

**Annual Comprehensive
Financial Report**

of the

Borough of Emerson Board of Education

County of Bergen

Emerson, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Borough of Emerson, Board of Education
Finance Department**

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INTRODUCTORY SECTION

EMERSON BOARD OF EDUCATION

Philip H. Nisonoff, Ed.D.
Superintendent of Schools
phnisonoff@emersonschools.org



John M. Marmora
School Business Administrator
jmarmora@emersonschools.org

December 22, 2023

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

Dear Sir:

This representation letter is provided in connection with your audit(s) of the financial statements of the Borough of Emerson School District, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 22, 2023 the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of your submitted proposal and contract, resolution of appointment including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. If applicable, related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards and State Financial Assistance.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—Specific

18. We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in financial reporting practices.
20. We have a process to track the status of audit findings and recommendations as set forth in the Auditor's Management Report.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report and are responsible for preparing and implementing a corrective action plan for each audit finding.
23. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material

effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal and state awards. We have designated an individual with suitable skill, knowledge, and experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal and state awards. We have reviewed the draft ACFR and approve the content of the report. We understand that you prepared the trial balance for use during the audit and that your preparation of the trial balance was limited to formatting information into a working trial balance based on management's chart of accounts.
27. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
28. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
30. The financial statements properly classify all funds and activities.
31. All funds that meet the quantitative criteria in GASB Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
33. If applicable, investments, derivative instruments, and land and other real estate held by endowments are properly valued.
34. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

35. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
39. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect to the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3: We acknowledge our responsibility for presenting the above information in accordance with accounting principles generally accepted in the United States of America, and we believe that this supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of this information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
42. With respect to federal award programs and State Financial Assistance:
 - a. We are responsible for understanding and complying with and have complied with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
 - b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and State Financial Assistance in accordance with the requirements of OMB Uniform Guidance and New Jersey OMB 15-08, and we believe the SEFA, including its form and content, is fairly presented in

accordance with OMB Uniform Guidance and New Jersey OMB 15-08. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- c. We have identified and disclosed to you all of our government programs and related activities subject to OMB Uniform Guidance and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- d. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- e. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- f. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- g. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- h. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Uniform Guidance Compliance Supplement and 15-08 State Grant Compliance Supplement, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal and state awards.
- i. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- j. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments, and OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- l. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- q. Federal and State program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r. The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have charged costs to federal and state awards in accordance with applicable cost principles.
- t. We are responsible for the auditee section of the Data Collection Form as required by OMB Uniform Guidance.

- u. We are responsible for preparing and implementing a corrective action plan for each audit finding.
- v. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- w. We have reviewed the draft Annual Comprehensive Financial Report and the related adjusting journal entries, if any. We approve the issuance of the ACFR.

Signature John M. Mammone

Title: Business ADMIN/BO SEC.

BOARD OF EDUCATION OF EMERSON
EMERSON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM ENDS</u>
Ann Pressimone-President	2023
Behrooz Pasdar -Vice President	2024
Jeremy Teigen	2023
Amy Mara	2025
Keith W. Smith	2025

OTHER OFFICIALS

Philip H. Nisonoff, Ed.D., Assistant Superintendent, School Business
Administrator/Board Secretary

Brian P. Gatens, Ed.D., Superintendent of Schools

Douglas S. Barrett, Treasurer of School Monies

**BOROUGH OF EMERSON SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

Architect

ENV
180 Sylvan Avenue, Suite 3
Englewood Cliffs, NJ 07632

Audit Firm

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

General Counsel

John L. Schettino, Esq.
800 Main Street, Suite 101
Hackensack, NJ 07601

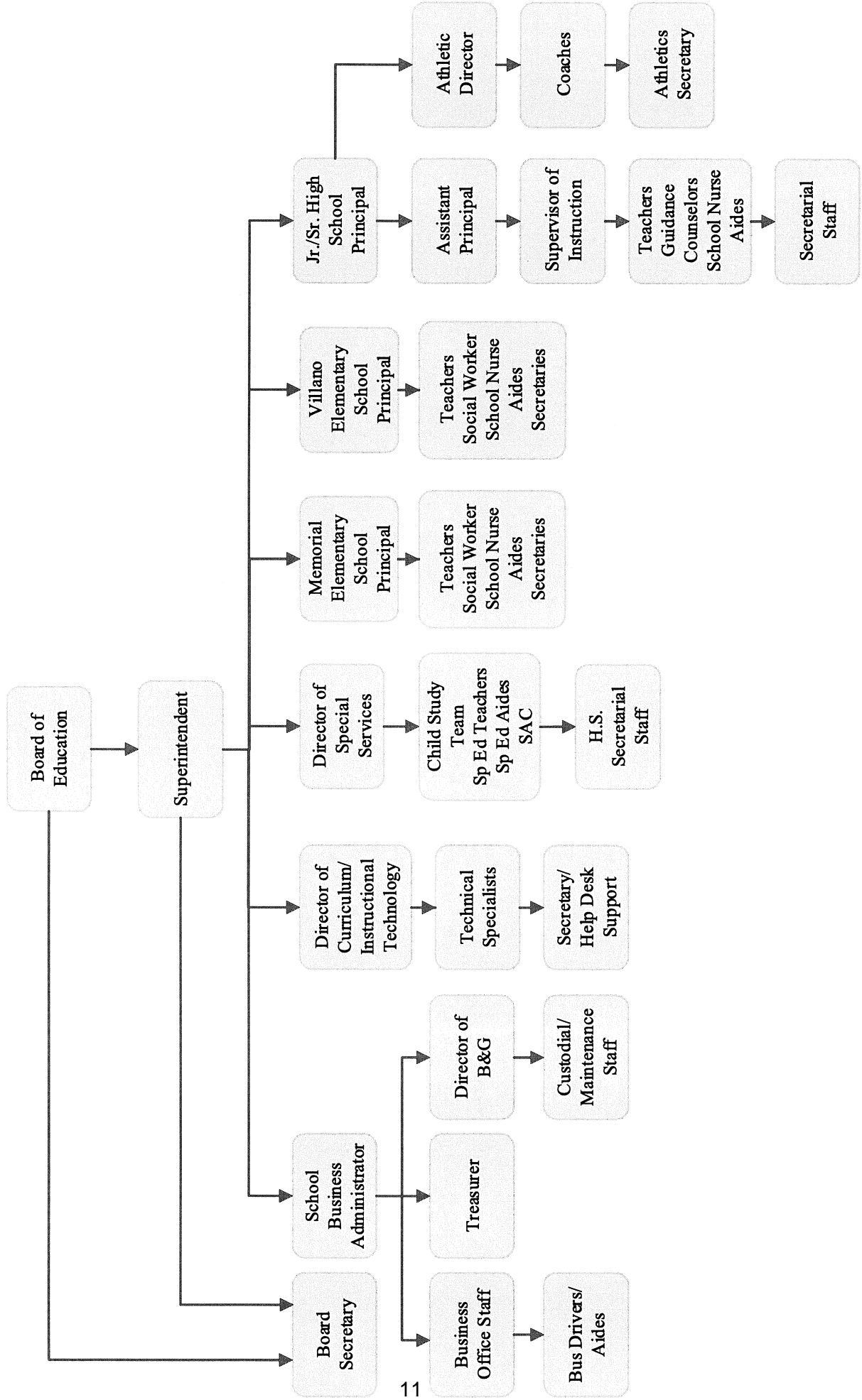
Special Education Counselor

Joanne Butler, Esq.
Schenck, Price, Smith & King, LLP
110 Washington Street
P.O. Box 905
Morristown, NJ 07963

Official Depositories

Valley National Bank
Investors Bank
State of N.J. Cash Management Fund

EMERSON BOARD OF EDUCATION ORGANIZATIONAL CHART



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Emerson School District
County of Bergen
Emerson, New Jersey 07630

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Emerson School District, in the County of Bergen, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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 District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2023, the District adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

SUPLEE, CLOONEY & COMPANY

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are 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 District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, 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 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 combining and individual fund financial statements and the schedule 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2023 on our consideration of the District'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 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 effectiveness of the District'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 District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 22, 2023

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The discussion and analysis of Emerson Board of Education District's financial performance provides an overall review 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 School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A. In fiscal year 2023 the District implemented GASB Statement No. 96-SBITAs.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$2,703,743.29, which represents a 19 percent increase from 2022.
- General revenues accounted for \$24,182,358.28 in revenue, or 77 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for 7,111,845.62 in revenue or 23 percent of total revenues.
- The School District had \$28,590,460.61 in expenses; only \$7,111,845.62 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and unrestricted state aid) of \$24,182,358.28 were adequate to provide for these programs.
- Total Governmental Activities Net Position increased by \$2,631,540.49 as cash and cash equivalents increased by \$822,133.30, receivables decreased by \$29,778.03, capital assets, net increased by \$481,753.10 and liabilities decreased by \$30,691.12.
- Among governmental funds, the General Fund had \$31,950,870.32 in revenues and \$30,800,492.05 in expenditures.

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and explanatory notes. The report is organized so that the reader can first understand Emerson School District as a financial whole. The financial operations of each individual fund are also described in detail later in the report.

The Statement of Net Position and Statement of Activities: The purpose of the Statement of Net Position and Statement of Activities is to combine financial data of all individual fund operations to present information about the activities of the School District as a whole. Activities are broken down into two broad categories: Governmental Activities and Business-Type Activities. The most significant amount of activity for the Emerson Board of Education occurs in the category of Governmental Activities.

Reporting the School District as a Whole

State of Net Position and the Statement of Activities

While the ACFR report contains detail of all individual funds used by the School District to provide programs and activities, the most significant statements are the Statement of Net Position and Activities. These statements include all assets, liabilities and activities using the accrual basis of accounting. The accrual basis of accounting reflects recognition of revenues and expenditures when earned rather than received.

The Statements of Assets and Activities report the School District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the School District has improved or diminished. The causes of this change may be attributable to non-financial factors such as: The School District's property tax base, changes in current State law, facility conditions, mandated educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District's operating activities are divided into two distinct types:

- *Government Activities* - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- *Business-Type Activities* – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Preschool, Aftercare and Adult Education programs are reported as a business activity.

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows through those funds and the balances left at year-end. These funds are reported using an accounting method referred to as the modified accrual basis of accounting, which recognizes revenue and expenditures when they become both measurable and available. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the availability of 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. These statements closely resemble financial statements of a private sector business entity.

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

Table 1 provides a summary of the School District's net position for 2023.

	<u>2023</u>	<u>2022</u>
Table 1 Net Position		
Assets		
Current and Other Assets	\$12,099,652.82	\$11,266,765.47
Capital Assets	<u>21,059,635.49</u>	<u>20,554,506.76</u>
Total Assets	33,159,288.31	31,821,272.23
Deferred Outflows:		
Related to Pensions	<u>1,076,369.00</u>	<u>1,042,371.00</u>
	1,076,369.00	1,042,371.00
Liabilities		
Other Liabilities	5,716,608.41	5,145,948.80
Long-Term Liabilities	<u>11,619,017.68</u>	<u>12,209,312.50</u>
Total Liabilities	17,335,626.09	17,355,261.30
Deferred Inflows:		
Related to Pensions	<u>612,805.00</u>	<u>1,924,899.00</u>
Net Position		
Net Investment in Capital Assets(Deficit)	10,753,485.03	10,156,674.22
Restricted	7,326,336.22	5,808,054.48
Unrestricted(Deficit)	<u>(1,792,595.03)</u>	<u>(2,381,245.77)</u>
Total Net Position	<u>\$16,287,226.22</u>	<u>\$13,583,482.93</u>

The District's combined net position was \$16,287,226.22 on June 30, 2023. Table 2 shows changes in net position for fiscal years 2023 and 2022. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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Table 2 shows changes in net position for fiscal year 2023.

Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
Charges for Services	\$1,159,965.22	\$702,000.99
Operating Grants and Contributions	5,951,880.40	7,555,650.90
General Revenues:		
Property Taxes	22,731,844.00	22,301,068.00
Grants and Entitlements	219,051.00	340,494.59
Other	<u>1,231,463.28</u>	<u>863,111.87</u>
Total Revenues	<u>31,294,203.90</u>	<u>31,762,326.35</u>
 Program Expenses		
Instruction	17,011,264.85	17,600,100.20
Support Services:		
Student and Instruction Related	3,397,443.97	3,283,469.30
General Administration	638,159.01	668,408.48
School Administration	1,774,728.75	1,894,842.81
Central Services/ Adm. Of Technology	654,704.90	710,096.20
Maintenance of Facilities	2,698,501.53	2,862,734.45
Student Transportation	760,094.31	774,248.69
Business Type Activities	948,429.78	977,410.88
Other	<u>707,133.51</u>	<u>726,491.40</u>
Total Expenses	<u>28,590,460.61</u>	<u>29,497,802.41</u>
Increase/ (Decrease) in Net Position	<u>\$2,703,743.29</u>	<u>\$2,264,523.94</u>

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Property taxes made up 75 percent of revenues for governmental activities for the District for fiscal year 2023. Property tax revenues increased by \$430,776, which is a 1.9 percent increase over the prior year. The District's total revenues were \$30,273,571.32 for the year ended June 30, 2023.

Instruction comprises 62 percent of district expenses. Support Services costs make up 37 percent of district expenses and other services make up 1 percent of district expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. **Table 3** shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2023</u>	<u>Net Cost of Services 2022</u>
Instruction	\$17,011,264.85	17,600,100.20	\$12,847,877.03	\$12,903,408.46
Support Services:				
Students and Instruction Related	3,397,443.97	3,283,469.30	2,330,508.31	2,022,790.38
General Administration, School & Central Administration	3,067,592.65	3,273,347.50	2,534,290.42	2,536,634.24
Maintenance of Facilities	2,698,501.53	2,862,734.45	2,557,499.72	2,580,418.85
Student Transportation	760,094.31	774,248.69	573,508.80	546,978.46
Other	707,133.51	726,491.40	707,133.51	726,491.40
Business-Type Activities	<u>948,429.78</u>	<u>977,410.88</u>	<u>(72,202.80)</u>	<u>(76,571.27)</u>
Total Net Cost of Services	<u>\$28,590,460.61</u>	<u>\$29,497,802.41</u>	<u>\$21,478,614.99</u>	<u>\$21,240,150.52</u>

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
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Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students.

General administration, school administration and central services include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective condition and providing for the safety and security for all members of the school community while on school property.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services.

Pupil transportation includes activities associated with the conveyance of both regular education and special education students to and from school, school activities and athletic events, as provided by state law.

Extracurricular activities include expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the school district.

The School District relies mainly upon tax revenues to function. The community, as a whole, is the primary support for the Emerson School District

Business-Type Activities

Revenue for the District's business-type activities was comprised of the Food Service Program, Aftercare, Adult Education and Preschool Program. Overall business type revenues exceeded expenses by \$72,202.80.

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$31,950,870.32 and expenditures and financing uses were \$30,800,492.05.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2023 and the amount and percentage of increase and decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/(Decrease) from FY 2022</u>	<u>Percent Increase / (Decrease)</u>
Local Sources	\$24,251,494.40	75.90%	\$769,277.75	2.71%
State Sources	6,960,618.89	21.79%	664,325.45	2.62%
Federal Sources	<u>738,757.03</u>	<u>2.31%</u>	<u>(124,545.08)</u>	<u>-8.42%</u>
Total	<u>\$31,950,870.32</u>	<u>100.00%</u>	<u>\$1,309,058.12</u>	<u>2.37%</u>

Local revenues increased mainly due to a property tax increase needed to fund the additional expenditures associated with the instructional program and increased operating costs. Federal and State sources together, increased due to more grant funding.

The following schedule represents a summary of general fund, special revenue fund, capital projects and debt service fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/(Decrease) from FY 2022</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$10,772,575.81	34.98%	\$237,837.61	2.16%
Support Services	18,302,770.26	59.42%	616,992.34	3.26%
Capital Outlay	811,845.98	2.64%	(868,979.70)	1520.96%
Debt Service	<u>913,300.00</u>	<u>2.97%</u>	<u>3,749.97</u>	<u>0.41%</u>
Total	<u>\$30,800,492.05</u>	<u>100.00%</u>	<u>(\$10,399.78)</u>	<u>-0.02%</u>

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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General Fund Budgeting Highlights

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

- Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of the fiscal year 2023, the School District had \$21,059,635.49 invested in building, building improvements, furniture, equipment and vehicles. **Table 5** shows fiscal year 2023 balances compared to 2022.

