
Salaries for Pupil Trans. (Other than Bet Home & Sch)	4,250	(2,000)	2,250	-	2,250
Other Employee Benefits	1,800	-	1,800	721	1,079
Other Purchased Professional and Technical Services	2,000	-	2,000	2,000	-
Cleaning, Repair & Maintenance Service	23,000	10,414	33,414	33,020	394
Contr Serv - Aid in Lieu Pymts - Charter School	2,000	(1,000)	1,000	-	1,000
Contr Serv (Special Ed Students)-Joint Agreements	199,000	(57,000)	142,000	128,211	13,789
Travel - All Other	2,500	-	2,500	700	1,800
General Supplies	1,500	(1,500)	-	-	-
Transportation Supplies	24,000	5,000	29,000	26,543	2,457
Other Objects	1,300	-	1,300	150	1,150
<b>Total Student Transportation Services</b>	<b>437,850</b>	<b>(14,686)</b>	<b>423,164</b>	<b>386,457</b>	<b>36,707</b>

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

**EXHIBIT C-1**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
Unallocated Benefits - Employee Benefits					
Group Insurance	\$ 4,800	\$ (3,500)	\$ 1,300	\$ 300	\$ 1,000
Social Security Contributions	252,000	14,800	266,800	266,720	80
TPAF/PERS - Special Assessments	1,000	-	1,000	465	535
Other Retirement Contributions - PERS	224,852	17,500	242,352	241,954	398
Other Retirement Contributions - DCRP	22,400	3,600	26,000	25,718	282
Unemployment Compensation	45,000	(25,300)	19,700	18,291	1,409
Worker's Compensation	88,279	61,967	150,246	150,092	154
Health Benefits	2,131,805	170,577	2,302,382	2,244,580	57,802
Tuition Reimbursement	41,000	(14,500)	26,500	26,072	428
Other Employee Benefits	18,200	(12,000)	6,200	6,044	156
Unused Sick Payment to Terminated/Retired Staff	30,000	(29,000)	1,000	-	1,000
Total Unallocated Benefits	<u>2,859,336</u>	<u>184,144</u>	<u>3,043,480</u>	<u>2,980,236</u>	<u>63,244</u>
Transfers to Cover Deficit (Enterprise Fund)	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<b>On - Behalf Payments</b>					
TPAF Pension Contribution (Non-Budget)					
Normal Cost/Accrued Liability				2,901,360	(2,901,360)
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				40,253	(40,253)
TPAF Contribution (Non-Budget)					
LTDI Premium				1,151	(1,151)
TPAF Contribution (Non-Budget)					
Post - Retirement Medical Benefits				772,755	(772,755)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,929</u>	<u>(628,929)</u>
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,344,448</u>	<u>(4,344,448)</u>
Total Undistributed Expenditures	<u>9,533,267</u>	<u>365,989</u>	<u>9,899,256</u>	<u>13,239,445</u>	<u>(3,340,189)</u>
Total Current Expenditures	<u>18,891,918</u>	<u>(5,266)</u>	<u>18,886,652</u>	<u>22,073,369</u>	<u>(3,186,717)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grade 1-5	3,650	-	3,650	3,550	100
Grade 6-8	2,750	30,147	32,897	7,179	25,718
Undistributed Expenditures - Admin. Info. Tech. Svs	<u>-</u>	<u>11,000</u>	<u>11,000</u>	<u>10,180</u>	<u>820</u>
Total Equipment	<u>6,400</u>	<u>41,147</u>	<u>47,547</u>	<u>20,909</u>	<u>26,638</u>
Facilities Acq. And Construction Services					
Architectural/Engineering Services		62,000	62,000	49,477	12,523
Construction Services		801,635	801,635	468,240	333,395
Assessment for Debt Service on SDA Funding	<u>32,079</u>	<u>-</u>	<u>32,079</u>	<u>32,079</u>	<u>-</u>
Total Facilities Acq. And Construction Services.	<u>32,079</u>	<u>863,635</u>	<u>895,714</u>	<u>549,796</u>	<u>345,918</u>
Interest Deposit to Capital Reserve	<u>300</u>	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	<u>38,779</u>	<u>904,482</u>	<u>943,261</u>	<u>570,705</u>	<u>372,556</u>

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

EXHIBIT C-1

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
Transfer of Funds to Charter Schools	\$ 44,723	\$ (1,000)	\$ 43,723	\$ 16,504	27,219
Total General Fund	18,975,420	898,216	19,873,636	22,660,578	\$ (2,786,942)
Net Change in Fund Balance	(600,000)	(898,216)	(1,498,216)	324,527	1,822,743
Fund Balance, Beginning of Year	6,241,869	-	6,241,869	6,241,869	-
Fund Balance, End of Year	\$ 5,641,869	\$ (898,216)	\$ 4,743,653	\$ 6,566,396	\$ 1,822,743
 Restricted Fund Balances					
Capital Reserve				\$ 3,843,246	
Maintenance Reserve				740,082	
Excess Surplus				600,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				600,000	
Committed					
Year-End Encumbrances				368,475	
Assigned Fund Balance					
Year-End Encumbrances				24,224	
Unassigned Fund Balance				390,369	
				6,566,396	
 <b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
Less: State Aid Revenue Not Recognized on a GAAP Basis				(208,593)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,357,803	

**EAST RUTHERFORD 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>					
State Sources		\$ 40,675	\$ 40,675	\$ 40,626	\$ (49)
Federal Sources	\$ 297,300	813,237	1,110,537	615,124	(495,413)
Local Sources	10,000	-	10,000	18,185	8,185
<b>Total Revenues</b>	<u>307,300</u>	<u>853,912</u>	<u>1,161,212</u>	<u>673,935</u>	<u>(487,277)</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	\$ 123,300	\$ 86,991	\$ 210,291	\$ 35,035	\$ 175,256
Purchased Prof. and Tech. Services		20,000	20,000	20,000	-
Other Purchased Services		35,816	35,816	35,816	-
Tuition	150,000	55,270	205,270	205,270	-
General Supplies		156,733	156,733	42,327	114,406
Co-Curricular/Extra-Curricular Activities	20,899	-	20,899	18,890	2,009
<b>Total Instruction</b>	<u>294,199</u>	<u>354,810</u>	<u>649,009</u>	<u>357,338</u>	<u>291,671</u>
<b>Support Services</b>					
Salaries		180,212	180,212	137,593	42,619
Other Salaries		865	865	-	865
Personal Services-Employee Benefits		14,715	14,715	13,208	1,507
Purchased Prof. and Tech. Services	24,000	239,681	263,681	131,409	132,272
Cleaning, Repair and Maintenance Services		34,015	34,015	34,015	-
General Supplies	-	29,614	29,614	1,077	28,537
<b>Total Support Services</b>	<u>24,000</u>	<u>499,102</u>	<u>523,102</u>	<u>317,302</u>	<u>205,800</u>
<b>Total Expenditures</b>	<u>318,199</u>	<u>853,912</u>	<u>1,172,111</u>	<u>674,640</u>	<u>497,471</u>
Net Change in Fund Balances	(10,899)	-	(10,899)	(705)	10,194
Fund Balances, Beginning of Year	10,761	-	10,761	10,761	-
Fund Balances, End of Year	<u>\$ (138)</u>	<u>\$ -</u>	<u>\$ (138)</u>	<u>\$ 10,056</u>	<u>\$ 10,194</u>
<b>Recapitulation of Fund Balance</b>					
<b>Restricted Fund Balance</b>					
Student Activities				<u>\$ 10,056</u>	
				<u>\$ 10,056</u>	

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

**EAST RUTHERFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 (Exhibits C-1 and C-2)	\$ 22,985,105	\$ 673,935
<b>Difference - Budget to GAAP</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
June 30, 2023 Encumbrances		
June 30, 2022 Encumbrances, Net		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2021-2022)	295,344	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2022-2023)	<u>(208,593)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,071,856</u>	<u>\$ 673,935</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 22,660,578	\$ 674,640
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.		
June 30, 2023 Encumbrances		
June 30, 2022 Encumbrances	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 22,660,578</u>	<u>\$ 674,640</u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

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

**Public Employees Retirement System**

**Last 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)	.01918%	0.01745%	0.01926%	0.01820%	0.01855%	0.01761%	0.01979%	0.01955%	0.01914%	0.01881%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,895,543	\$ 2,067,742	\$ 3,141,165	\$ 3,279,264	\$ 3,653,064	\$ 4,098,175	\$ 5,861,246	\$ 4,389,482	\$ 3,583,999	\$ 3,595,890
District's Covered Payroll	\$ 1,418,767	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984	\$ 1,344,847	\$ 1,285,655
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	204.09%	157.20%	240.58%	242.43%	276.71%	326.23%	486.24%	322.29%	266.50%	279.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