**Table 5
Capital Assets (Net of Depreciation) at June 30, 2023**

	<u>2023</u>	<u>2022</u>
Governmental Activities Capital Assets, Net:		
Land	\$5,071,938.32	\$5,071,938.32
Land improvements	474,626.69	382,423.38
Construction in Progress	13,378,665.64	12,977,257.77
Building and Building Improvements	1,455,339.65	1,494,008.97
Machinery and Equipment	<u>576,899.74</u>	<u>550,088.50</u>
Total Governmental Activities Capital Assets, Net	<u>20,957,470.04</u>	<u>20,475,716.94</u>
Business Type Activities Capital Assets, Net:		
Machinery and Equipment	<u>102,165.45</u>	<u>78,789.82</u>
Total Business Type Activities Capital Assets, Net:	<u>102,165.45</u>	<u>78,789.82</u>
Total Capital Assets, Net	<u><u>\$21,059,635.49</u></u>	<u><u>\$20,554,506.76</u></u>

**EMERSON BOARD OF EDUCATION
EMERSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
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Overall capital assets increased \$505,128.73 from fiscal year 2022 to fiscal year 2023. The increase in capital assets is due primarily to the continuation of the Referendum projects.

Debt Administration

At June 30, 2023, the School District had \$15,544,624.68 of outstanding long-term liabilities. Of this amount, \$236,764.85 is for compensated absences, \$3,925,607.00 is pension related, 22,252.83 is Installment Purchase related and \$11,360,000.00 is for serial bonds for school construction. For more detailed information on the District's long-term liabilities, please refer to the Notes to the Basic Financial Statements.

For the Future

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, enrollment trends and the economy will have the most impact on educational and fiscal decisions in the future. Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs. In addition, increased special education tuition and transportation costs continue to impact budget decisions. Also impacting future budgets will be preparing our schools to mitigate the Covid-19 pandemic and address the fiscal impact of Chapter 44 legislative changes to health benefits. Further, global and national economic factors impacting consumer prices, including food and fuel, will impact district budgetary decisions as pressure to increase wages for all employee groups continues an upward trend.

Contacting the School District's Financial Management Office

This financial report is designed to provide our 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 any questions about this report or need additional information contact John Marmora, Business Administrator/Board Secretary, Emerson Board of Education, - Emerson, NJ 07630.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2023

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of changes in net position display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	\$10,906,951.87	\$376,648.16	\$11,283,600.03
Receivables, net	803,789.52	9,223.77	813,013.29
Internal Balances	(614.00)	614.00	
Inventory		3,039.50	3,039.50
Capital assets:			
Non Depreciable	18,450,603.96		18,450,603.96
Depreciable - Net	2,506,866.08	102,165.45	2,609,031.53
Total Assets	32,667,597.43	491,690.88	33,159,288.31
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pension	1,076,369.00		1,076,369.00
Total deferred outflow of resources	1,076,369.00		1,076,369.00
LIABILITIES:			
Accounts payable	1,435,605.24	11,770.19	1,447,375.43
Unearned revenue	8,424.43	34,298.02	42,722.45
Accrued interest payable	121,149.65		121,149.65
Payroll deductions and withholdings payable	147,387.47		147,387.47
Unemployment compensation claims payable	32,366.41		32,366.41
Noncurrent liabilities:			
Net pension liability	3,925,607.00		3,925,607.00
Due within one year	555,007.78		555,007.78
Due beyond one year	11,064,009.90		11,064,009.90
Total liabilities	17,289,557.88	46,068.21	17,335,626.09
DEFERRED INFLOWS OF RESOURCES:			
Related to pension	612,805.00		612,805.00
NET POSITION:			
Net Investment in capital assets	10,651,319.58	102,165.45	10,753,485.03
Restricted for:			
Special revenue	663,154.74		663,154.74
Capital projects	6,343,047.70		6,343,047.70
Debt service	5,645.06		5,645.06
Other purposes	314,488.72		314,488.72
Unrestricted(deficit)	(2,136,052.25)	343,457.22	(1,792,595.03)
Total net position	\$15,841,603.55	\$445,622.67	\$16,287,226.22

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

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2023

Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
						Governmental Activities	Business-type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 7,423,343.83	\$ 2,064,777.43	\$ 29,697.00	\$ 1,429,759.38	\$ (8,028,664.88)	\$ (8,028,664.88)	\$ (8,028,664.88)	
Special	4,696,547.21	1,262,116.85		2,527,072.26	(3,431,591.80)	(3,431,591.80)	(3,431,591.80)	
Other Instruction	1,088,388.83	476,090.70		176,859.18	(1,387,620.35)	(1,387,620.35)	(1,387,620.35)	
Support services:								
Student & instruction related services	2,392,441.97	1,005,002.00	239,205.63	827,730.03	(2,330,508.31)	(2,330,508.31)	(2,330,508.31)	
General administrative services	450,876.32	187,282.69		119,178.83	(518,980.18)	(518,980.18)	(518,980.18)	
School administrative services	1,125,409.06	649,319.69		361,815.59	(1,412,913.16)	(1,412,913.16)	(1,412,913.16)	
Central services	445,429.33	159,958.61		49,480.98	(555,906.96)	(555,906.96)	(555,906.96)	
Administration information technology	28,931.82	20,385.15		2,828.85	(46,490.12)	(46,490.12)	(46,490.12)	
Plant operations and maintenance	2,157,862.60	540,638.93	141,001.81	141,001.81	(2,557,499.72)	(2,557,499.72)	(2,557,499.72)	
Pupil transportation	684,990.52	75,103.79	17,600.00	168,985.51	(573,508.80)	(573,508.80)	(573,508.80)	
Unallocated benefits	6,440,675.83	(6,440,675.83)						
Unallocated depreciation and amortization	328,176.88				(328,176.88)	(328,176.88)	(328,176.88)	
Interest on Long-Term Debt	378,956.63				(378,956.63)	(378,956.63)	(378,956.63)	
Total governmental activities	27,642,030.83		286,502.63	5,804,710.41	(21,550,817.79)	(21,550,817.79)	(21,550,817.79)	
Business-type activities								
Food Service	646,946.77		506,933.92	147,169.99		7,157.14	7,157.14	
Preschool Program	131,440.75		135,787.25			4,346.50	4,346.50	
Afterschool Program	22,584.61		40,494.50			17,909.89	17,909.89	
Adult Education Program	147,457.65		190,246.92			42,789.27	42,789.27	
Total business-type activities	948,429.78		873,462.59	147,169.99		72,202.80	72,202.80	
Total primary government	\$ 28,590,460.61	\$	\$ 1,159,965.22	\$ 5,951,880.40	\$ (21,550,817.79)	\$ 72,202.80	\$ (21,478,614.99)	
General Revenues:								
Taxes:								
Property taxes, levied for general purposes, net					\$ 21,970,456.00	\$ 21,970,456.00	\$ 21,970,456.00	
Taxes levied for debt service					761,388.00	761,388.00	761,388.00	
Federal and state aid not restricted					80,318.00	80,318.00	80,318.00	
Federal and state aid restricted					138,733.00	138,733.00	138,733.00	
Miscellaneous income					1,231,463.28	1,231,463.28	1,231,463.28	
Total general revenues and special items					24,182,358.28	24,182,358.28	24,182,358.28	
Change in net position					2,631,540.49	2,631,540.49	2,631,540.49	
Net Position- beginning					13,210,063.06	13,210,063.06	13,210,063.06	
Net Position ending					15,841,603.55	15,841,603.55	15,841,603.55	

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

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF EMERSON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 9,414,753.01	\$ 199,721.78	\$ 1,165,682.37	\$ 126,794.71	\$ 10,906,951.87
Accounts receivable:					
Federal		22,514.44			22,514.44
State	781,275.08				781,275.08
Interfunds	<u>13,867.98</u>				<u>13,867.98</u>
 Total assets	 <u>\$ 10,209,896.07</u>	 <u>\$ 222,236.22</u>	 <u>\$ 1,165,682.37</u>	 <u>\$ 126,794.71</u>	 <u>\$ 11,724,609.37</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 1,056,789.14	\$ 222.03	\$ 826.07		\$ 1,057,837.24
Interfund payable	614.00	13,867.98			14,481.98
Payroll deductions and withholdings payable	147,387.47				147,387.47
Unemployment compensation claims payable	32,366.41				32,366.41
Unearned revenue		<u>8,424.43</u>			<u>8,424.43</u>
 Total liabilities	 <u>1,237,157.02</u>	 <u>22,514.44</u>	 <u>826.07</u>		 <u>1,260,497.53</u>
Fund balances:					
Restricted for:					
Capital reserve account	6,254,293.77				6,254,293.77
Emergency reserve account	214,488.72				214,488.72
Maintenance reserve account	100,000.00				100,000.00
Student activities		199,721.78			199,721.78
Unemployment	463,432.96				463,432.96
Capital projects			603,413.86		603,413.86
Assigned:					
Year-end encumbrances	524,621.87		561,442.44		1,086,064.31
Designated for subsequent years expenditures	300,000.00			126,794.71	426,794.71
Unassigned	<u>1,115,901.73</u>				<u>1,115,901.73</u>
 Total fund balances	 <u>8,972,739.05</u>	 <u>199,721.78</u>	 <u>1,164,856.30</u>	 <u>126,794.71</u>	 <u>10,464,111.84</u>
 Total liabilities and fund balances	 <u>\$ 10,209,896.07</u>	 <u>\$ 222,236.22</u>	 <u>\$ 1,165,682.37</u>	 <u>\$ 126,794.71</u>	 <u>\$ 11,724,609.37</u>

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

BOROUGH OF EMERSON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Total Fund Balances (Brought Forward) \$ 10,464,111.84

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.

Cost of assets	\$ 28,640,301.50	
Accumulated depreciation	<u>(7,682,831.46)</u>	20,957,470.04

Long term liabilities, including bonds payable, and other related
amounts that are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

Serial bonds payable, net	(11,360,000.00)	
Net pension liability	(3,925,607.00)	
Installment purchases payable	(22,252.83)	
Compensated absences payable	<u>(236,764.85)</u>	(15,544,624.68)

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Pensions:

Deferred Outflows		
Pension related		1,076,369.00

Deferred Inflows:

Pension related		(612,805.00)
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Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accounts payable - pension related		(377,768.00)
Accrued interest payable		<u>(121,149.65)</u>

Net Position of Governmental Activities \$ 15,841,603.55

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

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
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>
REVENUES:					
Local sources:					
Local tax levy	\$ 21,970,456.00	\$	\$	\$ 761,388.00	\$ 22,731,844.00
Other Local Government Units-Restricted	534,545.81				534,545.81
Tuition	29,697.00				29,697.00
Transportation	17,600.00				17,600.00
Miscellaneous	684,979.97	240,890.12	11,937.50		937,807.59
Total - local sources	<u>23,237,278.78</u>	<u>240,890.12</u>	<u>11,937.50</u>	<u>761,388.00</u>	<u>24,251,494.40</u>
State sources	6,797,212.89	24,673.00		138,733.00	6,960,618.89
Federal sources		738,757.03			738,757.03
Total revenues	<u>30,034,491.67</u>	<u>1,004,320.15</u>	<u>11,937.50</u>	<u>900,121.00</u>	<u>31,950,870.32</u>
EXPENDITURES:					
Current expense:					
Regular instruction	6,664,283.21	494,113.57			7,158,396.78
Special instruction	2,281,146.74	244,643.46			2,525,790.20
Other Instruction	1,088,388.83				1,088,388.83
Support services:					
Tuition	2,443,365.81				2,443,365.81
Student & instruction related services	2,104,723.50	287,718.47			2,392,441.97
General administrative services	450,876.32				450,876.32
School administrative services	1,125,409.06				1,125,409.06
Central services	445,429.33				445,429.33
Administrative information technology	28,931.82				28,931.82
Plant operations and maintenance	2,159,071.53				2,159,071.53
Student transportation	684,990.52				684,990.52
Unallocated benefits	8,572,253.90				8,572,253.90
Debt Service:					
Principal				530,000.00	530,000.00
Interest				383,300.00	383,300.00
Capital outlay	363,950.31		447,895.67		811,845.98
Total expenditures	<u>28,412,820.88</u>	<u>1,026,475.50</u>	<u>447,895.67</u>	<u>913,300.00</u>	<u>30,800,492.05</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,621,670.79</u>	<u>(22,155.35)</u>	<u>(435,958.17)</u>	<u>(13,179.00)</u>	<u>1,150,378.27</u>
Net change in fund balances	1,621,670.79	(22,155.35)	(435,958.17)	(13,179.00)	1,150,378.27
Fund balances, July 1,	\$ 7,351,068.26	\$ 221,877.13	\$ 1,600,814.47	\$ 139,973.71	\$ 9,313,733.57
Fund balances, June 30,	<u>\$ 8,972,739.05</u>	<u>\$ 199,721.78</u>	<u>\$ 1,164,856.30</u>	<u>\$ 126,794.71</u>	<u>\$ 10,464,111.84</u>

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

BOROUGH OF EMERSON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2) \$ 1,150,378.27

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$	(328,176.88)	
Capital outlays		811,845.98	
Less: Capital outlays not capitalized		<u>(1,916.00)</u>	481,753.10

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

Payment of installment purchases		9,577.75	
Payment of bond principal		<u>530,000.00</u>	539,577.75

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an increase in the reconciliation.

Increase in accrued interest payable			5,552.30
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions		328,027.00	
Add: Pension benefit		<u>75,535.00</u>	403,562.00

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

(Increase)/ Decrease in compensated absences payable			<u>50,717.07</u>
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Change in net position of governmental activities			\$ <u><u>2,631,540.49</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS	
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 150,111.36	\$ 27,198.63	\$ 113,684.08	\$ 85,654.09	\$ 376,648.16	
Accounts receivable:						
Federal	8,824.51				8,824.51	
State	399.26				399.26	
Interfunds	614.00				614.00	
Inventories	3,039.50				3,039.50	
Total current assets	<u>162,988.63</u>	<u>27,198.63</u>	<u>113,684.08</u>	<u>85,654.09</u>	<u>389,525.43</u>	
Noncurrent assets:						
Furniture, machinery and equipment	117,314.55	23,928.00	12,984.48		154,227.03	
Less accumulated depreciation	<u>(39,805.10)</u>	<u>(4,032.80)</u>	<u>(8,223.68)</u>		<u>(52,061.58)</u>	
Total noncurrent assets	<u>77,509.45</u>	<u>19,895.20</u>	<u>4,760.80</u>		<u>102,165.45</u>	
Total assets	<u>240,498.08</u>	<u>47,093.83</u>	<u>118,444.88</u>	<u>85,654.09</u>	<u>491,690.88</u>	
LIABILITIES:						
Current liabilities:						
Accounts payable	11,770.19				11,770.19	
Unearned revenue	<u>34,298.02</u>				<u>34,298.02</u>	
Total current liabilities	<u>46,068.21</u>				<u>46,068.21</u>	
Total liabilities	<u>46,068.21</u>				<u>46,068.21</u>	
NET POSITION:						
Net investment in capital assets	77,509.45	19,895.20	4,760.80		102,165.45	
Unrestricted	<u>116,920.42</u>	<u>27,198.63</u>	<u>113,684.08</u>	<u>85,654.09</u>	<u>343,457.22</u>	
Total net position	<u>\$ 194,429.87</u>	<u>\$ 47,093.83</u>	<u>\$ 118,444.88</u>	<u>\$ 85,654.09</u>	<u>\$ 445,622.67</u>	

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

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS	
	\$	\$	\$	\$	\$	
OPERATING REVENUES:						
Charges for services:						
Daily sales	139,678.92				139,678.92	
Daily sales - non-reimbursable programs	367,255.00				367,255.00	
Miscellaneous		190,246.92			190,246.92	
Program Fees		40,494.50		135,787.25	176,281.75	
Total Operating Revenues	506,933.92	40,494.50	190,246.92	135,787.25	873,462.59	
OPERATING EXPENSES:						
Cost of sales-reimbursable	127,691.86				127,691.86	
Cost of sales-non reimbursable	128,752.00				128,752.00	
Salaries	180,408.53		116,864.21		297,272.74	
Employee benefits	58,023.09		0.00		58,023.09	
Other purchased services	32,610.00		24,269.75		56,879.75	
Supplies and materials	28,372.43	18,551.81	3,726.79		50,651.03	
Miscellaneous	74,054.62			131,440.75	205,495.37	
Depreciation	17,034.24	4,032.80	2,596.90		23,663.94	
Total operating expenses	646,946.77	22,584.61	147,457.65	131,440.75	948,429.78	
Operating income/(loss)	(140,012.85)	17,909.89	42,789.27	4,346.50	(74,967.19)	
NON-OPERATING REVENUES:						
State Sources						
State school lunch program	4,916.50				4,916.50	
State school breakfast program	122.10				122.10	
Federal Sources	0.00				0.00	
National school lunch program	87,330.34				87,330.34	
National school breakfast program	12,688.84				12,688.84	
P-EBT Administrative Cost Reimbursement	653.00				653.00	
Supply Chain Assistance Program	41,459.21				41,459.21	
Total non-operating revenues	147,169.99				147,169.99	
Net income before contributions and transfers	7,157.14	17,909.89	42,789.27	4,346.50	72,202.80	
Change in net position	7,157.14	17,909.89	42,789.27	4,346.50	72,202.80	
Total net position - beginning	187,272.73	29,183.94	75,655.61	81,307.59	373,419.87	
Total net position - ending	194,429.87	47,093.83	118,444.88	85,654.09	445,622.67	