EAST RUTHERFORD 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	\$ 241,954	\$ 204,412	\$ 210,719	\$ 177,027	\$ 184,546	\$ 163,092	\$ 175,812	\$ 168,185	\$ 159,102	\$ 141,766
Contributions in Relation to the Contractually Required Contribution	<u>241,954</u>	<u>204,412</u>	<u>210,719</u>	<u>177,027</u>	<u>184,546</u>	<u>163,092</u>	<u>175,812</u>	<u>168,185</u>	<u>159,102</u>	<u>141,766</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,597,257	\$ 1,418,767	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984	\$ 1,344,847
Contributions as a Percentage of Covered Payroll	15.15%	14.41%	16.02%	13.56%	13.64%	12.35%	14.00%	13.95%	11.68%	10.54%

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

**Teachers Pension and Annuity Fund**

**Last 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%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>37,258,638</u>	<u>33,173,856</u>	<u>45,506,062</u>	<u>43,138,324</u>	<u>44,518,479</u>	<u>45,023,783</u>	<u>52,120,602</u>	<u>42,664,437</u>	<u>35,785,741</u>	<u>34,032,535</u>
<b>Total</b>	<b><u>\$ 37,258,638</u></b>	<b><u>\$ 33,173,856</u></b>	<b><u>\$ 45,506,062</u></b>	<b><u>\$ 43,138,324</u></b>	<b><u>\$ 44,518,479</u></b>	<b><u>\$ 45,023,783</u></b>	<b><u>\$ 52,120,602</u></b>	<b><u>\$ 42,664,437</u></b>	<b><u>\$ 35,785,741</u></b>	<b><u>\$ 34,032,535</u></b>
District's Covered Payroll	\$ 8,010,465	\$ 8,041,767	\$ 8,093,452	\$ 7,376,698	\$ 7,347,005	\$ 7,480,593	\$ 6,811,104	\$ 6,766,187	\$ 6,599,168	\$ 6,666,323
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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.

**EAST RUTHERFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 4D.

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

**POST-EMPLOYMENT HEALTH BENEFIT PLAN**

Last Six Fiscal Years\*

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service Cost	\$ 1,627,960	\$ 1,844,140	\$ 996,664	\$ 991,269	\$ 1,057,898	\$ 1,275,197
Interest on the Total OPEB Liability	771,056	898,036	826,933	1,019,828	1,068,144	922,504
Changes in Benefit Terms		(36,847)				
Differences Between Expected and Actual Experience	622,179	(6,649,378)	7,930,101	(4,410,957)	(1,921,243)	
Changes of Assumptions	(7,805,055)	34,154	7,162,808	342,308	(2,949,151)	(3,845,501)
Gross Benefit Payments	(763,753)	(707,401)	(682,660)	(704,746)	(687,197)	(661,908)
Contribution from the Member	24,502	22,958	20,691	20,891	23,751	24,373
<b>Net Change in Total OPEB Liability</b>	<b>(5,523,111)</b>	<b>(4,594,338)</b>	<b>16,254,537</b>	<b>(2,741,407)</b>	<b>(3,407,798)</b>	<b>(2,285,335)</b>
<b>Total OPEB Liability - Beginning</b>	<b>34,618,337</b>	<b>39,212,675</b>	<b>22,958,138</b>	<b>25,699,545</b>	<b>29,107,343</b>	<b>31,392,678</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 29,095,226</b>	<b>\$ 34,618,337</b>	<b>\$ 39,212,675</b>	<b>\$ 22,958,138</b>	<b>\$ 25,699,545</b>	<b>\$ 29,107,343</b>
District's Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share	29,095,226	34,618,337	39,212,675	22,958,138	25,699,545	29,107,343
<b>Total OPEB Liability - Ending</b>	<b>\$ 29,095,226</b>	<b>\$ 34,618,337</b>	<b>\$ 39,212,675</b>	<b>\$ 22,958,138</b>	<b>\$ 25,699,545</b>	<b>\$ 29,107,343</b>
<b>Covered Payroll</b>	<b>\$ 9,429,232</b>	<b>\$ 9,357,110</b>	<b>\$ 9,399,139</b>	<b>\$ 8,729,378</b>	<b>\$ 8,667,179</b>	<b>\$ 8,736,829</b>
<b>Total OPEB Liability as a Percentage of Covered Payroll:</b>						
District's Proportionate Share	-	-	-	-	-	-
State's Proportionate Share	308.56%	369.97%	417.19%	263.00%	296.52%	333.16%

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

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

**NOT APPLICABLE**



**SPECIAL REVENUE FUND**

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

	<u>ESEA Title I</u>	<u>ESEA Title II A</u>	<u>ESEA Title IV</u>	<u>Climate Change Awareness</u>	<u>I.D.E.A. Part B</u>	<u>I.D.E.A. Part B Preschool</u>	<u>American Rescue Plan - I.D.E.A. Part B</u>		<u>Student Activities</u>	<u>Total to Exhibit E-1A</u>
							<u>Basic</u>	<u>Preschool</u>		
<b>REVENUES</b>										
Intergovernmental										
State				\$ 6,611						\$ 6,611
Federal	\$ 118,425	\$ 12,575	\$ 10,311		\$ 205,270	\$ 8,174	\$ 35,816			390,571
Local	-	-	-	-	-	-	-	-	\$ 18,185	18,185
<b>Total Revenues</b>	<b>\$ 118,425</b>	<b>\$ 12,575</b>	<b>\$ 10,311</b>	<b>\$ 6,611</b>	<b>\$ 205,270</b>	<b>\$ 8,174</b>	<b>\$ 35,816</b>	<b>\$ -</b>	<b>\$ 18,185</b>	<b>\$ 415,367</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 24,954									\$ 24,954
Purchased Prof. and Tech. Services	20,000									20,000
Other Purchased Services							\$ 35,816			35,816
Tuition					\$ 205,270					205,270
General Supplies	1,000			\$ 6,611		\$ 8,174				15,785
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	-	\$ 18,890	18,890
<b>Total Instruction</b>	<b>45,954</b>	<b>-</b>	<b>-</b>	<b>6,611</b>	<b>205,270</b>	<b>8,174</b>	<b>35,816</b>	<b>-</b>	<b>18,890</b>	<b>320,715</b>
Support Services										
Personal Services-Employee Benefits	13,208									13,208
Purchased Prof. and Tech. Services	59,263	\$ 12,575	\$ 10,311	-	-	-	-	-	-	82,149
<b>Total Support Services</b>	<b>72,471</b>	<b>12,575</b>	<b>10,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,357</b>
<b>Total Expenditures</b>	<b>\$ 118,425</b>	<b>\$ 12,575</b>	<b>\$ 10,311</b>	<b>\$ 6,611</b>	<b>\$ 205,270</b>	<b>\$ 8,174</b>	<b>\$ 35,816</b>	<b>\$ -</b>	<b>\$ 18,890</b>	<b>\$ 416,072</b>
Net Change in Fund Balances	-	-	-	-	-	-	-	-	(705)	(705)
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	10,761	10,761
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,056	\$ 10,056

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

	Exhibit E-1 Total	SDA Emergent & Capital Maint. Needs	ESSER II		American Rescue Plan - ESSER III				Grand Total	
			CRRSA Act	Learning Acceleration	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day		NJTSS
<b>REVENUES</b>										
Intergovernmental										
State	\$ 6,611	\$ 34,015								\$ 40,626
Federal	390,571		\$ 16,000	\$ 10,081	\$ 190,612				\$ 7,860	615,124
Local	18,185	-	-	-	-	-	-	-	-	18,185
<b>Total Revenues</b>	<b>\$ 415,367</b>	<b>\$ 34,015</b>	<b>\$ 16,000</b>	<b>\$ 10,081</b>	<b>\$ 190,612</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,860</b>	<b>\$ 673,935</b>
<b>EXPENDITURES</b>										
Instruction										
Salaries	\$ 24,954			\$ 10,081						\$ 35,035
Purchased Prof. and Tech. Services	20,000									20,000
Other Purchased Services	35,816									35,816
Tuition	205,270									205,270
General Supplies	15,785				\$ 26,542					42,327
Co-Curricular/Extra-Curricular Activities	18,890	-	-	-	-	-	-	-	-	18,890
<b>Total Instruction</b>	<b>320,715</b>	<b>-</b>	<b>-</b>	<b>10,081</b>	<b>26,542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357,338</b>
Support Services										
Salaries	-				137,593					137,593
Personal Services-Employee Benefits	13,208									13,208
Purchased Prof. and Tech. Services	82,149		\$ 16,000		25,400				\$ 7,860	131,409
Cleaning, Repair and Maintenance Services	-	\$ 34,015								34,015
General Supplies	-	-	-	-	1,077	-	-	-	-	1,077
<b>Total Support Services</b>	<b>95,357</b>	<b>34,015</b>	<b>16,000</b>	<b>-</b>	<b>164,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,860</b>	<b>317,302</b>
<b>Total Expenditures</b>	<b>\$ 416,072</b>	<b>\$ 34,015</b>	<b>\$ 16,000</b>	<b>\$ 10,081</b>	<b>\$ 190,612</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,860</b>	<b>\$ 674,640</b>
Net Change in Fund Balances	(705)	-	-	-	-	-	-	-	-	(705)
Fund Balances, Beginning of Year	10,761	-	-	-	-	-	-	-	-	10,761
Fund Balances, End of Year	\$ 10,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,056