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

BOROUGH OF EMERSON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					TOTALS
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM		
Cash flows from operating activities:						
Receipts from customers	\$ 506,933.92	\$ 40,494.50	\$ 190,246.92	\$ 135,787.25	\$	873,462.59
Payments to employees and employee benefits	(180,408.53)	(6,195.91)	(117,764.21)	(131,440.75)		(435,809.40)
Payments to suppliers	(474,721.80)	(18,551.81)	(27,996.54)			(521,270.15)
Net cash provided by (used for) operating activities	(148,196.41)	15,746.78	44,486.17	4,346.50		(83,616.96)
Cash flows from noncapital financing activities:						
State Sources	5,556.52					5,556.52
Federal Sources	209,588.92					209,588.92
Net cash provided by noncapital financing activities:	215,145.44					215,145.44
Cash flows from capital and related financing activities:						
Purchase of capital assets	(47,039.57)					(47,039.57)
Net cash provided by (used for) capital and related financing activities	(47,039.57)					(47,039.57)
Net decrease in cash and cash equivalents	19,909.46	15,746.78	44,486.17	4,346.50		84,488.91
Cash and cash equivalents, July 1,	\$ 130,201.90	\$ 11,451.85	\$ 69,197.91	\$ 81,307.59	\$	292,159.25
Cash and cash equivalents, June 30,	\$ 150,111.36	\$ 27,198.63	\$ 113,684.08	\$ 85,654.09	\$	376,648.16
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (140,012.85)	\$ 17,909.89	\$ 42,789.27	\$ 4,346.50	\$	(74,967.19)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation and net amortization	17,034.24	4,032.80	2,596.90			23,663.94
National food distribution commodities						
Change in assets and liabilities:						
Increase (decrease) in accounts payable	(16,968.40)	(6,195.91)	(900.00)			(24,064.31)
Increase (decrease) in unearned revenue	(6,524.37)					(6,524.37)
(Increase) decrease in inventories	(1,725.03)					(1,725.03)
Net cash provided by (used for) operating activities	(8,183.56)	(2,163.11)	1,696.90	4,346.50	\$	(8,649.77)
Net cash provided by (used for) operating activities	\$ (148,196.41)	\$ 15,746.78	\$ 44,486.17	\$ 4,346.50	\$	(83,616.96)

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

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Emerson School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Borough of Emerson School District is a Type II District located in Bergen County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a five member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "Determining Whether Certain Organizations are Component Units" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one junior/senior high school and two elementary schools. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category - governmental, proprietary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the State to offset the cost of approved capital projects.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to the food service, preschool, aftercare and adult education program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Basis of Accounting - Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and installment purchases are reported as other financing sources.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts 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. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 totaled net \$511,970.00, representing unbudgeted state aids. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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 records.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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 balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	5-20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Ground Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused sick days) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Student Activities, Unemployment and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. 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.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

In the Governmental Fund Financial Statements the year end Net Pension Liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right to Use Assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized in a systematic and rational manner over the life of the related lease.

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2023, the District has implemented GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

The Borough of Emerson School District had the following cash and cash equivalents at June 30, 2023:

Fund Type:	<u>Bank Balance</u>	Reconciling Items:		Reconciled <u>Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental	\$11,204,101.45	\$1,646.32	\$298,795.90	\$10,906,951.87
Proprietary	<u>376,648.16</u>	<u> </u>	<u> </u>	<u>376,648.16</u>
	<u>\$11,580,749.61</u>	<u>\$1,646.32</u>	<u>\$298,795.90</u>	<u>\$11,283,600.03</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$6,780,852.30 was covered under the provisions of NJGUDPA. The District has \$214,788.72 in the New Jersey Cash Management Fund and \$4,085,108.59 in New Jersey Asset & Rebate Management Program.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. 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); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

7. 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); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2023, the District had no outstanding investments.

As of June 30, 2023, the District has \$207,217.16 on deposit with the New Jersey Cash Management Fund and \$4,085,108.59 on deposit with the New Jersey Asset & Rebate Management Program. Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$5,071,938.32			\$5,071,938.32
Construction in progress	<u>12,977,257.77</u>	<u>\$401,407.87</u>		<u>13,378,665.64</u>
Total Capital Assets not being depreciated	<u>18,049,196.09</u>	<u>401,407.87</u>		<u>18,450,603.96</u>
Land Improvements	1,613,418.19	123,718.64		1,737,136.83
Buildings and Building Improvements	5,868,550.27	87,593.41	(\$5,995.00)	5,950,148.68
Machinery and Equipment	<u>2,305,201.97</u>	<u>197,210.06</u>		<u>2,502,412.03</u>
Totals at historical cost	<u>9,787,170.43</u>	<u>408,522.11</u>	<u>(5,995.00)</u>	<u>10,189,697.54</u>
Gross Assets (Memo only)	<u>27,836,366.52</u>	<u>809,929.98</u>	<u>(5,995.00)</u>	<u>28,640,301.50</u>
Less: Accumulated Depreciation				
Land Improvements	(1,230,994.81)	(31,515.33)		(1,262,510.14)
Buildings and Building Improvements	(4,374,541.30)	(126,262.73)	5,995.00	(4,494,809.03)
Machinery and Equipment	<u>(1,755,113.47)</u>	<u>(170,398.82)</u>		<u>(1,925,512.29)</u>
Total Depreciation	<u>(7,360,649.58)</u>	<u>(328,176.88)</u>	<u>5,995.00</u>	<u>(7,682,831.46)</u>
Total capital assets being depreciated, net of depreciation	<u>2,426,520.85</u>	<u>80,345.23</u>		<u>2,506,866.08</u>
Total Governmental Activities	<u>\$20,475,716.94</u>	<u>\$481,753.10</u>		<u>\$20,957,470.04</u>

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	Transfers/ <u>Deletions</u>	Ending <u>Balance</u>
Proprietary Activities:				
Land Improvements	\$17,368.00			\$17,368.00
Machinery and Equipment	89,819.46	\$47,039.57		136,859.03
Totals at historical cost	<u>107,187.46</u>	<u>47,039.57</u>		<u>154,227.03</u>
Less: Accumulated Depreciation				
Land Improvements		(1,736.80)		(\$1,736.80)
Machinery and Equipment	(28,397.64)	(21,927.14)		(50,324.78)
Total Depreciation	<u>(28,397.64)</u>	<u>(23,663.94)</u>		<u>(52,061.58)</u>
Total Proprietary Fund Activities	<u>\$78,789.82</u>	<u>\$23,375.63</u>		<u>\$102,165.45</u>

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness. School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2023, the District had bonds or notes authorized but not issued of \$446.00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2023.

	Balance, <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Bonds Payable	\$11,890,000.00		(\$530,000.00)	\$11,360,000.00	\$545,000.00
Net Pension Liability	3,032,818.00	\$892,789.00		3,925,607.00	
Compensated Absence	287,481.92		(50,717.07)	236,764.85	
Installment Purchases	31,830.58		(9,577.75)	22,252.83	10,007.78
Total	<u>\$15,242,130.50</u>	<u>\$892,789.00</u>	<u>(\$590,294.82)</u>	<u>\$15,544,624.68</u>	<u>\$555,007.78</u>

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements

The annual requirements to amortize all debt outstanding as of June 30, 2023, including interest payments on issued debt, are as follows:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2024	\$545,000.00	\$366,503.13	\$911,503.13
2025	565,000.00	348,806.25	913,806.25
2026	585,000.00	330,118.75	915,118.75
2027	605,000.00	310,781.25	915,781.25
2028	625,000.00	290,793.75	915,793.75
2029-2033	3,450,000.00	1,130,350.00	4,580,350.00
2034-2038	4,085,000.00	514,050.01	4,599,050.01
2039	<u>900,000.00</u>	<u>15,750.00</u>	<u>915,750.00</u>
	<u>\$11,360,000.00</u>	<u>\$3,307,153.14</u>	<u>\$14,667,153.14</u>

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2023</u>
\$13,368,000.00 in 2018 Bonds due in annual remaining installments of between \$530,000.00 and \$900,000.00 ending September, 2038 with interest between 3.1250% to 3.500%	<u>\$11,360,000.00</u>
	<u>\$11,360,000.00</u>

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Capacity

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2023, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2022	\$1,512,844,503
2021	1,449,977,054
2020	1,349,485,570
	<u>\$4,312,307,127</u>
Average equalized valuation	<u>\$1,437,435,709</u>
School borrowing margin (4% of \$1,437,435,709)	\$57,497,428
Net school debt as of June 30 2023	<u>11,360,446</u>
School borrowing power available	<u>\$46,136,982</u>

Installment Purchases

The District has entered into an installment purchase agreement for copiers. The agreement is for a term of five years. Future annual debt service payments on installment purchases as of June 30, 2023 including interest of \$1,118.31 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$10,007.78	\$778.90	\$10,786.68
2025	10,457.11	329.57	10,786.68
2026	1,787.94	9.84	1,797.78
	<u>\$22,252.83</u>	<u>\$1,118.31</u>	<u>\$23,371.14</u>

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A, 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement.

<u>Three Year Trend Information for PERS</u>			
<u>Year Ended</u>	<u>Annual Pension</u>	<u>Percentage of</u>	<u>Net</u>
<u>June 30,</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Pension</u>
			<u>Obligation</u>
2023	\$328,027	100.00%	\$328,027
2022	\$288,313	100.00%	\$288,313
2021	\$262,400	100.00%	\$262,400

During the fiscal years ended June 30, 2023, 2022, and 2021, the State of New Jersey contributed \$3,312,938.00, \$2,942,869.00 and \$2,089,312.00 respectively, excluding post-retirement medical and long-term disability insurance, to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 during the years ended June 30, 2023, 2022 and 2021, the State of New Jersey reimbursed the District \$734,901.89, \$713,224.44 and \$658,612.28 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$3,925,607.00 for the District's proportionate share of the total net pension liability. 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. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.0260122528 percent, which was an increase of 0.0004112925 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized a pension benefit of \$75,534.00 in the government-wide financial statements. This pension benefit was based on the pension plan's June 30, 2022 measurement date.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 28,333.00	\$ 24,986.00
Changes of assumptions	12,163.00	587,819.00
Net difference between projected and actual earnings on pension plan investments	162,477.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	495,628.00	
District contributions subsequent to the measurement date	<u>377,768.00</u>	
	<u>\$ 1,076,369.00</u>	<u>\$ 612,805.00</u>

The \$377,768.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the District's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023	(\$237,609.40)
2024	(72,429.40)
2025	15,461.60
2026	281,648.60
2027	98,724.60
	<u>\$85,796.00</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
 Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
 Investment Rate of Return	 7.00%

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.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

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

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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

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

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability 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 the District's proportionate share of net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the District's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the pension liability	\$5,043,255.00	\$3,925,607.00	\$2,974,444.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>41,056,839.00</u>
	<u><u>\$41,056,839.00</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .0795761283% which was a decrease of .0000414085 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,104,954.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2022 measurement date.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSIONS – GASB 68 (CONTINUED)

Teachers Pensions 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	1.55%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability 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.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 6: ACCOUNTING AND REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). 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.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,817</u>

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2023 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>36,175,370</u>
	<u><u>\$36,175,370</u></u>

The total Non-Employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2023, the District recognized on-behalf post-employment expense and revenue of \$1,400,986.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2022 measurement date.

At June 30, 2023, the District's proportion was .0714272387 percent, which was a decrease of .0013340864 from its proportion measured as of June 30, 2022.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2022</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-4.25%*	2.75-6.55%*	3.25-16.25%*

*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) 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 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Input (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 4.50% 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 used to measure the total OPEB liability 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 Non-Employer OPEB Liability

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2021 to June 30, 2022.

Balance at 6/30/21		\$43,662,362
Changes for the year:		
Service cost	\$2,189,734	
Interest	958,687	
Changes of Benefit Terms		
Differences between expected and actual experience	(11,901)	
Changes in assumptions or other inputs	(9,704,368)	
Membership Contributions	30,464	
Benefit payments - Net	(949,608)	
Net changes		(7,486,992)
Balance at 6/30/22		\$36,175,370

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

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

	June 30, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount <u>Rate (3.54%)</u>	1.00% <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$42,520,342	\$36,175,370	\$31,090,192

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

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

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$29,901,154	\$36,175,370	\$44,416,933

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 6,458,739	\$ 11,044,759
Changes of assumptions	6,261,041	12,312,120
Changes in proportion	<u>1,237,668</u>	<u>1,362,731</u>
	<u>\$ 13,957,448</u>	<u>\$ 24,719,610</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended	<u>Amount</u>
<u>June 30,</u>	
2023	(\$1,822,945)
2024	(\$1,822,945)
2025	(\$1,822,945)
2026	(\$1,578,877)
2027	(\$913,533)
Total Thereafter	<u>(\$2,800,919)</u>
	<u>(\$10,762,162)</u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2022-2023 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 10: RISK MANAGEMENT (CONTINUED)

Property and Liability Insurance - The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

Year Ended	Amount			Ending
<u>June 30,</u>	<u>Interest</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2023	\$14,423.67	\$23,583.30	\$23,036.21	\$495,799.37
2022	1,528.40	21,487.71		480,828.61
2021	4,993.85	19,718.43	9,386.82	457,812.50

NOTE 11: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 11: COMPENSATED ABSENCES (CONTINUED)

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2023 a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$236,764.85.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023 no liability existed for compensated absences in the proprietary funds.

NOTE 12: FUND BALANCE APPROPRIATED

General Fund - Of the \$8,972,739.05 in General Fund Balance at June 30, 2023, \$524,621.87 has been assigned for encumbrances; \$6,254,293.77 has been restricted in the Capital Reserve Account; \$214,488.72 has been restricted in the Emergency Reserve Account; \$100,000.00 has been restricted in the Maintenance Reserve Account; \$463,432.96 has been restricted for unemployment; \$-0- has been restricted as excess surplus; \$-0- has been restricted as excess surplus - subsequent years' expenditures; \$300,000.00 has been assigned - subsequent years expenditures and \$1,115,901.73 is unassigned.

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance resulting from the year ended June 30, 2023 is \$-0-.

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Borough of Emerson School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account 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. 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance, June 30, 2022		\$4,739,862.71
Interest Earnings	\$137,129.01	
Deposits:		
Board Resolution dated 6/19/23	1,877,302.05	
		2,014,431.06
		\$6,754,293.77
Withdrawals:		
2022-23 Budget		500,000.00
Balance, June 30, 2023		\$6,254,293.77

NOTE 15: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to finance unanticipated general fund expenditures required for a thorough and efficient education. Pursuant to N.J.A.C. 6A:23A-14.4(A), the maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 15: EMERGENCY RESERVE ACCOUNT (CONTINUED)

The activity of the emergency reserve during the year ended June 30, 2023, is as follows:

Balance, June 30, 2022	\$207,217.16
Interest Earnings	<u>\$7,271.56</u>
Balance, June 30, 2023	<u><u>\$214,488.72</u></u>

NOTE 16: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve was established through a board resolution by the District for the accumulation of funds for the required maintenance of a facility in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c. 73 (S1701). N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A:23A-14.2 permits districts, by board resolution, to transfer undesignated general fund balance to the maintenance reserve account if approved in the district's original budget certified for taxes or if the district received voter approval by a separate proposal at budget time or by special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the maintenance reserve for withdrawal in subsequent school years.

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

Balance, June 30, 2022 and June 30, 2023	<u><u>\$100,000.00</u></u>
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NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food and Supplies	<u><u>\$3,039.50</u></u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Borough of Emerson School District
Notes to the Financial Statements
June 30, 2023

NOTE 18: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2023.

NOTE 19: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$13,867.98	\$614.00
Special Revenue Fund		13,867.98
Enterprise Funds	<u>614.00</u>	<u> </u>
	<u>\$14,481.98</u>	<u>\$14,481.98</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 20: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through December 22, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that there are no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF EMERSON - SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 21,970,456.00	\$	\$ 21,970,456.00	\$ 21,970,456.00	\$ 53,789.81
Other Local Governmental Units-Restricted	480,756.00		480,756.00	534,545.81	598.00
Tuition from Individuals				29,099.00	29,099.00
Tuition from Other LEAs Within State				17,600.00	2,600.00
Transportation Fees From Individuals	15,000.00		15,000.00	526,155.73	367,080.73
Unrestricted Miscellaneous Revenues	159,075.00		159,075.00	7,271.56	7,271.56
Interest Earned on Maintenance Reserve				137,129.01	137,029.01
Interest Earned on Capital Reserve Funds	100.00		100.00	14,423.67	14,423.67
Other Restricted Miscellaneous Revenues				23,237,278.78	611,891.78
Total Local Sources	22,625,387.00		22,625,387.00		
State Sources:					
Categorical Transportation Aid	134,241.00		134,241.00	725,883.00	725,883.00
Extraordinary Aid				81,391.00	
Categorical Special Education Aid	947,481.00		947,481.00	16,925.00	16,925.00
Categorical Security Aid	81,391.00		81,391.00	3,267,604.00	3,267,604.00
Other State Aids				45,334.00	45,334.00
On-behalf TPAF Contributions-non-budgeted				734,901.89	734,901.89
On-behalf TPAF N.C.G.I.-non-budgeted				870,301.00	870,301.00
Reimbursed TPAF Soc. Sec.Contribution-non-budgeted				1,381.00	1,381.00
Post Retirement Medical-non budgeted				6,825,442.89	5,662,329.89
Long Term Disability Insurance				1,163,113.00	
Total State Sources	1,163,113.00		1,163,113.00		
Total Revenues	23,788,500.00		23,788,500.00	30,062,721.67	6,274,221.67
Withdraw from Cap Res-Excess Cost & Oth Cap Prj	500,000.00		500,000.00		(500,000.00)
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Preschool	51,077.00	(14,125.00)	36,952.00	29,085.45	7,866.55
Kindergarten	361,585.00	(56,488.00)	305,097.00	299,382.00	5,715.00
Grades 1-5	1,763,505.00	50,630.00	1,814,135.00	1,812,556.68	1,578.32
Grades 6-8	1,335,079.00	(92,000.00)	1,243,079.00	1,241,559.00	1,520.00
Grades 9-12	2,289,672.00	61,719.00	2,351,391.00	2,342,254.46	9,136.54
Regular programs - home instruction:					
Salaries of teachers	20,000.00	(19,039.00)	961.00	960.38	0.62
Purchased professional educational services		2,800.00	2,800.00	2,755.00	45.00

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - undistributed instruction:					
Other salaries for instruction	\$ 127,500.00	(3,800.00)	\$ 123,700.00	\$ 123,297.80	\$ 402.20
Purchased professional - educational services	59,245.00	13,634.00	72,879.00	72,804.50	74.50
Other purchased services (400 - 500 series)	76,361.00	(19,275.00)	57,086.00	57,045.95	40.05
General supplies	411,279.27	123,327.00	534,606.27	419,263.77	115,342.50
Textbooks	8,000.00	2,578.09	10,578.09	10,432.62	145.47
Other objects	155,800.00	109,803.00	265,603.00	264,602.40	1,000.60
Total regular programs	6,659,103.27	159,764.09	6,818,867.36	6,676,000.01	142,867.35
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	310,009.00	(4,920.32)	305,088.68	303,298.72	1,789.96
Other salaries for instruction	251,000.00	(876.15)	250,123.85	247,151.90	2,971.95
General Supplies	4,035.00		4,035.00	787.16	3,247.84
Total Learning and/or Language Disabilities	565,044.00	(5,796.47)	559,247.53	551,237.78	8,009.75
Behavioral Disabilities:					
Salaries of Teachers	147,502.00	(73,000.00)	74,502.00	73,900.00	602.00
Other Salaries for Instruction	118,060.00	1,689.85	119,749.85	119,749.29	0.56
Total Behavioral Disabilities	265,562.00	(71,310.15)	194,251.85	193,649.29	602.56
Resource Room / Resource Center:					
Salaries of Teachers	1,019,902.00	63,796.62	1,083,698.62	1,082,222.08	1,476.54
Other salaries for instruction	310,442.00	(60,000.00)	250,442.00	250,442.00	
General Supplies	6,840.00		6,840.00	3,222.49	3,617.51
Total Resource Room / Resource Center	1,337,184.00	3,796.62	1,340,980.62	1,335,886.57	5,094.05
Preschool Disabilities - Part - Time:					
Salaries of Teachers	107,489.00		107,489.00	104,985.00	2,504.00
Other Salaries for Instruction	22,262.00		22,262.00	22,262.00	
Total Preschool Disabilities - Part - Time	129,751.00		129,751.00	127,247.00	2,504.00

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$ 41,168.00	\$ 19,000.00	\$ 60,168.00	\$ 60,126.10	\$ 41.90
Other Salaries for Instruction	13,000.00		13,000.00	13,000.00	
Total Preschool Disabilities - Full - Time	54,168.00	19,000.00	73,168.00	73,126.10	41.90
Total Special Education	2,351,709.00	(54,310.00)	2,297,399.00	2,281,146.74	16,252.26
Basic Skills / Remedial:					
Salaries of Teachers	182,264.00	(20,000.00)	162,264.00	161,327.50	936.50
Other Objects	10,000.00		10,000.00	10,000.00	
Total Basic Skills / Remedial	192,264.00	(20,000.00)	172,264.00	161,327.50	10,936.50
Bilingual Education Instruction:					
Salaries of Teachers	107,642.00		107,642.00	105,349.00	2,293.00
Total Bilingual Education Instruction	107,642.00		107,642.00	105,349.00	2,293.00
School Sponsored Co-Curricular Activities:					
Salaries	311,500.00	(17,734.00)	293,766.00	284,994.00	8,772.00
Supplies and Materials	2,000.00		2,000.00	2,000.00	
Other Objects	48,170.00		48,170.00	34,835.69	13,334.31
Total School Sponsored Co-Curricular Activities	361,670.00	(17,734.00)	343,936.00	301,829.69	42,106.31
School Sponsored Athletics:					
Salaries	410,134.00		410,134.00	393,285.48	16,848.52
Purchased Services (300-500 Series)	5,500.00		5,500.00	5,500.00	
Supplies and Materials	33,415.58	24,008.00	57,423.58	44,814.52	12,609.06
Other Objects	30,121.00	(151.00)	29,970.00	21,782.64	8,187.36
Transfers to Cover Deficit (Agency Funds)	83,857.00	(23,857.00)	60,000.00	60,000.00	
Total School Sponsored Athletics	563,027.58	(17,734.00)	545,293.58	519,882.64	43,144.94
Total Other Instructional Programs	1,224,603.58	(37,734.00)	1,186,869.58	1,088,388.83	98,480.75
Total - Instruction	10,235,415.85	67,720.09	10,303,135.94	10,045,535.58	257,600.36
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Special	1,003,158.00	(24,177.00)	978,981.00	972,060.74	6,900.26
Tuition to County Vocational School District - Regular	129,402.00	(62,655.00)	66,747.00	66,691.80	55.20
Tuition to CSSD & Regional Day Schools	259,469.00	(53,552.00)	205,917.00	205,917.00	
Tuition to Private Schools for the Handicapped w/in State	904,107.98	344,938.00	1,249,045.98	1,198,676.27	50,369.71
Total Undistributed Expenditures - Instruction	2,296,136.98	204,554.00	2,500,690.98	2,443,365.81	57,325.17
Attendance and Social Work Services:					
Salaries	32,902.00	(3,671.60)	29,230.40	29,230.40	
Total Attendance and Social Work Services	32,902.00	(3,671.60)	29,230.40	29,230.40	
Health Services:					
Salaries	142,121.00	5,500.00	147,621.00	147,355.94	265.06
Purchased Professional and Technical Services	82,005.00	(14,661.00)	67,344.00	66,774.00	570.00
Supplies and Materials	6,892.94	(489.00)	6,403.94	6,332.11	71.83
Total Health Services	231,018.94	(9,650.00)	221,368.94	220,462.05	906.89

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	\$ 187,940.00	\$ 5,909.00	\$ 193,849.00	\$ 193,848.89	\$ 0.11
Purchased Professional - Educational Services	13,602.00	(7,397.00)	6,205.00	5,475.00	730.00
Total Other Support Services - Speech, OT, PT & Related Services	201,542.00	(1,488.00)	200,054.00	199,323.89	730.11
Other Support Services - Students - Extra Services					
Purchased Professional - Educational Services	300,857.00	(26,650.00)	274,207.00	204,991.18	69,215.82
Other Objects	2,400.00		2,400.00	2,400.00	
Total Other Support Services - Students - Extra Services	303,257.00	(26,650.00)	276,607.00	204,991.18	71,615.82
Guidance:					
Salaries of Other Professional Staff	387,968.00	(17,282.94)	370,685.06	369,827.81	857.25
Salaries of Secretarial and Clerical Assistants	81,197.00		81,197.00	80,917.43	279.57
Supplies and Materials	3,000.00	(250.00)	2,750.00	2,642.91	107.09
Other Objects	8,000.00	250.00	8,250.00	5,943.00	2,307.00
Total Guidance	480,165.00	(17,282.94)	462,882.06	459,331.15	3,550.91
Child Study Teams:					
Salaries of Other Professional Staff	480,406.00	59,490.00	539,896.00	539,893.26	2.74
Salaries of Secretarial and Clerical Assistants	86,193.00	(8,972.79)	77,220.21	77,220.21	
Other Purchased Services (400-500 series)	71,193.00	(71,193.00)			
Residential Costs		65,843.00	65,843.00	65,841.01	1.99
Supplies and Materials	26,466.24	7,792.08	34,258.32	25,436.17	8,822.15
Other Objects	15,700.00	(11,750.00)	3,950.00	3,414.86	535.14
Total Child Study Teams	679,958.24	41,209.29	721,167.53	711,805.51	9,362.02
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	57,126.00	4,405.00	61,531.00	61,529.35	1.65
Total Improvement of Instruction Services / Instructional Staff	57,126.00	4,405.00	61,531.00	61,529.35	1.65
Educational Media Services / School Library:					
Salaries	125,167.00	74.00	125,241.00	125,240.82	0.18
Supplies and materials	11,118.45		11,118.45	4,682.14	6,436.31
Total Educational Media Services / School Library	136,285.45	74.00	136,359.45	129,922.96	6,436.49
Instructional Staff Training Services:					
Salaries of Secretarial and Clerical Assistants	47,813.00		47,813.00	28,936.64	18,876.36
Tuition Reimbursement		38,772.00	38,772.00	12,129.21	26,642.79
Other Objects	110,422.00	(38,772.00)	71,650.00	47,061.16	24,588.84
Total Instructional Staff Training Services	158,235.00		158,235.00	88,127.01	70,107.99

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support Services General Administration:					
Salaries	\$ 332,902.00	\$ 1,015.00	\$ 333,917.00	\$ 333,887.76	\$ 29.24
Legal Services	33,189.38	23,100.00	56,289.38	53,623.83	2,665.55
Expenditure and Internal Control Audit Fees	25,975.00		25,975.00	25,975.00	
Communications / Telephone	8,300.00	900.00	9,200.00	9,200.00	
General Supplies	6,737.00		6,737.00	6,723.17	13.83
Miscellaneous Expenditures	32,123.00	(7,500.00)	24,623.00	21,466.56	3,156.44
Total Support Services General Administration	439,226.38	17,515.00	456,741.38	450,876.32	5,865.06
Support Services School Administration:					
Salaries of Principals / Asst. Principals	950,359.00	7,850.00	958,209.00	958,208.07	0.93
Salaries of Secretarial and Clerical Assistants	174,665.00	(9,126.07)	165,538.93	159,511.34	6,027.59
Supplies and Materials	3,400.00	9,800.00	13,200.00	423.48	12,776.52
Other Objects	8,450.00		8,450.00	7,266.17	1,183.83
Total Support Services School Administration	1,136,874.00	8,523.93	1,145,397.93	1,125,409.06	19,988.87
Central Service:					
Salaries	398,779.00	2,045.07	398,824.07	398,823.85	0.22
Other Purchase Professional Service	40,707.00	(301.00)	40,406.00	38,894.20	1,511.80
Supplies and Materials	3,700.00		3,700.00	3,020.30	29.70
Miscellaneous Expenditures	3,740.00	951.00	4,691.00	4,690.98	0.02
Total Central Service	444,926.00	2,045.07	446,971.07	445,429.33	1,541.74
Administrative Information Technology:					
Salaries	20,331.00	2,454.06	22,785.06	22,784.82	0.24
Other objects	17,000.00	(10,850.00)	6,150.00	6,147.00	3.00
Total Administrative Information Technology	37,331.00	(8,395.94)	28,935.06	28,931.82	3.24
Required Maintenance for School Facilities:					
Salaries	588,691.00	63,551.00	652,242.00	652,242.00	
Cleaning, Repair and Maintenance Services	245,972.00	115,804.00	361,776.00	263,994.71	97,781.29
General Supplies	73,142.00	15,444.68	88,586.68	73,976.82	14,609.86
Total Required Maintenance for School Facilities	907,805.00	194,799.68	1,102,604.68	990,213.53	112,391.15
Custodial Services:					
Salaries	418,226.00	(39,685.06)	378,540.94	375,925.04	2,615.90
Salaries of Non-Instructional Aides	42,700.00	(7,000.00)	35,700.00	35,383.00	317.00
Cleaning, Repair and Maintenance Services	52,852.00	(25,000.00)	27,852.00	27,145.59	706.41
Insurance	198,000.00	20,096.00	218,096.00	214,091.43	4,004.57
General Supplies	111,687.55	(38,625.00)	73,062.55	41,360.45	31,702.10
Energy (Natural Gas)	175,500.00		175,500.00	139,908.82	35,591.18
Energy (Heat and Electricity)	228,000.00	(21,000.00)	207,000.00	168,611.71	38,388.29
Other Objects	24,200.00	6,000.00	30,200.00	30,200.00	
Total Custodial Services	1,251,165.55	(105,214.06)	1,145,951.49	1,032,626.04	113,325.45
Care and Upkeep of Grounds:					
Salaries	72,714.00	231.00	72,945.00	72,944.89	0.11
General Supplies	28,350.00	(525.00)	27,825.00	8,023.56	19,801.44
Total Care and Upkeep of Grounds	101,064.00	(294.00)	100,770.00	80,968.45	19,801.55
Security:					
Purchased Professional and Technical Services	63,109.00	39,445.00	102,554.00	100,278.51	2,275.49
Total Security	63,109.00	39,445.00	102,554.00	100,278.51	2,275.49

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 108,396.00	\$ 18,000.00	\$ 126,396.00	\$ 106,820.28	\$ 19,575.72
Salaries for Pupil Transportation (Between Home and School) - Special	155,555.00	(18,000.00)	137,555.00	51,057.87	86,497.13
Cleaning, Repair and Maintenance Services	30,000.00	5,000.00	35,000.00	32,152.82	2,847.18
Contracted Services - Aid in Lieu Payments-NonPub Sch	59,000.00	1,461.00	60,461.00	56,372.02	4,088.98
Contracted Svcs. (Spec. Ed. Stud.s) - Joint Agree.	32,000.00	(8,001.00)	23,999.00	6,505.53	17,493.47
Contracted Svcs. (Spec. Ed. Stud.s) - Joint Agree.	289,000.00	132,540.00	421,540.00	402,809.61	18,730.39
General Supplies	39,500.00	(5,000.00)	34,500.00	26,064.27	8,435.73
Other Objects	5,200.00		5,200.00	3,208.12	1,991.88
Total Student Transportation Services	718,651.00	126,000.00	844,651.00	684,990.52	159,660.48
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	318,267.00	(5,000.00)	313,267.00	280,115.35	33,151.65
Other Retirement Contributions - PERS	310,500.00	17,939.00	328,439.00	328,438.40	0.60
Other Retirement Contributions - Regular	20,475.00	5,000.00	25,475.00	25,475.00	
Workmen's Compensation	90,000.00	(90,000.00)			
Health Benefits	3,628,987.00	(17,939.00)	3,611,048.00	3,018,703.26	592,344.74
Total Unallocated Benefits - Employee Benefits	4,368,229.00	(90,000.00)	4,278,229.00	3,652,732.01	625,496.99
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				3,267,604.00	(3,267,604.00)
NCGL-non-budgeted				45,334.00	(45,334.00)
Post Retirement Medical-non budgeted				870,301.00	(870,301.00)
Reimbursed TPAF Social Security Contribution-non-budgeted				734,901.89	(734,901.89)
Long Term Disability Insurance				1,381.00	(1,381.00)
Total TPAF Pension/Social Security				4,919,521.89	(4,919,521.89)
Undistributed Expenditures					
Total Undistributed Expenditures	14,045,007.54	375,924.43	14,420,931.97	18,060,066.79	(3,639,134.82)
TOTAL EXPENDITURES - CURRENT EXPENSE	24,280,423.39	443,644.52	24,724,067.91	28,105,602.37	(3,381,534.46)