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

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**EAST RUTHERFORD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2020 School Bond Referendum Faust Intermediate School, Faust Annex and, McKenzie School Renovations and Addition to Faust Intermediate School	\$ 35,553,000	\$ 28,210,924	\$ 5,954,381	\$ 1,387,695
 <b><u>Reconciliation to GAAP Basis</u></b>				
				\$ 1,387,695
Project Balance, June 30, 2023				<u>\$ 1,387,695</u>
Fund Balance, June 30, 2023 - GAAP Basis				<u>\$ 1,387,695</u>
 <b><u>Recapitulation of Fund Balance</u></b>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 1,172,390
Available for Capital Projects				<u>215,305</u>
Total Fund Balance, GAAP Basis				<u>\$ 1,387,695</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Expenditures and Other Financing Uses**

Expenditures	
Architect and Engineering Services	\$ 104,262
Legal Services	10,512
Other Purchased Professional and Technical Services	1,150,690
Construction Services	3,977,672
General Supplies	35,695
Miscellaneous Expenditures	<u>675,550</u>
 Total Expenditures and Other Financing Uses	 <u>5,954,381</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (5,954,381)
 Fund Balance, Beginning of Year	 <u>\$ 7,342,076</u>
 Fund Balance, End of Year	 <u>\$ 1,387,695</u>
 <u>Reconciliation to GAAP:</u>	
Fund Balance, June 30, 2023 - Budgetary Basis	<u>\$ 1,387,695</u>
Fund Balance, June 30, 2023 - GAAP Basis	<u>\$ 1,387,695</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
2020 BOND REFERENDUM  
VARIOUS REVNOVATIONS TO ALL DISTRICT SCHOOLS AND ADDITION TO FAUST SCHOOL  
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Bond Proceeds	\$ 35,553,000	\$ -	\$ 35,553,000	\$ 35,553,000
Total Revenues	<u>35,553,000</u>	<u>-</u>	<u>35,553,000</u>	<u>35,553,000</u>
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Expenditures				
Architect and Engineering Services	\$ 2,489,234	\$ 104,262	\$ 2,593,496	2,600,000
Legal Services	83,052	10,512	93,564	312,000
Other Professional and Technical Services	729,607	1,150,690	1,880,297	2,055,000
Construction Services	24,493,919	3,977,672	28,471,591	29,400,000
General Supplies	206,963	35,695	242,658	300,000
Miscellaneous Expenditures	108,149	675,550	783,699	786,000
Interest on Capital Note	100,000	-	100,000	100,000
Total Expenditures and Other Financing Uses	<u>28,210,924</u>	<u>5,954,381</u>	<u>34,165,305</u>	<u>35,553,000</u>
Excess / (Deficiency) of Revenues over / (under) Expenditures	<u>\$ 7,342,076</u>	<u>\$ (5,954,381)</u>	<u>\$ 1,387,695</u>	<u>\$ -</u>
Additional Project Information:				
Project Numbers	1230-N01-19-1000/1230-040-19-1000/1230-080-19-1000			
SDA Grant Date	N/A			
Bond Authorization (Referendum) Date	1/28/2020			
Bonds Authorized	\$ 35,553,000			
Bond Issued	35,553,000			
Original Authorized Cost	35,553,000			
Increase/(Decrease)	-			
Revised Authorized Cost	35,553,000			
Percentage Increase Over Original				
Authorized Cost	0.00%			
Percentage Completion	96.10%			
Original Target Completion Date	August 30, 2022			
Revised Completion Date	August 31, 2024			



**PROPRIETARY FUNDS**

**EAST RUTHERFORD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

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

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**EAST RUTHERFORD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds, Series 2012	8/2/2012	\$ 2,491,000	7/15/2023	\$ 200,000	2.250%	\$ 1,231,000			\$ 1,031,000
			7/15/2024	205,000	2.500%				
			7/15/2025	210,000	2.500%				
			7/15/2026	210,000	2.750%				
			7/15/2027	206,000	2.750%				
School Bonds, Series 2021	7/15/2021	35,553,000	7/15/2023	1,225,000	2.000%				
			7/15/2024	1,300,000	2.000%				
			7/15/2025	1,325,000	2.000%				
			7/15/2026	1,375,000	2.000%				
			7/15/2027	1,425,000	2.000%				
			7/15/2028	1,725,000	2.000%				
			7/15/2029	1,775,000	2.000%				
			7/15/2030	1,825,000	2.000%				
			7/15/2031	1,900,000	2.000%				
			7/15/2032	1,950,000	2.000%				
			7/15/2033	2,000,000	2.000%				
			7/15/2034	2,050,000	2.000%				
			7/15/2035	2,100,000	2.000%				
			7/15/2036	2,150,000	2.000%				
			7/15/2037	2,200,000	2.000%				
			7/15/2038	2,250,000	2.125%				
			7/15/2039	2,300,000	2.125%				
7/15/2040	2,350,000	2.250%							
7/15/2041	2,328,000	2.250%							
					<u>35,553,000</u>	<u>-</u>	<u>-</u>	<u>\$ 35,553,000</u>	
					<u>\$ 36,784,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ 36,584,000</u>	
							<u>\$ 200,000</u>		

Paid by Budget Appropriation

**EAST RUTHERFORD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OTHER FINANCING AGREEMENTS AND LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<b><u>Other Financing Agreements</u></b>						
Computer Equipment (Supplies)	\$ 110,624	5.59%	\$ 45,352		\$ 22,060	\$ 23,292
Computer Equipment (Supplies)	195,265	5.06%	<u>49,961</u>	<u>-</u>	<u>49,961</u>	<u>-</u>
Total Other Financing Agreements			<u>\$ 95,313</u>	<u>\$ -</u>	<u>\$ 72,021</u>	<u>\$ 23,292</u>
<b><u>Leases Payable</u></b>						
Copiers	72,900	5.36%	<u>\$ 24,303</u>	<u>-</u>	<u>13,608</u>	<u>\$ 10,695</u>
Total Leases Payable			<u>\$ 24,303</u>	<u>\$ -</u>	<u>\$ 13,608</u>	<u>\$ 10,695</u>

**EAST RUTHERFORD BOARD OF EDUCATION  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
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 with Final To Actual</u>
REVENUES:					
Local Sources:					
Property Taxes	\$ 1,118,375		\$ 1,118,375	\$ 1,118,375	
Borough Contribution				475,000	\$ 475,000
Total Local Sources	1,118,375	-	1,118,375	1,593,375	475,000
State Sources					
Debt Service Aid	159,127		159,127	159,127	-
Total Revenues	1,277,502	-	1,277,502	1,752,502	475,000
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,121,229		1,121,229	1,121,229	-
Redemption of Principal	200,000		200,000	200,000	-
Total Expenditures	1,321,229	-	1,321,229	1,321,229	-
Net Change in Fund Balance	(43,727)		(43,727)	431,273	475,000
Fund Balance, Beginning of Year	43,728	-	43,728	43,728	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 475,001</u>	<u>\$ 475,000</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures				\$ 475,001	
Available for Expenditures				-	
Total Fund Balance - Restricted for Debt Service				<u>\$ 475,001</u>	



**EAST RUTHERFORD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u> <i>(Restated)</i>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<b><u>Subscription-Based Information Technology Arrangements</u></b>						
Savvas Learning Company Digital Courseware	\$ 111,330	0.10%	\$ 92,821	-	\$ 18,527	\$ 74,294
			<u>\$ 92,821</u>	<u>\$ -</u>	<u>\$ 18,527</u>	<u>\$ 74,294</u>

## STATISTICAL SECTION

This part of the East Rutherford 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.