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	\$ 25,197.20	\$ 48,880.48	\$ 48,880.48	\$ 3,356.32	\$ 45,524.16
Grades 9-12 - Equipment		3,395.00	28,592.20	22,465.00	6,127.20
Undistributed Expenditures - General Admin.	6,460.00	100.00	100.00		100.00
Undistributed-Req. Maint. For Schools	123,877.60		6,460.00	6,460.00	
School Buses - Special			123,877.60	123,877.60	
Total Equipment	155,534.80	52,375.48	207,910.28	156,158.92	51,751.36
Facilities Acquisition and Construction Services:					
Architectural/engineering services	25,497.22	91,990.00	117,487.22	36,347.50	81,139.72
Construction services	559,680.00	(75,940.00)	483,740.00	75,730.00	408,010.00
Other Objects	37,066.09		37,066.09	37,066.09	
Assessment for Debt Service on SDA Funding	1,916.00		1,916.00	1,916.00	
Total Facilities Acquisition and Construction Services	624,159.31	16,050.00	640,209.31	151,059.59	489,149.72
Interest Deposit to Capital Reserve	100.00	(100.00)			
TOTAL CAPITAL OUTLAY	779,794.11	68,325.48	848,119.59	307,218.51	540,901.08
TOTAL EXPENDITURES	\$ 25,060,217.50	\$ 511,970.00	\$ 25,572,187.50	\$ 28,412,820.88	\$ (2,840,633.38)

BOROUGH OF EMERSON - SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,271,717.50)	\$ (511,970.00)	\$ (1,783,687.50)	\$ 1,649,900.79	\$ 3,433,588.29
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(1,271,717.50)	(511,970.00)	(1,783,687.50)	1,649,900.79	3,433,588.29
Fund balances, July 1	7,419,610.26	7,419,610.26	7,419,610.26	7,419,610.26	
Fund balances, June 30	<u>\$ 6,147,892.76</u>	<u>\$ (511,970.00)</u>	<u>\$ 5,635,922.76</u>	<u>\$ 9,069,511.05</u>	<u>\$ 3,433,588.29</u>

Recapitulation:

Assigned - year-end encumbrances	\$	524,621.87	
Restricted - capital reserve	6,254,293.77	100,000.00	
Restricted - maintenance reserve	214,488.72	463,432.96	
Restricted - emergency reserve	1,212,673.73	300,000.00	
Restricted - unemployment	9,069,511.05	(96,772.00)	
Unassigned fund balance	\$	8,972,739.05	
Assigned - designated for subsequent years expenditures	\$	(96,772.00)	

Reconciliation to governmental funds statements (GAAP):

Prior Year aid payment not recognized on GAAP basis

Fund balance per governmental funds (GAAP)

BOROUGH OF EMERSON - SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Other Sources	\$ 3,000.00	\$ 461,082.76	\$ 464,082.76	\$ 242,205.63	\$ (221,877.13)
State Sources	24,673.00	6,660.00	31,333.00	31,333.00	
Federal Sources	1,329,483.54	990.00	1,330,473.54	881,736.51	(448,737.03)
Total Revenues	\$ 1,357,156.54	\$ 468,732.76	\$ 1,825,889.30	\$ 1,155,275.14	\$ (670,614.16)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 160,848.00	\$	\$ 160,848.00	\$ 159,885.46	\$ 962.54
Purchased Professional / Educational Services	16,200.00		16,200.00	16,200.00	
Tuition	273,674.00		273,674.00	273,674.00	
General Supplies	229,810.54		229,810.54	229,810.54	
Total Instruction	680,532.54		680,532.54	679,570.00	962.54
Support Services:					
Other Salaries	45,722.00		45,722.00	26,522.00	19,200.00
Purchased Services Employee Benefits	16,850.00		16,850.00	16,850.00	
Purchased Professional / Educational Services	73,910.00		73,910.00	71,672.00	2,238.00
Purchased Professional/Technical Services	31,983.00		31,983.00	31,983.00	
Other purchased services	45,778.00	7,650.00	53,428.00	50,863.51	2,564.49
Supplies and Materials	20,299.00		20,299.00	20,299.00	
Student Activities		461,082.76	461,082.76	261,360.98	199,721.78
Total Support Services	234,542.00	468,732.76	703,274.76	479,550.49	223,724.27
Facilities Acquisition and Construction Service:					
Instructional equipment	442,082.00		442,082.00	18,310.00	423,772.00
Total Facilities Acquisition and Construction Service	442,082.00		442,082.00	18,310.00	423,772.00
Total expenditures	\$ 1,357,156.54	\$ 468,732.76	\$ 1,825,889.30	\$ 1,177,430.49	\$ 648,458.81
Excess (Deficiency) of Revenues Over (Under) Expenditures				(22,155.35)	
Fund Balances, July 1,				221,877.13	
Fund Balances, June 30				\$ 199,721.78	
Recapitulation:					
Restricted:					
Student Activities				\$ 199,721.78	
Total Fund Balance				\$ 199,721.78	

BOROUGH OF EMERSON - SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI (REQUIRED SUPPLEMENTARY INFORMATION)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of difference between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 30,062,721.67	\$ 1,155,275.14
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.	68,542.00	
The last state aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(96,772.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		45,909.00
Less current year encumbrances		(196,863.99)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 30,034,491.67	\$ 1,004,320.15
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 28,412,820.88	\$ 1,177,430.49
Difference - budget to GAAP:		
Adjust for encumbrances:		
Add prior year encumbrances		45,909.00
Less current year encumbrances		(196,863.99)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 28,412,820.88	\$ 1,026,475.50

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Measurement Date Ending June 30.</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a percentage of the total Pension Liability</u>
2013	0.0243277995%	4,649,526 \$	1,599,195.36	290.74%	48.72%
2014	0.0242059063%	4,532,008	1,631,832.00	277.73%	52.08%
2015	0.0231779258%	5,202,980	1,582,896.00	328.70%	47.92%
2016	0.0216626625%	6,415,859	1,482,510.00	432.77%	40.14%
2017	0.0216626625%	4,743,336	1,439,808.00	329.44%	48.10%
2018	0.0222384960%	4,407,487	1,477,693.00	298.27%	53.59%
2019	0.0229040562%	4,126,963	1,690,593.00	244.11%	56.27%
2020	0.0230058138%	3,751,647	1,777,193.00	211.10%	58.32%
2021	0.0256009603%	3,032,818	1,872,242.00	161.99%	70.33%
2022	0.0260122528%	3,925,607	2,044,846.00	191.98%	62.91%

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered- Employee Payroll</u>
2014	\$ 183,305	\$ 183,305	\$ -0-	\$ 1,631,832.00	11.23%
2015	199,550	199,550	-0-	1,582,896.00	12.61%
2016	199,268	199,268	-0-	1,482,510.00	13.44%
2017	193,374	193,374	-0-	1,439,808.00	13.43%
2018	188,767	188,767	-0-	1,477,693.00	12.77%
2019	222,790	222,790	-0-	1,690,593.00	13.18%
2020	251,673	251,673	-0-	1,777,193.00	14.16%
2021	299,817	299,817	-0-	1,872,242.00	16.01%
2022	328,027	328,027	-0-	2,044,846.00	16.04%
2023	377,768	377,768	-0-	2,084,838.00	18.12%

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending June 30.	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0816717517%	\$ -0-	\$ 41,276,261.00	8,047,701.00	-0-	512.90%	33.76%
2014	0.0822185321%	-0-	43,943,129.00	7,897,661.00	-0-	556.41%	33.64%
2015	0.0815059504%	-0-	51,515,241.00	8,209,002.00	-0-	627.55%	28.71%
2016	0.0827041838%	-0-	65,060,377.00	8,176,017.00	-0-	795.75%	22.33%
2017	0.0820891901%	-0-	55,347,492.00	8,243,600.00	-0-	671.40%	25.41%
2018	0.0816237654%	-0-	51,927,286.00	8,713,455.00	-0-	595.94%	26.48%
2019	0.0831375039%	-0-	51,022,271.00	8,748,320.00	-0-	583.22%	26.95%
2020	0.0841712224%	-0-	55,425,737.00	8,811,226.00	-0-	629.04%	24.60%
2021	0.0796175368%	-0-	38,276,281.00	9,238,500.00	-0-	414.31%	35.52%
2022	0.0795761283%	-0-	41,056,839.00	9,866,408.00	-0-	416.13%	32.29%

BOROUGH OF EMERSON - SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER
THAN PENSIONS (GASB 75)**

BOROUGH OF EMERSON HIGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX YEARS

	Measurement Date Ended June 30,					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Balance at 6/30	\$43,662,362	\$48,896,820	\$30,687,148	\$33,572,326	\$37,805,627	\$40,759,090
Changes for the year:						
Service cost	2,189,734	2,513,192	1,439,095	1,345,205	1,462,523	1,761,218
Interest	958,687	1,132,648	1,110,097	1,333,789	1,390,423	1,199,895
Changes of benefit terms		(46,473)				
Differences between expected and actual experience	(11,901)	(8,013,648)	7,554,163	(5,107,640)	(2,366,969)	
Changes in assumptions or other inputs	(9,704,368)	43,076	8,931,769	457,548	(3,852,592)	(5,071,161)
Benefit payments	(949,608)	(892,209)	(851,253)	(942,004)	(897,712)	(875,659)
Contributions from Members	30,464	28,956	25,801	27,924	31,026	32,244
Net changes	<u>(7,486,992)</u>	<u>(5,234,458)</u>	<u>18,209,672</u>	<u>(2,885,178)</u>	<u>(4,233,301)</u>	<u>(2,953,463)</u>
Balance at 6/30	<u>\$36,175,370</u>	<u>\$43,662,362</u>	<u>\$48,896,820</u>	<u>\$30,687,148</u>	<u>\$33,572,326</u>	<u>\$37,805,627</u>
Covered Employee Payroll	11,911,254.00	11,110,742.00	10,588,419.00	10,438,913.00	10,191,148.00	9,683,408
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	303.71%	392.97%	461.80%	293.97%	329.43%	390.42%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

BOROUGH OF EMERSON HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Change in benefit terms:
None

Change in assumptions:
The following assumptions were used in calculating the Net OPEB Liability
in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

BOROUGH OF EMERSON - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ESSEER II	EVIDENCED BASED SUMMER LEARNING AND ENRICHMENT	ARP ESSER	ACSEERS	ACCELERATED LEARNING COACH & EDUCATOR SUPPORT
REVENUES:					
Local Sources	204,728.00	39,991.00	167,062.54	64,909.00	42,871.51
State Sources					
Federal Sources					
Total Revenues	204,728.00	39,991.00	167,062.54	64,909.00	42,871.51
EXPENDITURES:					
Instruction:					
Salaries of Teachers		26,460.00	76,000.00		
Purchased Professional / Educational Services		11,507.00	4,693.00	64,909.00	
Tuition	168,365.00		50,105.54		
General Supplies					
Total Instruction	168,365.00	37,967.00	130,798.54	64,909.00	
Support Services:					
Other Salaries			8,000.00		10,500.00
Personal Services Employee - Benefits		2,024.00	7,965.00		2,272.00
Purchased Professional / Educational Services					21,962.00
Purchased Professional / Technical Services					
Other purchased services	18,053.00				8,137.51
Supplies and Materials			20,299.00		
Student Activities					
Total Support Services	18,053.00	2,024.00	36,264.00		42,871.51
Facilities Acquisition, Construction Services and Equipment:					
Instructional Equip.	18,310.00				
Total Facilities Acquisition, Construction Services and Equipment	18,310.00				
Total Expenditures	204,728.00	39,991.00	167,062.54	64,909.00	42,871.51
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1,					
Fund Balances, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

BOROUGH OF EMERSON - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	EVIDENCED BASED COMPREHENSIVE BEYOND THE SCHOOL DAY	NJTSS MENTAL HEALTH	SDA EMERGENT	OTHER LOCAL	TITLE I
REVENUES:					
Local Sources	\$ 6,558.00	45,000.00	24,673.00	3,000.00	40,258.00
State Sources					
Federal Sources	6,558.00	45,000.00	24,673.00	3,000.00	40,258.00
Total Revenues					
EXPENDITURES:					
Instruction:					
Salaries of Teachers	6,426.00				23,562.00
Purchased Professional / Educational Services					
Tuition	132.00			3,000.00	1,548.00
General Supplies					
Total Instruction	6,558.00			3,000.00	25,110.00
Support Services:					
Other Salaries					
Personal Services Employee - Benefits					8,022.00
Purchased Professional / Educational Services		45,000.00			2,416.00
Purchased Professional / Technical Services					4,710.00
Other purchased services			24,673.00		
Supplies and Materials					
Student Activities					
Total Support Services		45,000.00	24,673.00		15,148.00
Facilities Acquisition, Construction Services and Equipment:					
Instructional Equip.					
Total Facilities Acquisition, Construction Services and Equipment					
Total Expenditures	6,558.00	45,000.00	24,673.00	3,000.00	40,258.00
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1,					
Fund Balances, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

BOROUGH OF EMERSON - SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	IDEA PART B BASIC	IDEA PART B PRESCHOOL	STUDENT ACTIVITIES	CLIMATE AWARENESS	TITLE I/II	TOTALS
REVENUES:						
Local Sources			\$ 239,205.63	\$		\$ 242,205.63
State Sources	233,246.46	11,397.00		6,660.00	25,715.00	31,333.00
Federal Sources						881,736.51
Total Revenues	233,246.46	11,397.00	239,205.63	6,660.00	25,715.00	1,155,275.14
EXPENDITURES:						
Instruction:						
Salaries of Teachers	27,437.46					159,885.46
Purchased Professional / Educational Services	197,368.00	11,397.00				16,200.00
Tuition						273,674.00
General Supplies				6,660.00		229,810.54
Total Instruction	224,805.46	11,397.00		6,660.00		679,570.00
Support Services:						
Other Salaries						26,522.00
Personal Services Employee - Benefits	2,173.00					16,650.00
Purchased Professional / Educational Services						71,672.00
Purchased Professional / Technical Services	6,268.00				25,715.00	31,983.00
Other purchased services						50,863.51
Supplies and Materials						20,299.00
Student Activities			261,360.98			261,360.98
Total Support Services	8,441.00		261,360.98		25,715.00	479,550.49
Facilities Acquisition, Construction Services and Equipment:						
Instructional Equip.						18,310.00
Total Facilities Acquisition, Construction Services and Equipment						18,310.00
Total Expenditures	233,246.46	11,397.00	261,360.98	6,660.00	25,715.00	1,177,430.49
Excess (Deficiency) of Revenues Over (Under) Expenditures			(22,155.35)			(22,155.35)
Fund Balances, July 1,			221,877.13			221,877.13
Fund Balances, June 30	-0-	-0-	199,721.78	-0-	-0-	199,721.78

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

BOROUGH OF EMERSON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2023

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>PRIOR YEAR</u>	<u>EXPENDITURES TO DATE</u> <u>CURRENT YEAR</u>	<u>BALANCE</u> <u>JUNE 30, 2023</u>
Referendum	\$ 13,652,695.72	\$ 12,128,697.68	\$ 447,895.67	\$ 1,076,102.37
Totals	\$ 13,652,695.72	\$ 12,128,697.68	\$ 447,895.67	\$ 1,076,102.37