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

	<b>Fiscal Year Ended June 30,</b>									
	<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>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 8,289,247	\$ 8,689,997	\$ 8,017,259	\$ 6,524,828	\$ 4,106,628	\$ 4,130,155	\$ 4,088,243	\$ 4,016,618	\$ 3,642,511	\$ 3,084,184
Restricted	5,068,385	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078	1,079,538
Unrestricted	<u>(1,729,693)</u>	<u>(2,512,779)</u>	<u>(2,939,479)</u>	<u>(4,693,635)</u>	<u>(4,429,988)</u>	<u>(3,839,305)</u>	<u>(4,174,823)</u>	<u>(3,837,299)</u>	<u>(3,683,762)</u>	<u>(3,121,463)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 11,627,939</u>	<u>\$ 10,359,200</u>	<u>\$ 8,037,316</u>	<u>\$ 4,606,258</u>	<u>\$ 1,699,562</u>	<u>\$ 1,193,727</u>	<u>\$ 814,326</u>	<u>\$ 1,190,397</u>	<u>\$ 969,827</u>	<u>\$ 1,042,259</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 254,883	\$ 266,504	\$ 41,746	\$ 30,915	\$ 60,729	\$ 15,961	\$ 13,293	\$ 10,697	\$ 13,663	\$ 16,630
Restricted										
Unrestricted	<u>501,913</u>	<u>548,817</u>	<u>362,134</u>	<u>50,920</u>	<u>48,749</u>	<u>102,244</u>	<u>126,469</u>	<u>144,481</u>	<u>118,009</u>	<u>110,616</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 756,796</u>	<u>\$ 815,321</u>	<u>\$ 403,880</u>	<u>\$ 81,835</u>	<u>\$ 109,478</u>	<u>\$ 118,205</u>	<u>\$ 139,762</u>	<u>\$ 155,178</u>	<u>\$ 131,672</u>	<u>\$ 127,246</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 8,544,130	\$ 8,956,501	\$ 8,059,005	\$ 6,555,743	\$ 4,167,357	\$ 4,146,116	\$ 4,101,536	\$ 4,027,315	\$ 3,656,174	\$ 3,100,814
Restricted	5,068,385	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078	1,079,538
Unrestricted	<u>(1,227,780)</u>	<u>(1,963,962)</u>	<u>(2,577,345)</u>	<u>(4,642,715)</u>	<u>(4,381,239)</u>	<u>(3,737,061)</u>	<u>(4,048,354)</u>	<u>(3,692,818)</u>	<u>(3,565,753)</u>	<u>(3,010,847)</u>
<b>Total District Net Position</b>	<u>\$ 12,384,735</u>	<u>\$ 11,174,521</u>	<u>\$ 8,441,196</u>	<u>\$ 4,688,093</u>	<u>\$ 1,809,040</u>	<u>\$ 1,311,932</u>	<u>\$ 954,088</u>	<u>\$ 1,345,575</u>	<u>\$ 1,101,499</u>	<u>\$ 1,169,505</u>

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

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

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

Note 4 - Net Position at June 30, 2022 is restated to reflect the implementation of GASB Statement No. 96, "Subscription - Based Information Technology Arrangements" and revisions to capital assets.

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 9,371,845	\$ 8,824,944	\$ 9,846,176	\$ 9,725,101	\$ 10,439,386	\$ 11,106,537	\$ 10,254,758	\$ 8,990,945	\$ 8,641,143	\$ 6,935,179
Special Education	3,145,903	3,322,301	3,666,402	3,664,533	3,802,799	3,770,674	3,571,227	2,964,763	2,491,806	2,214,521
Other Instruction	730,454	997,472	947,571	764,007	778,939	695,277	707,483	840,300	874,386	921,231
School Sponsored Activities and Athletics	71,211	44,745	35,645	59,031	55,441	66,901	68,727	94,929	103,915	70,145
<b>Support Services:</b>										
Student & Instruction Related Services	3,076,710	2,720,286	2,892,696	2,571,643	2,593,632	2,695,911	2,845,665	2,571,607	2,447,507	2,088,691
General Administration Services	845,750	744,518	808,905	695,506	675,413	579,582	600,194	631,864	634,754	410,895
School Administrative Services	903,479	795,742	899,588	784,386	792,724	859,478	887,991	728,173	699,086	704,940
Central and Other Support Services	632,251	732,396	676,564	628,768	619,933	624,382	601,493	492,472	514,716	430,612
Plant Operations And Maintenance	2,640,108	2,009,478	1,854,800	1,342,968	1,479,819	1,347,905	1,467,855	1,377,893	1,545,552	1,437,216
Pupil Transportation	463,457	460,519	274,410	360,496	527,273	569,592	491,074	452,825	425,730	448,602
Interest On Long-Term Debt	791,367	713,285	121,478	79,385	101,540	125,925	150,211	171,474	174,626	188,956
<b>Total Governmental Activities Expenses</b>	<u>22,672,535</u>	<u>21,365,686</u>	<u>22,024,235</u>	<u>20,675,824</u>	<u>21,866,899</u>	<u>22,442,164</u>	<u>21,646,678</u>	<u>19,317,245</u>	<u>18,553,221</u>	<u>15,850,988</u>
<b>Business-Type Activities:</b>										
Food Service	481,474	532,587	313,401	215,926	328,939	375,553	356,201	340,009	314,627	300,216
<b>Total Business-Type Activities Expense</b>	<u>481,474</u>	<u>532,587</u>	<u>313,401</u>	<u>215,926</u>	<u>328,939</u>	<u>375,553</u>	<u>356,201</u>	<u>340,009</u>	<u>314,627</u>	<u>300,216</u>
<b>Total District Expenses</b>	<u>\$ 23,154,009</u>	<u>\$ 21,898,273</u>	<u>\$ 22,337,636</u>	<u>\$ 20,891,750</u>	<u>\$ 22,195,838</u>	<u>\$ 22,817,717</u>	<u>\$ 22,002,879</u>	<u>\$ 19,657,254</u>	<u>\$ 18,867,848</u>	<u>\$ 16,151,204</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services	\$ 161,285	\$ 126,435	\$ 77,308	\$ 222,987	\$ 60,140	\$ 86,489	\$ 84,200	\$ 53,878	\$ 113,563	\$ 95,909
Operating Grants And Contributions	5,138,986	5,500,736	7,049,745	5,117,421	5,659,388	6,761,551	6,255,122	4,937,922	4,168,902	2,511,680
Capital Grants And Contributions	-	306,951	1,135,048	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<u>5,300,271</u>	<u>5,934,122</u>	<u>8,262,101</u>	<u>5,340,408</u>	<u>5,719,528</u>	<u>6,848,040</u>	<u>6,339,322</u>	<u>4,991,800</u>	<u>4,282,465</u>	<u>2,607,589</u>
<b>Business-Type Activities:</b>										
Charges For Services	151,977	2,503	10,877	84,767	141,821	149,445	134,751	147,164	138,430	148,695
Operating Grants And Contributions	270,972	713,042	624,569	130,845	178,391	204,551	206,034	216,351	180,557	171,298
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<u>422,949</u>	<u>715,545</u>	<u>635,446</u>	<u>215,612</u>	<u>320,212</u>	<u>353,996</u>	<u>340,785</u>	<u>363,515</u>	<u>318,987</u>	<u>319,993</u>
<b>Total District Program Revenues</b>	<u>\$ 5,723,220</u>	<u>\$ 6,649,667</u>	<u>\$ 8,897,547</u>	<u>\$ 5,556,020</u>	<u>\$ 6,039,740</u>	<u>\$ 7,202,036</u>	<u>\$ 6,680,107</u>	<u>\$ 5,355,315</u>	<u>\$ 4,601,452</u>	<u>\$ 2,927,582</u>

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (17,372,264)	\$ (15,431,564)	\$ (13,762,134)	\$ (15,335,416)	\$ (16,147,371)	\$ (15,594,124)	\$ (15,307,356)	\$ (14,325,445)	\$ (14,270,756)	\$ (13,243,399)
Business-Type Activities	(58,525)	182,958	322,045	(314)	(8,727)	(21,557)	(15,416)	23,506	4,360	19,777
<b>Total District-Wide Net Expense</b>	<u>\$ (17,430,789)</u>	<u>\$ (15,248,606)</u>	<u>\$ (13,440,089)</u>	<u>\$ (15,335,730)</u>	<u>\$ (16,156,098)</u>	<u>\$ (15,615,681)</u>	<u>\$ (15,322,772)</u>	<u>\$ (14,301,939)</u>	<u>\$ (14,266,396)</u>	<u>\$ (13,223,622)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 17,109,001	\$ 16,773,530	\$ 16,444,637	\$ 16,122,193	\$ 15,806,072	\$ 15,042,487	\$ 14,087,500	\$ 13,677,157	\$ 13,408,977	\$ 13,146,056
Debt Service	1,118,375	654,387	699,978	711,353	726,547	733,672	723,714	723,665	721,866	741,700
Unrestricted Federal and State Aid					1,362	24,507	24,235	15,292	14,156	
State Aid for Debt Principal	24,087	30,609								
Local Contribution for Debt Principal	71,903									
Investment Earnings										-
Insurance Recoveries						94,292				-
Miscellaneous Income	317,637	88,197	45,685	75,088	119,225	78,567	95,836	129,901	53,325	13,572
Transfer	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>18,641,003</u>	<u>17,546,723</u>	<u>17,190,300</u>	<u>16,908,634</u>	<u>16,653,206</u>	<u>15,973,525</u>	<u>14,931,285</u>	<u>14,546,015</u>	<u>14,198,324</u>	<u>13,901,328</u>
Business-Type Activities:										
Investment Earnings							66	492	378	256
Miscellaneous Income										
Transfer	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>492</u>	<u>378</u>	<u>256</u>
<b>Total District-Wide</b>	<u>\$ 18,641,003</u>	<u>\$ 17,546,723</u>	<u>\$ 17,190,300</u>	<u>\$ 16,908,634</u>	<u>\$ 16,653,206</u>	<u>\$ 15,973,525</u>	<u>\$ 14,931,351</u>	<u>\$ 14,546,507</u>	<u>\$ 14,198,702</u>	<u>\$ 13,901,584</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,268,739	\$ 2,115,159	\$ 3,428,166	\$ 1,573,218	\$ 505,835	\$ 379,401	\$ (376,071)	\$ 220,570	\$ (72,432)	\$ 657,929
Business-Type Activities	(58,525)	182,958	322,045	(314)	(8,727)	(21,557)	(15,350)	23,998	4,738	20,033
<b>Total District</b>	<u>\$ 1,210,214</u>	<u>\$ 2,298,117</u>	<u>\$ 3,750,211</u>	<u>\$ 1,572,904</u>	<u>\$ 497,108</u>	<u>\$ 357,844</u>	<u>\$ (391,421)</u>	<u>\$ 244,568</u>	<u>\$ (67,694)</u>	<u>\$ 677,962</u>

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

	2023	2022	2021	2020	Fiscal Year Ended June 30,		2017	2016	2015	2014
					2019	2018				
General Fund										
Restricted	\$ 5,783,328	\$ 5,327,493	\$ 3,879,908	\$ 3,138,271	\$ 2,022,920	\$ 902,676	\$ 900,906	\$ 1,011,077	\$ 711,302	\$ 854,487
Committed	368,475		1,005,174			94,292				
Assigned	24,224	96,581	55,135	390,138	149,924	394,547	208,664	207,572	274,501	327,890
Unassigned	181,776	522,451	417,661	139,404	102,833	121,891	48,212	14,952	37,006	62,820
<b>Total General Fund</b>	<b>\$ 6,357,803</b>	<b>\$ 5,946,525</b>	<b>\$ 5,357,878</b>	<b>\$ 3,667,813</b>	<b>\$ 2,275,677</b>	<b>\$ 1,513,406</b>	<b>\$ 1,157,782</b>	<b>\$ 1,233,601</b>	<b>\$ 1,022,809</b>	<b>\$ 1,245,197</b>
All Other Governmental Funds										
Restricted										
Special Revenue Fund	\$ 10,056	\$ 10,761	\$ 10,899	\$ 11,791						
Capital Projects Fund	1,387,695	7,342,076							\$ 299,775	\$ 448,210
Debt Service Fund	475,001	43,728	43,729	3	\$ 2	\$ 201		\$ 1	1	
Unassigned	-	-	(8,969,842)	(1,059,539)	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 1,872,752</b>	<b>\$ 7,396,565</b>	<b>\$ (8,915,214)</b>	<b>\$ (1,047,745)</b>	<b>\$ 2</b>	<b>\$ 201</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 299,776</b>	<b>\$ 448,210</b>

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

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

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
<b>Local Sources:</b>										
Tax Levy	\$ 18,227,376	\$ 17,427,917	\$ 17,144,615	\$ 16,833,546	\$ 16,532,619	\$ 15,776,159	\$ 14,811,214	\$ 14,400,822	\$ 14,130,843	\$ 13,887,756
Tuition	121,100	113,200	63,440	195,487	48,500	67,329	59,000	53,878	113,563	95,909
Interest Earnings	214,569	38,686	15,142							
Rents	22,000	1,669	13,750	27,500	11,640	19,160	25,200			
Miscellaneous	596,253	61,077	38,955	75,177	121,325	119,239	99,336	129,901	53,325	13,572
State Sources	5,655,337	5,359,325	4,137,009	3,606,202	3,437,906	3,117,643	2,691,011	2,473,063	2,220,829	2,079,089
Federal Sources	661,658	1,248,276	949,899	441,531	446,620	451,400	419,823	405,569	401,563	432,591
<b>Total Revenue</b>	<b>25,498,293</b>	<b>24,250,150</b>	<b>22,362,810</b>	<b>21,179,443</b>	<b>20,598,610</b>	<b>19,550,930</b>	<b>18,105,584</b>	<b>17,463,233</b>	<b>16,235,518</b>	<b>16,508,917</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	10,327,815	9,456,477	8,793,511	8,442,443	8,721,828	8,464,417	7,762,376	7,506,760	7,511,623	6,763,419
Special Education Instruction	3,436,763	3,548,433	3,306,484	3,529,845	3,554,842	3,411,327	3,149,884	2,724,921	2,329,115	2,215,264
Other Instruction	809,028	1,059,237	851,241	708,559	688,195	556,128	553,449	715,735	767,899	921,798
School Sponsored Activities and Athletics	76,410	47,111	29,904	54,930	49,848	55,230	55,683	71,863	87,696	70,230
<b>Support Services:</b>										
Student and Inst. Related Services	3,250,817	2,877,018	2,588,754	2,443,635	2,363,221	2,271,313	2,313,651	2,237,165	2,203,305	2,063,639
General Administrative Services	914,098	775,193	749,513	663,673	635,503	514,050	522,621	577,055	594,622	403,371
School Administrative Services	986,199	855,959	799,015	750,079	720,832	720,190	718,849	636,800	638,369	705,400
Central and Other Support Services	667,341	761,145	615,394	617,012	582,627	543,462	506,895	443,185	482,781	430,823
Plant Operations And Maintenance	1,751,063	1,761,850	1,449,113	1,351,165	1,434,766	1,255,921	1,337,820	1,314,533	1,521,854	1,427,160
Pupil Transportation	466,773	454,551	226,185	348,162	461,404	496,958	442,395	407,597	403,241	424,990
Capital Outlay	6,493,007	20,427,095	8,397,763	1,148,905	139,847	204,162	31,298	130,169	256,565	564,810
<b>Debt Service:</b>										
Interest and Other Charges	304,156	726,345	700,046	702,085	680,370	663,063	630,845	613,712	176,865	217,546
Principal	1,127,358	152,310	77,017	86,352	109,144	133,176	155,638	172,721	607,768	541,896
<b>Total Expenditures</b>	<b>30,610,828</b>	<b>42,902,724</b>	<b>28,583,940</b>	<b>20,846,845</b>	<b>20,142,427</b>	<b>19,289,397</b>	<b>18,181,404</b>	<b>17,552,216</b>	<b>18,114,657</b>	<b>16,750,346</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(5,112,535)	(18,652,574)	(6,221,130)	332,598	456,183	261,533	(75,820)	(241,429)	(1,879,139)	(241,429)
<b>Other Financing Sources (Uses)</b>										
<b>Bond Proceeds</b>										
Note Premium		\$ 35,553,000	\$ 43,726							
Capital Lease Proceeds					\$ 305,889				\$ 290,758	
Insurance Recoveries						\$ 94,292				
Transfers In			43,726					\$ 299,775		\$ 530,000
Transfers Out			(43,726)					(299,775)		(530,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>35,553,000</b>	<b>43,726</b>	<b>-</b>	<b>305,889</b>	<b>94,292</b>	<b>-</b>	<b>-</b>	<b>2,491,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (5,112,535)</b>	<b>\$ 16,900,426</b>	<b>\$ (6,177,404)</b>	<b>\$ 332,598</b>	<b>\$ 762,072</b>	<b>\$ 355,825</b>	<b>\$ (75,820)</b>	<b>\$ (241,429)</b>	<b>\$ 611,861</b>	<b>\$ (241,429)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.94%	3.91%	3.85%	4.00%	3.95%	4.17%	4.33%	4.51%	4.39%	4.69%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Prior Year Voided Checks</u>	<u>Prior Year Refunds</u>	<u>Insurance Dividend/ Reimbursements</u>	<u>Tuition</u>	<u>Facility Rentals</u>	<u>Indirect Cost Reimbursement</u>	<u>E-Rate</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
2023	\$ 28,264	\$ 11,811	\$ 39,684	\$ 121,100	\$ 22,000		\$ 4,673	\$ 214,569	\$ 18,636	\$ 460,737
2022	16,070	14,294	14,883	113,200	1,669			38,686	4,264	203,066
2021		27,937		63,440	13,750			15,142	2,606	122,875
2020		18,024		195,487	27,500			18,530	38,534	298,075
2019		70,364		48,500	11,640	\$ 22,901		16,658	9,302	179,365
2018		11,508		67,329	19,160	25,769		6,926	34,364	165,056
2017	787	60,837		59,000	25,200			4,547	29,665	180,036
2016	16,639	66,253		53,878				3,241	43,768	183,779
2015	22,536			113,563				3,474	27,315	166,888
2014				95,909				4,678	8,894	109,481