BOROUGH OF EMERSON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES AND OTHER FINANCING SOURCES:	
Interest Earned on Bond Proceeds	\$ <u>11,937.50</u>
Total Revenues and Other Financing Sources	<u>11,937.50</u>
EXPENDITURES AND OTHER FINANCING USES:	
Legal Services	\$ 4,973.50
Purchased Professional and Technical Services	5,010.77
Construction Services	371,211.74
Miscellaneous	<u>66,699.66</u>
Total Expenditures and Other Financing Uses	<u>447,895.67</u>
Net change in fund balances	(435,958.17)
Fund Balance - Beginning of Year	<u>1,600,814.47</u>
Fund Balance - End of Year	<u>\$ 1,164,856.30</u>
<u>Reconciliation to GAAP Financial Statements:</u>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ <u>1,164,856.30</u>
Fund Balance- GAAP Basis (Exhibit B-1)	<u>\$ 1,164,856.30</u>
<u>Recapitulation:</u>	
Reserved for Encumbrances	\$ 561,442.44
Restricted for Capital Projects	<u>603,413.86</u>
	<u>\$ 1,164,856.30</u>

BOROUGH OF EMERSON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -
BUDGETARY BASIS
REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond proceeds and transfers	\$ 13,368,000.00	\$	\$ 13,368,000.00	\$ 13,368,446.00
Miscellaneous	434,221.40	_____	434,221.40	284,249.72
Total Revenues and Other Financing Sources	<u>13,802,221.40</u>	_____	<u>13,802,221.40</u>	<u>13,652,695.72</u>
EXPENDITURES AND OTHER FINANCING USES:				
Legal Services	21,102.41	4,973.50	26,075.91	93,500.00
Purchased Professional and Technical Services	1,010,170.67	5,010.77	1,015,181.44	1,059,696.00
Construction Services	10,123,526.64	371,211.74	10,494,738.38	12,274,503.72
Miscellaneous	91,178.78	66,699.66	157,878.44	224,996.00
Total Expenditures and Other Financing Uses	<u>11,245,978.50</u>	<u>447,895.67</u>	<u>11,693,874.17</u>	<u>13,652,695.72</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,556,242.90</u>	<u>\$ (447,895.67)</u>	<u>\$ 2,108,347.23</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	2018			
Bonds Authorization	\$13,368,446.00			
Bonds Issued	\$13,368,000.00			
Original Authorized Cost	\$13,652,695.72			
Additional Authorized Cost				
Revised Authorized Cost	\$13,652,695.72			
Percentage Increase over Original Authorized Cos				
Percentage Completion	84.72%			
Original Target Completion Date	6/30/20			
Revised Target Completion Date	6/30/21			

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

BOROUGH OF EMERSON SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS	
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 150,111.36	\$ 27,198.63	\$ 113,684.08	\$ 85,654.09	\$ 376,648.16	
Accounts receivable:						
Federal	8,824.51				8,824.51	
State	399.26				399.26	
Interfunds	614.00				614.00	
Inventories	3,039.50				3,039.50	
Total Current Assets	162,988.63	27,198.63	113,684.08	85,654.09	389,525.43	
Capital Assets:						
Equipment	117,314.55	23,928.00	12,984.48		154,227.03	
Less: Accumulated Depreciation	(39,805.10)	(4,032.80)	(8,223.68)		(52,061.58)	
Total Capital Assets	77,509.45	19,895.20	4,760.80		102,165.45	
Total Assets	240,498.08	47,093.83	118,444.88	85,654.09	491,690.88	
LIABILITIES						
Current Liabilities:						
Accounts payable	11,770.19		(0.00)		11,770.19	
Unearned revenue	34,298.02				34,298.02	
Total Current Liabilities	46,068.21		(0.00)		46,068.21	
Total Liabilities	46,068.21		(0.00)		46,068.21	
NET POSITION						
Net investment in capital assets	77,509.45	19,895.20	4,760.80		102,165.45	
Unrestricted	116,920.42	27,198.63	113,684.08	85,654.09	343,457.22	
Total Net Position	\$ 194,429.87	\$ 47,093.83	\$ 118,444.88	\$ 85,654.09	\$ 445,622.67	

BOROUGH OF EMERSON SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS - ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND					
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	TOTALS	
OPERATING REVENUES:						
Charges for services:						
Daily sales	\$ 139,678.92	\$	\$	\$	\$	139,678.92
Daily sales - non-reimbursable programs	367,255.00					367,255.00
Miscellaneous		40,494.50	190,246.92	135,787.25		190,246.92
Program Fees						176,281.75
Total Operating Revenues	506,933.92	40,494.50	190,246.92	135,787.25		873,462.59
OPERATING EXPENSES:						
Cost of sales-reimbursable	127,691.86					127,691.86
Cost of sales-non reimbursable	128,752.00					128,752.00
Salaries	180,408.53		116,864.21			297,272.74
Employee benefits and taxes	58,023.09					58,023.09
Other purchased services	32,610.00		24,269.75			56,879.75
Supplies and materials	28,372.43	18,551.81	3,726.79			50,651.03
Miscellaneous	74,054.62			131,440.75		205,495.37
Depreciation	17,034.24	4,032.80	2,596.80			23,663.84
Total Operating Expenses	646,946.77	22,584.61	147,457.65	131,440.75		948,429.78
Operating Income (Loss)	(140,012.85)	17,909.89	42,789.27	4,346.50		(74,967.19)
NONOPERATING REVENUES:						
State Sources						
State School Lunch Program	4,916.50					4,916.50
State School Breakfast Program	122.10					122.10
Federal Sources						
National School Lunch Program	87,330.34					87,330.34
National School Breakfast Program	12,688.84					12,688.84
P-EET Administrative Cost Reimbursement	653.00					653.00
Emergency Operational Cost Program-Schools	0.00					
Supply Chain Assistance Program	41,459.21					41,459.21
Total Nonoperating Revenues	147,169.99					147,169.99
Net Income (Loss) before Contributions and Transfers	7,157.14	17,909.89	42,789.27	4,346.50		72,202.80
Change in net position	7,157.14	17,909.89	42,789.27	4,346.50		72,202.80
Total Net Position, Beginning of Year	187,272.73	29,183.94	75,655.61	81,307.59		373,419.87
Total Net Position, End of Year	194,429.87	47,093.83	118,444.88	85,654.09		445,622.67

BOROUGH OF EMERSON SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				TOTALS
	FOOD SERVICE SCHOOL NUTRITION	AFTERCARE PROGRAM	ADULT EDUCATION PROGRAM	PRESCHOOL PROGRAM	
Cash flows from operating activities:					
Receipts from customers	\$ 506,933.92	\$ 40,494.50	\$ 190,246.92	\$ 135,787.25	\$ 873,462.59
Payments for employees' salaries and benefits	(180,408.53)	(6,195.91)	(117,764.21)	(131,440.75)	(435,809.40)
Payments to suppliers for goods and services	(474,721.80)	(18,551.81)	(27,996.54)		(521,270.15)
Net Cash Provided by (Used for) Operating Activities	(148,196.41)	15,746.78	44,486.17	4,346.50	(83,616.96)
Cash Flows from Noncapital Financing Activities:					
State Sources	5,556.52				5,556.52
Federal Sources	209,588.92				209,588.92
Net Cash Provided by (Used for) Noncapital Financing Activities	215,145.44				215,145.44
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(47,039.57)				(47,039.57)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(47,039.57)				(47,039.57)
Net increase in cash and cash equivalents	19,909.46	15,746.78	44,486.17	4,346.50	84,488.91
Cash and cash equivalents, July 1	\$ 130,201.90	\$ 11,451.85	\$ 69,197.91	\$ 81,307.59	\$ 292,159.25
Cash and cash equivalents, June 30	\$ 150,111.36	\$ 27,198.63	\$ 113,684.08	\$ 85,654.09	\$ 376,648.16
Operating Income (Loss)	\$ (140,012.65)	\$ 17,909.89	\$ 42,789.27	\$ 4,346.50	\$ (74,967.19)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Net Amortization	17,034.24	4,032.80	2,596.90		23,663.94
Change in Assets and Liabilities:					
Increase / (Decrease) in Accounts Payable	(16,968.40)	(6,195.91)	(900.00)		(24,064.31)
Increase / (Decrease) in Unearned Revenue	(6,524.37)				(6,524.37)
(Increase) / Decrease in Inventory	(1,725.03)				(1,725.03)
Net Cash Provided by (Used for) by Operating Activities	\$ (148,196.41)	\$ 15,746.78	\$ 44,486.17	\$ 4,346.50	\$ (83,616.96)

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchases.

BOROUGH OF EMERSON SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2023

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JUNE 30, 2022</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2023</u>
			<u>DATE</u>	<u>AMOUNT</u>				
School Bonds	12/15/2018	\$ 13,368,000.00	9/1/2023	545,000.00	3.125%			
			9/1/2024	565,000.00	3.250%			
			9/1/2025	585,000.00	3.250%			
			9/1/2026	605,000.00	3.250%			
			9/1/2027	625,000.00	3.250%			
			9/1/2028	645,000.00	3.250%			
			9/1/2029	665,000.00	3.250%			
			9/1/2030	690,000.00	3.250%			
			9/1/2031	715,000.00	3.250%			
			9/1/2032	735,000.00	3.250%			
			9/1/2033	765,000.00	3.250%			
			9/1/2034	790,000.00	3.250%			
			9/1/2035	815,000.00	3.375%			
			9/1/2036	845,000.00	3.375%			
			9/1/2037	870,000.00	3.500%			
				9/1/2038	900,000.00	3.500%		
						11,890,000.00	530,000.00	11,360,000.00
						<u>\$ 11,890,000.00</u>	<u>\$ 530,000.00</u>	<u>\$ 11,360,000.00</u>

BOROUGH OF EMERSON SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASES
AS OF JUNE 30, 2023

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL INSTALLMENT PURCHASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2022</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2023</u>
Copiers	Various	48,333.68	\$ 31,830.58	\$ 9,577.75	\$ 22,252.83
			<u>\$ 31,830.58</u>	<u>\$ 9,577.75</u>	<u>\$ 22,252.83</u>

BOROUGH OF EMERSON SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ORIGINAL BUDGET</u>	<u>MODIFIED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 761,388.00	\$ 761,388.00	\$ 761,388.00	\$
State sources:				
Debt Service Aid Type II	<u>138,733.00</u>	<u>138,733.00</u>	<u>138,733.00</u>	
Total revenues	<u>900,121.00</u>	<u>900,121.00</u>	<u>900,121.00</u>	
EXPENDITURES:				
Regular debt service:				
Interest	383,300.00	383,300.00	383,300.00	
Redemption of principal	<u>530,000.00</u>	<u>530,000.00</u>	<u>530,000.00</u>	
Total regular debt service-expenditures	<u>913,300.00</u>	<u>913,300.00</u>	<u>913,300.00</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(13,179.00)</u>	<u>(13,179.00)</u>	<u>(13,179.00)</u>	
Fund balance, July 1	<u>139,973.71</u>	<u>139,973.71</u>	<u>139,973.71</u>	
Fund balance, June 30	<u>\$ 126,794.71</u>	<u>\$ 126,794.71</u>	<u>\$ 126,794.71</u>	<u>\$</u>

STATISTICAL SECTION
(UNAUDITED)

BOROUGH OF EMERSON SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
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-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 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 to 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 (ACFR) for the relevant year.

BOROUGH OF EMERSON SCHOOL DISTRICT
NET POSITION BY COMPONENT
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets (deficit)	\$ 10,651,320	\$ 10,077,884	\$ 8,868,853	\$ 15,017,022	\$ (6,766,513)	\$ 1,264,681	\$ 1,405,445	\$ 1,449,616	\$ 1,622,580	\$ 1,203,950
Restricted	7,326,336.22	5,808,054.48	4,335,954.82	(4,027,076.23)	3,339,940.86	2,826,452	2,463,835	2,105,626	1,854,685	2,579,770
Unrestricted (deficit)	(2,136,052)	(2,675,876)	(2,182,697)	(2,559,930)	(2,482,708)	(3,844,482)	(3,923,374)	(3,706,338)	(3,040,588)	1,590,163
Total governmental activities net position	\$ 15,841,604	\$ 13,210,063	\$ 11,022,111	\$ 8,430,016	\$ (5,919,280)	\$ 246,651	\$ (54,094)	\$ (151,096)	\$ 436,677	\$ 5,373,883
Business-type activities										
Net investment in capital assets	\$ 102,165	\$ 78,790	\$ 22,631	\$ 26,479	\$ 20,841	\$ 161,183	\$ 112,874	\$ 125,284	\$ 82,012	\$ 92,858
Unrestricted	343,457	294,630	274,218	185,477	220,254	161,183	112,874	125,284	82,012	92,858
Total business-type activities net position	\$ 445,623	\$ 373,420	\$ 296,849	\$ 211,956	\$ 241,095	\$ 161,183	\$ 112,874	\$ 125,284	\$ 82,012	\$ 92,858
District-wide										
Net investment in capital assets (deficit)	\$ 10,753,485	\$ 10,156,674	\$ 8,891,484	\$ 15,043,501	\$ (6,745,672)	\$ 1,264,681	\$ 1,405,445	\$ 1,449,616	\$ 1,622,580	\$ 1,203,950
Restricted	7,326,336	5,808,054	4,335,955	(4,027,076)	3,339,941	2,826,452	2,463,835	2,105,626	1,854,685	2,579,770
Unrestricted (deficit)	(1,792,595)	(2,381,246)	(1,908,479)	(2,374,452)	(2,272,454)	(3,683,299)	(3,810,500)	(3,581,054)	(2,958,576)	1,683,021
Total district net position	\$ 16,287,226	\$ 13,583,483	\$ 11,318,960	\$ 8,641,972	\$ (5,678,185)	\$ 407,834	\$ 58,780	\$ (25,812)	\$ 518,689	\$ 5,466,741

Source: ACFR Schedule A-1

BOROUGH OF EMERSON SCHOOL DISTRICT
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
Instruction										
Regular	\$ 9,488,121	\$ 9,873,048	\$ 10,925,902	\$ 9,881,290	\$ 9,560,546	\$ 6,006,699	\$ 5,842,344	\$ 5,861,777	\$ 5,305,071	\$ 5,078,116
Special education	5,958,664	5,900,322	6,009,906	5,734,417	5,448,633	2,079,687	2,149,830	2,114,959	2,102,980	2,017,881
Other instruction	1,564,480	1,826,731	1,590,865	1,596,014	1,475,057	256,250	233,210	217,533	217,533	267,139
School sponsored activities and athletics						643,018	603,774	627,941	683,550	619,581
Support Services:										
Tuition	3,397,444	3,283,469	3,481,855	3,172,280	2,825,775	1,983,174	1,780,262	1,916,373	1,637,296	1,672,158
Student and instruction related services	638,159	668,408	766,374	686,964	596,052	1,350,865	1,470,311	1,571,222	1,542,008	1,412,888
Educational media/school library	1,774,729	1,894,843	2,420,073	2,122,303	2,025,960	219,749	217,105	208,703	212,841	208,889
General administration	654,705	710,096	879,891	615,101	665,710	364,734	337,732	331,540	320,185	296,218
School administrative services	2,698,502	2,862,734	2,489,077	2,249,688	2,097,950	1,140,806	1,096,008	917,513	946,879	1,173,130
Central services	760,094	774,249	594,322	680,680	683,797	445,408	441,031	429,011	414,766	416,214
Plant operations and maintenance						1,663,107	1,798,062	1,894,077	1,698,160	1,615,396
Pupil transportation						534,773	476,078	429,787	443,707	394,436
Unallocated Benefits						6,331,827	5,874,880	5,744,284	9,543,813	4,300,862
Capital	378,957	395,799	409,053	456,006	205,237	638,436	660,073	578,338	1,451,702	441,593
Interest on long-term debt	328,177	330,692	265,406	247,110	164,871					
Unallocated depreciation	27,642,031	28,520,392	29,821,726	27,441,863	25,749,587	23,660,533	22,996,815	22,858,745	26,520,491	19,914,501
Total governmental activities expenses										
Business-type activities:										
Business	646,947	683,514	349,396	354,892	423,053	720,956	679,113	608,229	580,941	548,540
Food service	131,441	107,958	46,881	93,333	100,530					
Preschool Program	22,585	30,746	72,849	73,648	44,372					
Aftercare Program				903						
BCBANC	147,458	155,193	64,933	150,724	201,528					
Adult Education Program	948,430	977,411	534,059	673,500	769,482	720,956	679,113	608,229	580,941	548,540
Total business-type activities expense	\$ 28,590,461	\$ 29,497,802	\$ 30,355,785	\$ 28,115,362	\$ 26,519,069	\$ 24,381,489	\$ 23,675,928	\$ 23,466,974	\$ 27,101,432	\$ 20,463,041
Total district expenses										
Program Revenues										
Governmental activities:										
Charges for services	\$ 286,503	\$ 309,537	\$ 134,989	\$ 23,925	\$ 71,091	\$ 26,119	\$ 19,487	\$ 16,887	\$ 16,712	\$ 17,554
Operating grants and contributions	5,804,710	6,894,133	8,680,708	6,013,653	6,763,263	3,528,545	3,482,078	3,228,767	2,801,223	2,536,687
Total governmental activities program revenues	6,091,213	7,203,670	8,815,697	6,037,579	6,834,354	3,554,664	3,501,565	3,245,654	2,817,935	2,554,241
Business-type activities:										
Charges for services	506,934	103,145	1,370	250,205	354,713	698,691	604,396	592,586	522,797	520,081
Charges	135,787	116,492	47,291	110,470	109,075					
Food service	40,495	40,495	63,554	78,681	108,565					
Preschool Program	190,247	172,827	74,616	134,564	204,333					
Aftercare Program	147,170	661,518	432,121	70,441	72,709	70,574	62,307	58,915	47,298	50,881
Adult Education Program	1,020,633	1,053,982	618,962	644,361	849,394	769,265	666,703	651,501	570,095	570,962
Operating grants and contributions	7,111,846	8,257,652	9,434,649	6,681,939	7,683,748	4,323,929	4,168,268	3,897,155	3,386,030	3,125,203
Total business type activities program revenues										
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	(21,550,816)	(21,316,722)	(21,006,029)	(21,404,284)	(18,915,233)	(20,105,869)	(19,495,250)	(19,613,091)	(23,702,556)	(17,360,260)
Business-type activities	72,203	76,571	84,893	(29,139)	79,912	48,309	(12,410)	43,272	(10,846)	22,422
Total district-wide net expense	\$ (21,478,615)	\$ (21,240,151)	\$ (20,921,136)	\$ (21,433,423)	\$ (18,835,321)	\$ (20,057,560)	\$ (19,507,960)	\$ (19,569,819)	\$ (23,713,402)	\$ (17,337,838)