Source: District's financial records



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

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
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	\$ 0.675
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	0.704
2016	32,423,900	619,817,100			476,992,500	633,405,000	126,427,400	1,889,065,900	4,161,949	1,893,227,849	2,449,372,901	0.762
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	0.779
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	0.783
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	0.843
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	0.789
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	0.756
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	0.754
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	0.683

Source: County Abstract of Ratables

a Tax rates are per \$100

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

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

<b>Calendar Year</b>	<b>Total</b>	<b>Total Direct Rate</b>	<b>Overlapping Rates</b>		
		<b>Local School District</b>	<b>Regional School</b>	<b>Municipality</b>	<b>County</b>
2023	\$ 1.623	\$ 0.683	\$ 0.258	\$ 0.446	\$ 0.236
2022	1.751	0.713	0.287	0.495	0.256
2021	1.797	0.734	0.275	0.521	0.267
2020	1.819	0.754	0.291	0.518	0.256
2019	1.832	0.756	0.274	0.550	0.252
2018	1.778	0.789	0.268	0.530	0.191
2017	1.967	0.843	0.294	0.608	0.329
2016	1.945	0.783	0.283	0.566	0.313
2015	1.967	0.779	0.323	0.584	0.281
2014	1.904	0.762	0.318	0.590	0.234

Source: Tax Duplicate, Borough of East Rutherford

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

Taxpayer	2023		Taxpayer	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%	Federal Reserve Bank	\$ 321,169,300	17.32%
One Met Center LLC	95,000,000	3.48%	One Met Center LLC (One Meadowlands Plaza)	75,000,000	4.04%
Waterside Gardens at Brick LLC	86,899,500	3.18%	ML Plaza Owner (Hilton Meadows)	42,500,000	2.29%
Central and Oak Multi Family LLC	59,990,000	2.20%	Vornado Realty Trust	37,207,300	2.01%
201 Railroad Ave. LLC	45,691,000	1.67%	MRFEXEF-Rutherford Station	35,715,600	1.93%
450 Murray Hill Corp.	39,350,900	1.44%	Richard Branca Family LP	29,606,400	1.60%
Liberty Terrace, LLC	37,167,000	1.36%	Racioppi, (etals)	23,500,000	1.27%
Honeywell International, Inc.	36,600,000	1.34%	Liberty Terrace	23,300,000	1.26%
ML Plaza Owner LLC Hilton	36,471,300	1.34%	Liberty Commons	22,000,000	1.19%
Brancasons	35,034,700	1.28%	Brancasons	19,534,900	1.05%
<b>Total</b>	<b>\$ 694,015,200</b>	<b>25.41%</b>		<b>\$ 629,533,500</b>	<b>33.94%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2023	\$ 18,227,376	\$ 18,227,376	100%	
2022	17,427,917	17,427,917	100%	
2021	17,144,615	17,144,615	100%	
2020	16,833,546	16,833,546	100%	
2019	16,532,619	16,532,619	100%	
2018	15,776,159	15,776,159	100%	
2017	14,811,214	14,811,214	100%	
2016	14,400,822	14,400,822	100%	
2015	14,130,843	14,130,843	100%	
2014	13,887,756	13,887,756	100%	

Source: District's financial records

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Leases	Financing Agreements	IT Subscription Arrangements	Bond Anticipation Notes (BANs)	Total District	Population	Per Capita
2023	\$ 36,584,000	\$ 10,695	\$ 23,292	\$ 74,294		\$ 36,692,281	10,397	\$ 3,529
2022	36,784,000	24,303	95,313			36,903,616	9,953	3,708
2021	1,876,000	37,203	163,758		\$ 8,000,000	10,076,961	9,646	1,045
2020	2,511,000		228,804			2,739,804	9,688	283
2019	3,136,000		305,889			3,441,889	9,725	354
2018	3,756,000		60,370			3,816,370	9,760	391
2017	4,361,000		118,433			4,479,433	9,742	460
2016	4,936,000		174,278			5,110,278	9,045	565
2015	5,496,000		227,990			5,723,990	9,020	635
2014	6,041,000					6,041,000	9,006	671

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2023	\$ 36,584,000	\$ 475,001	\$ 36,108,999	1.32%	\$ 3,473
2022	36,784,000	43,728	36,740,272	1.44%	3,691
2021	1,876,000	43,729	1,832,271	0.08%	190
2020	2,511,000	3	2,510,997	0.11%	259
2019	3,136,000	2	3,135,998	0.14%	322
2018	3,756,000		3,756,000	0.18%	385
2017	4,361,000		4,361,000	0.23%	448
2016	4,936,000		4,936,000	0.26%	546
2015	5,496,000		5,496,000	0.30%	609
2014	6,041,000		6,041,000	0.33%	671

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**EAST RUTHERFORD BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of East Rutherford	\$ 37,517,921
East Rutherford Board of Education (As of June 30, 2022)	<u>36,584,000</u>
Total Direct Debt	<u>74,101,921</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (3);(A):	
County of Bergen (A)	21,003,804
Bergen County Utilities Authority - Water Pollution (B)	<u>3,113,528</u>
Total Overlapping Debt	<u>24,117,332</u>
Total Direct and Overlapping Debt	<u>\$ 98,219,253</u>

- (A) The debt for this entity was apportioned to the Borough of East Rutherford by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of East Rutherford 2022 Annual Debt Statement
- (2) BCUA 2022 Audit
- (3) Bergen County 2022 Annual Debt Statement

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

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

Equalized valuation basis

	2022	\$ 2,614,492,164
	2021	2,728,636,761
	2020	2,609,391,129
		<u>\$ 7,952,520,054</u>
Average equalized valuation of taxable property		\$ 2,650,840,018
Debt limit (3% of average equalization value)		79,525,201 <sup>a</sup>
Total Net Debt Applicable to Limit		<u>36,584,000</u>
Legal debt margin		<u>\$ 42,941,201</u>

**Fiscal Year**

	<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>
Debt Limit	\$ 58,682,966	\$ 60,414,392	\$ 60,524,764	\$ 62,341,600	\$ 61,412,512	\$ 64,712,042	\$ 66,873,584	\$ 73,101,319	\$ 53,380,279	\$ 79,525,201
Total Net Debt Applicable to Limit	<u>6,041,951</u>	<u>5,496,951</u>	<u>4,936,000</u>	<u>4,361,000</u>	<u>3,756,000</u>	<u>3,136,000</u>	<u>38,064,000</u>	<u>37,429,000</u>	<u>36,784,000</u>	<u>36,584,000</u>
Legal Debt Margin	<u>\$ 52,641,015</u>	<u>\$ 54,917,441</u>	<u>\$ 55,588,764</u>	<u>\$ 57,980,600</u>	<u>\$ 57,656,512</u>	<u>\$ 61,576,042</u>	<u>\$ 28,809,584</u>	<u>\$ 35,672,319</u>	<u>\$ 16,596,279</u>	<u>\$ 42,941,201</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.30%	9.10%	8.16%	7.00%	6.12%	4.85%	56.92%	51.20%	68.91%	46.00%

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

<sup>a</sup> Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.