BOROUGH OF EMERSON SCHOOL DISTRICT
CHANGES IN NET POSITION
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 21,970,456	\$ 21,539,680	\$ 21,117,907	\$ 20,703,830	\$ 20,137,326	\$ 19,438,059	\$ 18,881,630	\$ 18,347,315	\$ 17,822,315	\$ 17,364,797
Taxes levied for debt service	761,388.00	781,388.00	771,722.00	756,540.00		484,280	477,791	483,515	473,687	461,899
Other Local Governmental Units-Restricted	80,318.00	202,331.59	74,728.25	78,110.81	30,405.00	257,318	45,987			
State aid restricted for debt service	138,733.00	138,163.00	138,222.00	151,087.00						
Unrestricted state aid	1,231,463.28	863,111.87	794,162.64	794,511.26	884,161.41	12,617	8,208	194,488	469,358	328,984
Investment Earnings						214,340	178,636			
Miscellaneous income				(92,498)	(650)					
Special Items				22,391,581	21,051,242	20,406,614	19,592,252	19,025,318	18,765,360	18,155,680
Total governmental activities	\$ 24,182,358	\$ 23,504,674	\$ 22,896,742	\$ 22,391,581	\$ 21,051,242	\$ 20,406,614	\$ 19,592,252	\$ 19,025,318	\$ 18,765,360	\$ 18,155,680
Total district-wide	\$ 24,182,358	\$ 23,504,674	\$ 22,896,742	\$ 22,391,581	\$ 21,051,242	\$ 20,406,614	\$ 19,592,252	\$ 19,025,318	\$ 18,765,360	\$ 18,155,680
Change in Net Position										
Governmental activities	\$ 2,631,540	\$ 2,187,953	\$ 1,890,713	\$ 967,297	\$ 2,136,010	\$ 300,745	\$ 97,002	\$ (587,773)	\$ (4,937,196)	\$ 795,420
Business-type activities	72,203	76,571	84,893	(29,139)	79,912	48,309	(12,410)	43,272	(10,846)	22,422
Total district	\$ 2,703,743	\$ 2,264,524	\$ 1,975,606	\$ 938,158	\$ 2,215,921	\$ 349,054	\$ 84,592	\$ (544,501)	\$ (4,948,042)	\$ 817,842

Source: ACFR Schedule A-2

BOROUGH OF EMERSON SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 (modified accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2015	2014	2014
General Fund										
Reserved										
Unreserved(Deficit)										
Restricted	\$ 7,032,215	\$ 5,496,089	\$ 4,018,147	\$ 3,122,795	\$ 3,339,941	\$ 3,674,767	\$ 3,165,727	2,832,809	\$3,474,878.00	\$3,474,878.00
Assigned	824,622	771,718	1,791,241	1,857,386	2,069,412				621,279	621,279
Unassigned	1,115,902	1,083,262	1,101,077	740,777	755,971	623,313	676,026	659,979	\$ 4,096,157	\$ 4,096,157
Total general fund	\$ 8,972,739	\$ 7,351,068	\$ 6,910,464	\$ 5,720,958	\$ 6,165,324	\$ 4,298,080	\$ 3,841,753	\$ 3,492,788	\$ 305,404	\$ 305,404
All Other Governmental Funds										
Restricted	\$ 803,136	\$ 1,257,148	\$ 1,492,813	\$ 1,548,924	\$ 4,535,044				\$ 305,404.00	\$ 305,404.00
Assigned	688,237	705,517	1,079,536	4,005,358	8,179,466				\$ 305,404	\$ 305,404
Total all other governmental funds	\$ 1,491,373	\$ 1,962,665	\$ 2,572,349	\$ 5,554,282	\$ 12,714,509	\$ -	\$ -	\$ 81,496	\$ 305,404	\$ 305,404

Source: ACFR Schedule B-1

BOROUGH OF EMERSON SCHOOL DISTRICT
 CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
 UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 22,731,844	\$ 22,301,068	\$ 21,889,629	\$ 21,460,370	\$ 20,137,326	\$ 19,438,059	\$ 18,881,630	\$ 18,347,315	\$ 17,822,315	\$ 17,364,797
Miscellaneous	1,519,650	1,181,149	934,365	818,437	974,385	737,356	737,819	736,038	961,339	805,408
State Sources	6,960,619	6,296,293	5,122,981	4,466,317	4,110,359	3,446,000	3,129,747	2,845,826	2,530,323	2,282,444
Federal Sources	738,757	863,302	491,416	332,082	336,667	339,863	344,621	341,793	289,318	257,272
Total Revenue	31,950,870	30,641,812	28,438,391	27,077,206	25,558,736	23,961,278	23,093,817	22,270,972	21,583,295	20,709,921
Expenditures										
Instruction										
Regular Instruction	7,158,397	6,983,832	6,652,130	6,289,346	6,091,020	6,006,699	5,842,344	5,861,777	5,305,071	5,038,451
Special Education Instruction	2,525,790	2,399,636	2,146,311	2,166,635	2,072,611	2,079,687	2,149,830	2,114,959	2,102,980	2,002,120
Other Instruction	1,088,389	1,151,270	922,269	967,642	940,192	258,250	249,325	233,210	217,533	265,053
School Sponsored Activities and Athletics						643,018	603,774	627,941	683,550	614,742
Support Services:										
Tuition	2,443,366	2,416,968	2,302,117	2,123,738	2,057,922	1,983,174	1,780,282	1,916,373	1,637,296	1,659,097
Student and Instruction Related Services	2,392,442	2,198,419	1,951,774	1,814,879	1,658,050	1,350,865	1,470,671	1,571,222	1,542,018	1,401,853
Educational Media/School Library						219,749	217,105	208,703	212,841	207,257
General Administration	450,876	422,314	389,279	387,340	341,358	364,734	337,372	331,540	320,185	293,904
School Administrative Services	1,125,409	1,102,719	1,144,198	1,068,659	1,057,161	1,140,806	1,096,008	917,513	946,879	1,163,967
Central Services	474,361	462,231	542,362	411,141	452,111	445,408	441,031	429,011	414,766	412,963
Plant Operations and Maintenance	2,159,072	2,167,856	1,896,197	1,718,499	1,631,226	1,663,107	1,798,062	1,894,077	1,698,160	1,602,778
Pupil Transportation	684,991	648,137	476,811	562,258	572,705	534,773	476,078	429,787	443,707	391,354
Unallocated Benefits	8,572,254	8,267,133	7,201,208	7,872,651	6,216,019	6,317,009	5,544,574	5,451,999	5,096,750	4,310,886
Capital Outlay	811,846	1,680,826	4,445,934	8,211,888	1,254,609	497,672	615,902	405,374	1,870,332	441,593
Debt Service:										
Principal	530,000	510,000	485,000	473,000	-	-	-	-	-	-
Interest and Other Charges	383,300	399,550	414,944	521,626	-	-	-	-	-	-
Total expenditures	30,800,492	30,810,892	30,980,533	34,589,301	24,344,983	23,504,951	22,622,338	22,393,486	22,492,068	19,806,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,150,378	(169,080)	(2,542,142)	(7,512,096)	1,213,754	456,327	471,479	(122,514)	(908,773)	903,903
Other Financing Sources (Uses)										
Cancelled Accounts Payable	-	-	48,334	-	13,368,000	-	-	-	-	-
Bond Proceeds	-	-	-	(92,498)	-	-	-	-	-	-
Other charges	-	-	-	(92,498)	-	-	-	-	-	-
Total Other Financing Sources (Uses)			48,334	(92,498)	13,368,000					
Net Change in Fund Balance:	\$ 1,150,378	\$ (169,080)	\$ (2,493,808)	\$ (7,604,593)	\$ 14,581,754	\$ 456,327	\$ 471,479	\$ (122,514)	\$ (908,773)	\$ 903,903
Debt Service as a Percentage of Noncapital Expenditures	3.05%	3.12%	3.43%	3.77%						

Source: ACFR Schedule B-2
 * Noncapital expenditures are total expenditures less capital outlay.

EMERSON BOARD OF EDUCATION
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 UNAUDITED

Fiscal Year Ended June 30,	Non-Public Transportation Reimbursement	Interest on Investments	Prior Year Refunds	Transportation Refunds	Returned From Capital Projects	Miscellaneous	Total
2014	\$ 8,269	\$ 17,143	\$ 19,948		\$ 141,948	\$ 129,136	\$ 316,444
2015	7,939	11,938	108,787	\$ 15,075	305,404	17,082	466,225
2016	6,710	13,179	89,302	8,000		71,356	188,547
2017		21,900	10,093			146,643	178,636
2018						214,340	214,340
2019		105,330	39,848			95,046	240,224
2020		76,567	31,614			36,345	144,527
2021		98,019				170,291	268,310
2022		31,482				16,993	48,475
2023		356,704	178,782			149,493	684,979

Source: District Records

BOROUGH OF EMERSON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Calendar Year	Vacant Land	Residential	Farm	Commercial	Industrial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	16,385,600	1,008,529,100	288,400	167,274,500	4,806,500	1,197,598,700	791,718	1,198,390,418	1.488	1,249,910,039
2015	17,177,000	1,010,393,600	288,400	164,469,300	6,706,500	1,197,284,100	818,896	1,198,102,996	1.529	1,233,850,026
2016	16,966,300	1,014,035,500	288,400	163,408,000	6,706,500	1,199,034,800	802,591	1,199,837,391	1.571	1,259,476,713
2017	16,703,000	1,018,155,000	268,400	161,033,100	4,806,500	1,201,404,700	799,629	1,202,204,329	1.617	1,267,448,581
2018	15,129,600	1,021,910,100	288,400	160,491,600	4,806,500	1,200,966,000	815,009	1,201,781,009	1.673	1,294,947,728
2019	14,595,400	1,026,982,700	288,400	160,413,400	4,806,500	1,202,626,200	826,407	1,203,452,607	1.777	1,319,802,127
2020	16,196,600	1,027,398,100	288,400	157,750,500	4,806,500	1,207,086,400	832,705	1,207,919,105	1.814	1,337,620,617
2021	16,643,100	1,030,870,500	288,400	154,636,400	4,806,500	1,207,244,900	835,135	1,208,080,035	1.847	1,450,812,189
2022	16,942,000	1,032,987,500	293,200	157,213,100	4,806,500	1,212,242,300	779,764	1,213,022,064	1.874	1,460,014,090
2023	18,623,500	1,035,199,900	293,200	156,680,700	4,806,500	1,215,603,800		1,215,603,800	1.925	1,520,091,978

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

BOROUGH OF EMERSON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

(rate per \$100 of assessed value)

UNAUDITED

Calendar Year Ended Dec. 31	Local School District	Municipality of Emerson	Municipal Public Library	County of Bergen	Total
2014	1.488	0.732	0.034	0.242	2.496
2015	1.529	0.741	0.034	0.246	2.550
2016	1.571	0.741	0.034	0.258	2.604
2017	1.617	0.745	0.035	0.264	2.661
2018	1.673	0.744	0.036	0.264	2.717
2019	1.777	0.765	0.037	0.266	2.845
2020	1.814	0.785	0.037	0.275	2.911
2021	1.847	0.804	0.037	0.281	2.969
2022	1.874	0.823	0.040	0.291	3.028
2023	1.925	0.950	0.042	0.299	3.216

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any appending growth adjustments.

- a** The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable
- b** Rates for debt service are based on each year's requirements.

BOROUGH OF EMERSON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
ROBERT LEE RALTY% AFS LEASE ACCT	23,750,000	1	1.96%	23,750,000	1	1.98%
URSTADT BIDDLE PROPERTY INC	13,506,000	2	1.11%	13,506,000	2	1.13%
EMERSON CONVALESCENT CENTER	1,180,000	3	0.10%	11,800,000	3	0.98%
BREA EMERSON LLC-% STE.2300	9,500,000	4	0.78%	9,500,000	4	0.79%
HACKENSACK GOLF CLUB	7,029,300	5	0.58%	7,029,000	5	0.59%
452 OLD HOOK RD ASSOC LLC	5,004,000	6	0.41%	5,004,000	6	0.42%
LIBERTY EMERSON LLC	4,105,900	7	0.34%	4,105,900	7	0.34%
SUEZ % ALTUS GROUP US INC.	4,025,500	8	0.33%	4,025,500	8	0.34%
GRAND INVESTMTS IV LLC	3,742,700	9	0.31%	3,742,700	9	0.31%
ARMENIAN HOME FOUNDATION	3,440,600	10	0.28%			
HACKENSACK GOLF CLUB				2,947,800	10	0.25%
Total	\$ 75,284,000.00		6.21%	\$ 85,410,900.00		7.13%

Source: District ACFR J11 and Municipal Tax Assessor

BOROUGH OF EMERSON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	17,364,797	17,364,797	100.00%	0
2015	17,822,315	17,822,315	100.00%	0
2016	18,347,315	18,347,315	100.00%	0
2017	18,881,630	18,881,630	100.00%	0
2018	19,438,059	19,438,059	100.00%	0
2019	20,137,326	20,137,326	100.00%	0
2020	21,460,370	21,460,370	100.00%	0
2021	21,889,629	21,889,629	100.00%	0
2022	22,301,068	22,301,068	100.00%	0
2023	22,731,844	22,731,844	100.00%	0

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

EXHIBIT "J-10"

BOROUGH OF EMERSON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita ^a
	General Obligation Bonds	Installment Purchases			
2014				7,621	
2015				7,656	
2016				7,697	
2017				7,669	
2018				7,520	
2019	\$13,368,000.00		\$13,368,000.00	7,394	1,808
2020	12,895,000.00		12,895,000.00	7,394	1,744
2021	12,400,000.00	\$40,996.78	12,440,996.78	7,563	1,645
2022	11,890,000.00	31,830.58	11,921,830.58	7,244	1,646
2023	11,360,000.00	22,252.83	11,382,252.83	7,233	1,574

Source: District ACFR Schedules I-1 and I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

BOROUGH OF EMERSON SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Total Municipal Assessed Value	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2014				1,249,910,039		
2015				1,233,950,026		
2016				1,259,476,713		
2017				1,202,207,291		
2018				1,201,785,629		
2019	\$13,368,000.00	-0-	\$13,368,000.00	1,203,441,209	1.11%	1,807.95
2020	12,895,000.00	-0-	12,895,000.00	1,207,912,807	1.07%	1,743.98
2021	12,400,000.00	-0-	12,400,000.00	1,207,912,807	1.03%	1,639.56
2022	11,890,000.00	-0-	11,890,000.00	1,207,919,105	0.98%	1,641.36
2023	11,360,000.00	-0-	11,360,000.00	1,208,080,035	0.94%	1,570.58

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

BOROUGH OF EMERSON SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Emerson Borough	\$ 10,305,100	100.00%	\$ 10,305,100
Other debt Bergen County	977,925,631	0.78%	<u>7,627,820</u>
Subtotal, overlapping debt			17,932,920
Emerson Borough School District Direct Debt	11,360,000	100.00%	<u>11,360,000</u>
Total direct and overlapping debt			<u>\$ 29,292,920</u>

Sources: Borough Chief Financial Officer and County Treasurer's Office

*** Information for this schedule was not available at the time of audit.**

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Emerson. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

BOROUGH OF EMERSON SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	*	*	*	*	*	51,524,328	52,465,170	35,786,933	55,119,961	57,497,428
Total net debt applicable to limit	*	*	*	*	*	13,368,000	12,895,000	12,400,000	11,890,000	11,360,000
Legal debt margin	*	*	*	*	*	\$ 38,156,328	\$ 39,570,170	\$ 23,386,933	\$ 43,229,961	\$ 46,137,428
Total net debt applicable to the limit as a percentage of debt limit						38.56%	24.58%	34.65%	34.65%	19.76%

	2022	2021	2020
Equalized valuation basis	\$ 1,512,844,503	1,449,977,054	1,349,485,570
			<u>[A]</u>
Average equalized valuation of taxable property			<u>[A/3]</u>
			\$ 1,437,435,709
Debt limit (4% of average equalization value)			<u>[B]</u>
Net bonded school debt			<u>[C]</u>
Legal debt margin			<u>[B-C]</u>
			\$ 57,497,428
			11,360,000
			<u>\$ 46,137,428</u>

* Information for this schedule was not available at the time of audit.