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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Personal Income</u>	<u>Population</u>
2023	3.9%	\$ 97,343 ( E )	10,397
2022	6.5%	97,343 ( E )	9,953
2021	9.6%	91,972	9,646
2020	3.1%	91,972	9,688
2019	3.7%	88,241	9,725
2018	3.8%	85,191	9,760
2017	3.8%	81,024	9,742
2016	4.9%	78,836	9,045
2015	4.9%	77,323	9,020
2014	5.9%	73,883	9,006

( E ) Estimate

Source: United States Bureau of Census  
 School District Records

(1) Bergen County Per Capita Income

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular	72.0	63.0	63.0	63.0	63.0	57.0	58.0	55.0	53.0	53.0
Special Education	16.0	14.0	14.0	14.0	15.0	14.0	15.0	17.0	17.0	17.0
Other Special Education	15.0	15.0	15.0	17.0	18.5	14.0	14.0	12.0	10.0	10.0
Other Instruction	5.0	6.0	6.0	6.0	6.0	5.0	6.0	4.0	3.0	2.0
Support Services:										
Student and Instruction Related Services	22.0	12.0	13.0	13.0	13.0	14.0	15.0	15.0	15.0	15.0
General and Business Administration Services	4.0	4.0	4.0	6.0	6.0	6.0	5.0	5.0	4.0	3.0
School Administrative Services	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0
Plant Operations And Maintenance	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Pupil Transportation	4.0	4.0	4.0	3.0	4.0	5.0	5.0	5.0	4.0	4.0
<b>Total</b>	<u>157.0</u>	<u>136.0</u>	<u>136.0</u>	<u>139.0</u>	<u>142.5</u>	<u>132.0</u>	<u>135.0</u>	<u>130.0</u>	<u>122.0</u>	<u>120.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>		Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary/Middle School					
2023	768	d \$	22,686,307	\$ 29,539	2.45%	92.00	Not Available	744	700	-0.67%	94.09%	
2022	749	d	21,596,974	28,834	14.24%	92.00	Not Available	749	719	* -4.34%	95.99%	
2021	769		19,409,114	25,239	3.18%	92.00	Not Available	783	741	-2.00%	94.64%	
2020	773		18,909,503	24,462	2.37%	94.00	Not Available	799	760	-2.44%	95.12%	
2019	804		19,213,066	23,897	6.88%	95.00	Not Available	819	781	0.61%	95.36%	
2018	818		18,288,996	22,358	4.04%	86.00	Not Available	814	776	0.00%	95.33%	
2017	808		17,363,623	21,490	3.47%	86.00	Not Available	814	776	3.69%	95.33%	
2016	801		16,635,614	20,769	-1.18%	83.00	Not Available	785	751	1.16%	95.67%	
2015	787		16,540,505	21,017	1.37%	83.00	Not Available	776	744	0.13%	95.88%	
2014	744		15,426,094	20,734	5.31%	82.00	Not Available	775	743	1.31%	95.87%	

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.
  - d Enrollment includes resident Charter School students.
  - \* Estimate

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

	<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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
McKenzie Elementary										
Square Feet	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500
Capacity (students)	411	411	411	411	411	411	411	411	411	411
Enrollment	423	456	474	459	471	472	472	475	454	451
Lincoln										
Square Feet	40,880	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
Capacity (students)	369	Included	Included	Included	Included	Included	Included	Included	Included	Included
Enrollment	181	Included	Included	Included	Included	Included	Included	Included	Included	Included
<b><u>Middle School</u></b>										
Faust Intermediate										
Square Feet	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	255	293	295	302	305	346	342	326	333	293
<b><u>Administration Building</u></b>										
Board of Education Offices										
Square Feet	1,856									
Number of Schools at June 30, 2023										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

	<u>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>
School Facilities										
McKenzie	\$ 158,915	\$ 104,908	\$ 126,203	\$ 130,624	\$ 115,936	\$ 79,693	\$ 107,566	\$ 85,512	\$ 82,921	\$ 59,123
Lincoln	15,136	9,528	6,308	11,864	9,152	6,291	8,491	6,750	6,546	4,668
Faust	<u>204,320</u>	<u>134,620</u>	<u>122,361</u>	<u>167,618</u>	<u>180,005</u>	<u>123,734</u>	<u>167,009</u>	<u>132,768</u>	<u>128,745</u>	<u>91,796</u>
Grand Total	<u>\$ 378,371</u>	<u>\$ 249,056</u>	<u>\$ 254,872</u>	<u>\$ 310,106</u>	<u>\$ 305,093</u>	<u>\$ 209,718</u>	<u>\$ 283,066</u>	<u>\$ 225,030</u>	<u>\$ 218,212</u>	<u>\$ 155,587</u>

Source: District records

**EAST RUTHERFORD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Unaudited)**

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

Source: District Records

**EAST RUTHERFORD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
Misc School Property	lighting, radio/TV antennas, playground equipment outdoor benches, flagpoles, etc.	\$ 100,000	
Contractors Equipment	Includes leased equip, RC & \$5,000 rental reimbursement PROVIDE SCHEDULE OF EQUIPMENT	250,000	
Cameras, Audio/Video Equipment owned, leased or rented for use in your normal school operations		250,000	
Systems Power Pac- Equipment Breakdown (Boiler & Machinery)		Blanket Limit up to \$150,000,000	
Expediting Expenses		250,000	
Hazardous Substances		250,000	
Spoilage		250,000	
Theft, Disappearance & Destruction (per member)		50,000	\$ 1,000
Computer Fraud (per member)		50,000	1,000
Public Employee Dishonesty - Per Employee		100,000	5,000
Public Employee Dishonesty - Per Loss		500,000	100,000
<b>GENERAL LIABILITY</b>			
General Aggregate		1,000,000	
Products & Completed Operations		1,000,000	
Personal & Advertising Injury		1,000,000	
Each Occurrence		1,000,000	
Fire Legal Liability Limit		1,000,000	
Medical Expense		10,000	
<b>GENERAL LIABILITY FORMS AND CONDITIONS</b>			
Employee Benefits Liability	Claims Made	1,000,000/2,000,000	10,000
Sexual Abuse & Molestation:	\$1,000,000 per occurrence/\$2,000,000 annual aggregate per member		
<b>CYBER LIABILITY COVERAGES</b>			
Third Party Liability Coverage		1,000,000	25,000
First Party Coverage		1,000,000	25,000
<b>SURETY BOND COVERAGES</b>			
Board Secretary/School Business Administrator		200,000	
Treasurer of School Monies		225,000	

Source: District Records



**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, 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  
East Rutherford Board of Education  
East Rutherford, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund of the East Rutherford 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 East Rutherford Board of Education’s basic financial statements and have issued our report thereon dated November 29, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 East Rutherford Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 East Rutherford Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 29, 2023.

### Purpose of this Report

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

*Lerch, Vinci & Bliss, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 29, 2023



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the East Rutherford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the East Rutherford Board of Education's major federal and state programs for the fiscal year ended June 30, 2023. The East Rutherford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the East Rutherford Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

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

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

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

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

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education, as of and for the fiscal year ended June 30, 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 November 29, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
November 29, 2023

EAST RUTHERFORD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES 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	July 1, 2022		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	June 30, 2023		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	
U.S. Dept. of Agriculture Passed-through State Department of Education													
<b>Food Service Fund</b>													
National School Lunch Program	10.555												
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	\$ 56,160					\$ 56,160	\$ 55,474		\$ 686	
Non-Cash Assistance (Food Distribution)		221NJ304N1099	7/1/21-6/30/22	26,111		\$ 124				124			
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	133,542					116,214	133,542	\$ (17,328)		\$ (17,328)
Cash Assistance		221NJ304N1099	7/1/21-6/30/22	457,979	\$ (38,571)				38,571				
Supply Chain Assistance Program		231NJ304N1099	7/1/22-6/30/23	47,443					47,443	47,443			
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	27,928					24,248	27,928	(3,680)		(3,680)
School Breakfast Program		221NJ304N1099	7/1/21-6/30/22	217,637	(18,545)	-	-	-	18,545	-	-	-	-
<b>Total Child Nutrition Cluster/Food Service Fund</b>					(57,116)	124	-	-	301,181	264,511	(21,008)	686	(21,008)
U.S. Department of Education Passed- through State Dept. of Education <b>General Fund</b>													
FFCRA/SEMI	93.778	2305NJ5MAP	1/1/21-12/31/21	2,088					2,088	2,088			
Medical Assistance Program (SEMI)	93.778	2305NJ5MAP	7/1/22-6/30/23	44,446	-	-	-	-	44,446	44,446	-	-	-
<b>Total General Fund</b>					-	-	-	-	46,534	46,534	-	-	-
U.S. Department of Education Passed- through State Dept. of Education <b>Special Revenue Fund</b>													
IDEA Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	204,867			\$ (403)	\$ 403	148,149	205,270	(57,121)	-	(57,121)
IDEA Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	198,497	(29,368)	403	403	(403)	28,965				
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	35,816	(35,816)	35,816			35,816	35,816	-	-	-
IDEA Preschool	84.173A	H173A220114	7/1/22-9/30/23	7,667			(541)	541	8,174	8,174	(34)	34	-
IDEA Preschool	84.173A	H173A210114	7/1/21-9/30/22	6,876	(5,886)	541	541	(541)	5,345				
ARP IDEA - Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,052	(3,052)	-	-	-	3,052	-	-	-	-
<b>Total Special Education Cluster (IDEA)</b>					(74,122)	36,760	-	-	229,501	249,260	(57,155)	34	(57,121)
Title III	84.365	S365A210030	7/1/21-9/30/22		(776)	776							
Title III - Immigrant	84.365	S365A210030	7/1/21-9/30/22		(24)	24							
<b>Total Title III Cluster</b>					(800)	800	-	-	-	-	-	-	-
Title I - Part A	84.010	S010A220030	7/1/22-9/30/23	122,741			(14,781)	14,781	102,721	118,425	(34,801)	19,097	(15,704)
Title I - Part A	84.010	S010A210030	7/1/21-9/30/22	126,755	(76,840)	14,780	14,781	(14,781)	62,060				
Title II - Part A	84.367A	S367A220029	7/1/22-9/30/23	19,296			(8,408)	8,408	2,800	12,575	(24,904)	15,129	(9,775)
Title II - Part A	84.367A	S367A210029	7/1/21-9/30/22	15,234	(18,408)	8,408	8,408	(8,408)	10,000				
Title IV - Part A	84.424	S424A220031	7/1/22-9/30/23	10,521			(5)	5	10,311	10,311	(215)	215	-
Title IV - Part A	84.424	S424A210031	7/1/21-9/30/22	10,910	(5)	5	5	(5)	-	-	-	-	-
<b>Total ESEA Programs</b>					(96,053)	23,993	-	-	187,892	141,311	(59,920)	34,441	(25,479)

**EAST RUTHERFORD BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES 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	July 1, 2022		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	June 30, 2023		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue					Accounts Receivable	Unearned Revenue	
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	\$ 489,925	\$ (101,328)	\$ 101,328			\$ 5,800	\$ 16,000	\$ (95,528)	\$ 85,328	\$ (10,200)
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	31,441	(30,692)	19,127			21,646	10,081	(9,046)	9,046	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(19,872)	15,187			4,685		(15,187)	15,187	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,101,074	(1,101,074)	341,751			938,239	190,612	(162,835)	151,139	(11,696)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	69,881	(69,881)	69,881					(69,881)	69,881	-
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000					(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					(40,000)	40,000	-
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000			7,860	7,860	(37,140)	37,140	-
American Rescue Plan (ARP) - Homeless Children and Youth (HCY)	84.425W	S425W210031	4/13/21-9/30/24	5,918	(5,918)	5,918			-	-	(5,918)	5,918	-
<b>Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)</b>					<u>(1,453,765)</u>	<u>678,192</u>	<u>-</u>	<u>-</u>	<u>978,230</u>	<u>224,553</u>	<u>(475,535)</u>	<u>453,639</u>	<u>(21,896)</u>
<b>Total Special Revenue Fund</b>					<u>(1,623,940)</u>	<u>738,945</u>	<u>-</u>	<u>-</u>	<u>1,395,623</u>	<u>615,124</u>	<u>(592,610)</u>	<u>488,114</u>	<u>(104,496)</u>
<b>Total Federal Financial Assistance</b>					<u>\$ (1,681,056)</u>	<u>\$ 739,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,743,338</u>	<u>\$ 926,169</u>	<u>\$ (613,618)</u>	<u>\$ 488,800</u>	<u>\$ (125,504)</u>



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

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2022</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>June 30, 2023</u>		<u>MEMO</u>	
							<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>GAAP Receivable</u>	<u>Budgetary Expenditures</u>
<b>State Department of Education</b>										
<b><u>General Fund</u></b>										
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 625,062		\$ 565,586	\$ 625,062	\$ (59,476)			\$ 625,062
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	590,043	\$ (51,521)	51,521					
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	129,901		117,540	129,901	(12,361)			129,901
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	129,901	(11,343)	11,343	-	-	-	-	-
<b>Total State Aid Public Cluster</b>				<b>(62,864)</b>	<b>745,990</b>	<b>754,963</b>	<b>(71,837)</b>	<b>-</b>	<b>-</b>	<b>754,963</b>
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	133,577		120,867	133,577	(12,710)			133,577
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	133,577	(11,663)	11,663					
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	124,046			124,046	(124,046)			124,046
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	220,817	(220,817)	220,817					
Payment for Institutionalized Children - Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	11,799			11,799	(11,799)		\$ (11,799)	11,799
On-behalf TPAF Pension Contributions - Normal Cost/Accrued Liability	23-495-034-5094-002	7/1/22-6/30/23	2,901,360		2,901,360	2,901,360				2,901,360
On-behalf TPAF Pension Contributions - NCGI Premiums	23-495-034-5094-004	7/1/22-6/30/23	40,253		40,253	40,253				40,253
On-behalf TPAF Contributions - LTDI Premiums	23-495-034-5094-004	7/1/22-6/30/23	1,151		1,151	1,151				1,151
On-behalf TPAF Contributions - Post-Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	772,755		772,755	772,755				772,755
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	628,929		567,440	628,929	(61,489)		(61,489)	628,929
Reimbursed TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	587,626	(28,628)	28,628	-	-	-	-	-
<b>Total General Fund</b>				<b>(323,972)</b>	<b>5,410,924</b>	<b>5,368,833</b>	<b>(281,881)</b>	<b>-</b>	<b>(73,288)</b>	<b>5,368,833</b>
<b><u>Special Revenue Fund</u></b>										
Climate Change Awareness Grant	23E00338	4/1/23-6/30/23	6,660		6,165	6,611	(446)	-	(446)	6,611
School Security Grant	N/A	9/1/21-8/31/22	41,739				(41,739)	41,739		-
Schools Development Authority										-
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	16,144		16,144	16,144	-	-		16,144
Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/22	17,871	17,871	-	17,871	-	-	-	17,871
<b>Total Special Revenue Fund</b>				<b>17,871</b>	<b>22,309</b>	<b>40,626</b>	<b>(42,185)</b>	<b>41,739</b>	<b>(446)</b>	<b>40,626</b>
<b><u>Debt Service Fund</u></b>										
Type II Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	159,127	-	159,127	159,127	-	-	-	159,127
<b>Total Debt Service Fund</b>				<b>-</b>	<b>159,127</b>	<b>159,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,127</b>

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

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2022</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>June 30, 2023</u>		<u>MEMO</u>	
							<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>GAAP Receivable</u>	<u>Budgetary Expenditures</u>
<b>Food Service Fund</b>										
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	\$ 752		\$ 654	\$ 752	\$ (98)		\$ (98)	\$ 752
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	5,709		4,955	5,709	(754)		(754)	5,709
State School Lunch Program	22-100-010-3350-023	7/1/21-6/30/22	10,768	\$ (888)	888	-	-	-	-	-
<b>Total Food Service Fund</b>				(888)	6,497	6,461	(852)	-	(852)	6,461
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				(306,989)	5,598,857	5,575,047	(324,918)	\$ 41,739	(74,586)	5,575,047
<b>State Financial Assistance Not Subject to Major Program Determination:</b>										
<u>General Fund</u>										
TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	\$ 2,901,360		\$ (2,901,360)	\$ (2,901,360)				\$ (2,901,360)
TPAF Pension - NCGI Premiums	23-495-034-5094-004	7/1/22-6/30/23	40,253		(40,253)	(40,253)				(40,253)
TPAF - LTDI Premiums	23-495-034-5094-004	7/1/22-6/30/23	1,151		(1,151)	(1,151)				(1,151)
TPAF Post Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	772,755	-	(772,755)	(772,755)	-	-	-	(772,755)
<b>Total State Financial Assistance for Major Program Determination</b>				\$ (306,989)	\$ 1,883,338	\$ 1,859,528	\$ (324,918)	\$ 41,739	\$ (74,586)	\$ 1,859,528

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

**NOTE 1 REPORTING ENTITY**

The East Rutherford 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 \$86,751 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	\$ 46,534	\$ 5,455,584	\$ 5,502,118
Special Revenue Fund	615,124	40,626	655,750
Debt Service Fund		159,127	159,127
Food Service Fund	<u>264,511</u>	<u>6,461</u>	<u>270,972</u>
Total Awards Financial Assistance	<u>\$ 926,169</u>	<u>\$ 5,661,798</u>	<u>\$ 6,587,967</u>

**WHATEVER 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 \$628,929 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 \$2,941,613, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$772,755 and TPAF Long-Term Disability Insurance in the amount of \$1,151 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.

EAST RUTHERFORD 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**

A) Type of auditors' report issued: Unmodified

B) Internal control over financial reporting:

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

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

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

**Federal Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027A/84.027X/84.173A</u>	<u>Individuals with Disabilities Education Act (IDEA) Program Cluster</u>
_____	_____

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

Auditee qualified as low-risk auditee?       X       yes                    no

**EAST RUTHERFORD 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**

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

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-084	Security Aid - State Aid Public Cluster
23-495-034-5120-089	Special Education Aid - State Aid Public Cluster

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

Auditee qualified as low-risk auditee?   X   yes            no

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

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the 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.

**EAST RUTHERFORD 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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

There are none.



**EAST RUTHERFORD 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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**EAST RUTHERFORD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT 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. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Prior Year Financial Statement Findings**

**Finding 2022-001**

**Condition**

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

**Current Status**

Corrective action has been taken.

**Finding 2022-002**

**Condition**

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

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

**Current Status**

Corrective action has been taken.

**Finding 2022-003**

**Condition**

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

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

**Current Status**

Corrective action has been taken.