Source: Abstract of Rates and District Records ACFR Schedule J-7

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

BOROUGH OF EMERSON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year Ended</u> <u>December 31</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Income (c)</u>	<u>Unemployment Rate (d)</u>
2014	7,656	562,991,616	73,536	4.9%
2015	7,697	583,809,753	75,849	4.2%
2016	7,669	562,084,017	73,293	3.8%
2017	7,520	574,437,760	76,388	3.8%
2018	7,490	578,130,630	77,187	3.6%
2019	7,394	600,414,982	81,203	3.4%
2020	7,394	638,871,176	86,404	3.4%
2021	7,563	676,555,728	89,456	8.5%
2022	7,244	666,245,168	91,972	5.2%
2023	7,233	704,081,919	97,343	2.7%

Source: N.J. Department of Labor

- a** (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
(c) Per capita personal income by municipality estimated based upon the census published by the US Bureau of

BOROUGH OF EMERSON SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction	*	*	*	*	*	*	*	*	78	79
Regular	*	*	*	*	*	*	*	*	20	26
Special education	*	*	*	*	*	*	*	*	28	25
Other special education										
Support Services:										
Student & instruction related services	*	*	*	*	*	*	*	*	19	17
General administration	*	*	*	*	*	*	*	*	2	2
School administrative services	*	*	*	*	*	*	*	*	6	8
Central services	*	*	*	*	*	*	*	*	4	4
Administrative Information Technology	*	*	*	*	*	*	*	*	0	1
Plant operations and maintenance	*	*	*	*	*	*	*	*	18	17
Pupil transportation	*	*	*	*	*	*	*	*	4	6
Total									178.90	184.33

* Information for this schedule was not available at the time of audit.

Source: District Personnel Records

BOROUGH OF EMERSON SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) ^c				
2014	*	18,292,199.00	15,354	-0.30%	199.0	*	*	*	1,191	1,147	0.23%	96.25%	
2015	*	20,746,513.00	17,399	13.30%	202.0	*	*	*	1,192	1,147	0.08%	96.18%	
2016	*	20,342,483.00	17,491	0.50%	201.0	*	*	*	1,163	1,123	-2.47%	96.53%	
2017	*	20,310,779.00	18,164	3.80%	202.0	*	*	*	1,118	1,071	-3.85%	95.74%	
2018	*	*	*	*	*	*	*	*	*	*	*	*	
2019	*	23,090,373.85	*	*	*	*	*	*	*	*	*	*	
2020	*	25,382,787.45	*	*	*	*	*	*	*	*	*	*	
2021	*	25,624,655.19	*	*	*	*	*	*	*	*	*	*	
2022	1,053	28,220,516.12	26,800	*	115	*	*	*	1,056	996	*	*	
2023	1,054	29,075,346.07	27,586	2.93%	123	16:1	13:1	10:1	1,056	1,001	0.01%	94.75%	

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay;
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Cost per pupil represents operating expenditures divided by enrollment.

* Information for this schedule was not available at the time of audit.

BOROUGH OF EMERSON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Emerson Jr. Sr. High School										
Square Feet	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	120,000	120,000
Capacity (students)	527	527	527	527	527	527	527	527	499	499
Enrollment	555	566	548	527	*	*	*	*	459	440
Memorial										
Square Feet	24,750	24,750	24,750	24,750	24,750	24,750	24,750	24,750	48,000	48,000
Capacity (students)	338	338	338	338	338	338	338	338	396	396
Enrollment	304	293	294	266	*	*	*	*	364	377
Patrick M. Villano										
Square Feet	35,175	35,175	35,175	35,175	35,175	35,175	35,175	35,175	35,175	35,175
Capacity (students)	396	396	396	396	396	396	396	396	256	256
Enrollment	332	334	320	325	*	*	*	*	232	250

Number of Schools at June 30, 2023

Elementary -	2
Junior/Senior High School -	1
	<hr style="width: 100px; margin-left: 0;"/>
	3

Source: District records

* Information for this schedule was not available at the time of audit.

BOROUGH OF EMERSON - SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
UNAUDITED

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

School Facilities	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Emerson Jr. Sr. High School	N/A	\$ 537,404	\$ 513,518	\$ 609,596	\$ 573,569	\$ 625,438	\$ 490,569	\$ 496,220	\$ 575,124	\$ 499,948	\$ 399,493
Patrick M. Villano School	N/A	268,777	150,525	208,180	195,877	213,591	167,532	169,564	196,408	174,585	136,429
Memorial School	N/A	184,033	205,407	146,481	137,824	150,287	117,879	119,310	138,197	119,035	95,995
Total School Facilities		990,214	869,450	964,257	907,270	989,316	775,980	785,094	909,729	793,568	631,917
Grand Total		\$ 990,214	\$ 869,450	\$ 964,257	\$ 907,270	\$ 989,316	\$ 775,980	\$ 785,094	\$ 909,729	\$ 793,568	\$ 631,917

BOROUGH OF EMERSON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Package - School Alliance Insurance Fund		
Property & Casualty		
Building and Contents	\$ 51,897,008	\$ 2,500
Extra Expense Replacement Cost	\$ 50,000,000	
EDP Equipment		
Employee Benefit Liability		
Government Crime Policy Declaration		
Employee Theft per Loss Coverage		
Including Faithful Performance	500,000 per loss	\$ 1,000
Forgery & Alteration	\$ 50,000	\$ 1,000
Money & Securities (Inside the Premises)	\$ 50,000	\$ 1,000
Robbery or Safe Burglary (Inside the Premises)	\$ 50,000	\$ 1,000
Outside the Premises	\$ 50,000	\$ 1,000
Computer Fraud	\$ 50,000	\$ 1,000
Funds Transfer Fraud	\$ 50,000	\$ 1,000
Flood (Zones non A or V)	\$ 10,000,000	
Flood (Zones A or V)	\$ 25,000,000	
Earthquake	\$ 25,000,000	
Boiler and Machinery		
Limit of Liability	\$ 100,000,000	\$ 2,500
General Liability		
Commercial General Liability		
Each Occurrence	\$ 5,000,000	N/A
Personal Injury	\$ 100,000	N/A
Fire Damage	\$ 2,500,000	N/A
Medical Expense Limit	\$ 5,000	N/A
Employee Benefits Liability	\$ 5,000,000	\$ 1,000
Cyber Liability		
Limit of Liability	\$ 2,000,000	10,000
First Party Losses Sublimit	\$ 750,000	
Third Party Liability Sublimit	\$ 2,000,000	

BOROUGH OF EMERSON SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2023

UNAUDITED

Business Auto			
Combined Single Limit	\$	5,000,000	N/A
Hired-Non Owned	\$	5,000,000	N/A
Personal Injury Protection	\$	100,000	N/A
Uninsured/Underinsured Motorists	\$	5,000,000	N/A
Medical Payments		N/A	N/A
Collision	Actual Cash value	\$	1,000
Comprehensive	Actual Cash value	\$	1,000
Garage Keepers Legal Liability			
School Leaders Liability/Employment Practices Liability			
Per Claim Limit of Liability	\$	5,000,000	\$ 5,000
IEP Hearing Limit of Liability for Defense Costs Subject to a \$100,000 Aggregate Limit of Liability for Defense Costs	\$	100,000	
Crisis Fund	\$	25,000	
Excess Liability & Excess School Leaders Errors & Omissions			
<i>School Alliance Insurance Fund</i>	\$	5,000,000	\$ 5,000
Each Loss	\$	5,000,000	N/A
Aggregate	\$	5,000,000	N/A
Environmental Impairment Liability Policy			
Pollution Liability - Site Specific			
Per Pollution Condition	\$	1,000,000	\$ 50,000
Policy Aggregate Limit	\$	25,000,000	
New Jersey Unshared Excess Program	\$	30,000,000	
<i>Hudson Insurance/Allied World/Evanston Market</i>			
New Jersey Cap Program	\$	25,000,000	
<i>Fireman's fund Insurance Company</i>			
Travel Accident	\$	100,000	
<i>Gerber Life Insurance Company</i>			
Aggregate		500,000	

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable President and Members
of the Board of Education
Borough of Emerson School District
County of Bergen
Emerson, New Jersey 07630

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 the financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Emerson School District, in the County of Bergen, State of New Jersey (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2023.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 22, 2023



SUPLEE, CLOONEY & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Borough of Emerson School District
County of Bergen
Emerson, New Jersey 07630

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Borough of Emerson School District, County of Bergen, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District'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 District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

SUPLEE, CLOONEY & COMPANY

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

Responsibilities of Management for Compliance

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

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 District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

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

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

SUPLEE, CLOONEY & COMPANY

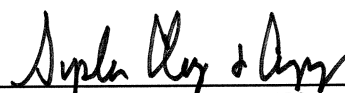
Report on Internal Control over Compliance

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

December 22, 2023

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL AWARD NUMBER	FEDERAL AWARD I.D. NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD FROM TO	BALANCE JUNE 30, 2022		CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENTS/ CANCEL PRIOR YEAR ACCOUNTS PAYABLE	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE JUNE 30, 2023		
					(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE							(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	
FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE															
Enterprise Funds															
U.S. Department of Agriculture															
Passed-Through State Department of Education:															
Child Nutrition Cluster															
10.555	221N304N1099	N/A	511,256.56	07/01/2021	06/30/2022	\$	39,851.12	\$	\$	\$	\$	\$	\$	\$	\$
	National School Lunch Program		87,330.34	07/01/2022	06/30/2023		80,338.77		(87,330.34)				(6,991.57)		
10.555	231N304N1099	N/A	143,549.28	07/01/2021	06/30/2022		14,137.33								
	National School Breakfast Program		12,688.84	07/01/2022	06/30/2023		11,508.90		(12,688.84)				(1,179.94)		
10.555	231N304N1099	N/A	26,060.30	07/01/2021	06/30/2022		26,060.30		(26,060.30)						
	National School Breakfast Program		37,692.50	07/01/2022	06/30/2023		37,692.50		(15,398.91)					22,293.59	
10.555	231N344N8903	N/A		07/01/2022	06/30/2023		209,588.92		(141,478.39)				(8,171.51)		22,293.59
	Supply Chain Assistance Funding 3rd Round														
	Total Child Nutrition Cluster														
10.649	202221S900841	N/A	653.00	07/01/2022	06/30/2023				(653.00)				(653.00)		
	P-EBT Administrative Cost Reimbursement								(653.00)				(653.00)		
	Total P-EBT Administrative Cost Reimbursement								(653.00)				(653.00)		
Total Enterprise Funds															
Special Revenue Funds															
U.S. Department of Education															
Passed-Through State Department of Education:															
Title I															
84.010	S010A200030	ESEA136021	40,258.00	07/01/2022	06/30/2023				40,258.00	(40,258.00)					
	Total Title I								40,258.00	(40,258.00)					
Title II															
84.367	S367A200029	ESEA136021	25,715.00	07/01/2022	06/30/2023				25,715.00	(25,715.00)					
	Total Title II								25,715.00	(25,715.00)					
Special Education Cluster															
84.027	S027A200100	IDEA136021	234,209.00	07/01/2022	06/30/2023				234,209.00	(233,246.46)			(2,188.46)		
84.173	S173A200114	IDEA136021	11,397.00	07/01/2022	06/30/2023				11,397.00	(11,397.00)			0.00		
	Total Special Education Cluster								245,606.00	(244,643.46)			(2,188.46)		
Education Stabilization Fund															
84.425D	S425D210027	21-5120-513	271,778.00	03/13/2020	09/30/2023		(45,900.00)		43,553.00	(304,728.00)			(207,075.00)		
84.425D	S425D210027	21-5120-518	610,803.00	03/13/2020	09/30/2023		(0.46)		167,063.00	(167,062.54)					
	Accelerated Learning Coach and Coaching Support								41,403.00	(42,871.51)			(1,468.51)		
84.425U	S425U210027	21-5120-518	40,000.00	03/13/2020	09/30/2024		(8.00)		40,000.00	(39,991.00)					
	Evidence Based Summer Learning and Enrichment Activities														
84.425U	S425U210027	21-5120-518	40,000.00	03/13/2020	09/30/2024		(492.00)		7,050.00	(6,558.00)					
84.425U	S425U210027	21-5120-518	45,000.00	03/13/2020	09/30/2024				45,000.00	(45,000.00)					
84.425W	S425W210027	21-5120-518	7,134.00	03/13/2020	09/30/2024		(7,134.00)		7,134.00						
	APP Homeless Children Youth Program														
	Total Education Stabilization Fund								351,203.00	(306,211.05)			(205,543.51)		
U.S. Department of Treasury															
ACERS- Additional or Compensatory Special Ed & Rel Sv.															
21.027	S1FRFDOE1E5		108,893.00	07/01/2022	06/30/2023		(108,893.00)		108,893.00	(64,909.00)			(64,909.00)		
	Total U.S. Department of Treasury								108,893.00	(64,909.00)			(64,909.00)		
Total Special Revenue Funds															
			789,524.00				(162,428.46)		789,524.00	(891,736.51)			(275,640.57)		
	Total Federal Financial Assistance		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			978,112.92				(1,023,867.90)		978,112.92	(1,023,867.90)			(284,465.48)		22,293.59

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	BALANCE AT JUNE 30, 2022		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2023		MEMO	
			UNEARNED REVENUE	DUE TO GRANTOR					(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education												
General Funds:												
State Aid Cluster:												
Categorical Special Education Aid	23-495-034-5120-089	\$ 947,481.00	\$ 0.00	\$ 0.00	\$ 868,650.00	\$ (947,481.00)	\$ (78,831.00)	\$ 0.00	\$ 0.00	\$ (78,831.00)	\$ 947,481.00	
Categorical Security Aid	23-495-034-5120-084	81,391.00	0.00	0.00	74,619.00	(81,391.00)	(6,772.00)	0.00	0.00	(6,772.00)	81,391.00	
Total State Aid Cluster:												
Categorical Transportation Aid	23-495-034-5120-014	134,241.00	0.00	0.00	123,072.00	(134,241.00)	(11,169.00)	0.00	0.00	(11,169.00)	134,241.00	
Non-Public Transportation Aid	22-495-034-5120-014	16,925.00	(15,660.00)	0.00	15,660.00	(16,925.00)	0.00	0.00	0.00	(16,925.00)	16,925.00	
Non-Public Transportation Aid	23-495-034-5120-014	643,062.00	0.00	0.00	666,349.00	(666,349.00)	0.00	0.00	0.00	(16,925.00)	643,062.00	
Extraordinary Aid	22-100-034-5120-473	725,883.00	0.00	0.00	3,267,604.00	(725,883.00)	0.00	0.00	0.00	(725,883.00)	725,883.00	
Extraordinary Aid	23-100-034-5120-473	3,267,604.00	0.00	0.00	45,334.00	(45,334.00)	0.00	0.00	0.00	0.00	3,267,604.00	
On-behalf TPAF Contributions	23-495-034-5094-002	1,381.00	0.00	0.00	1,381.00	0.00	0.00	0.00	0.00	0.00	1,381.00	
NCGI	23-495-034-5094-004	870,301.00	0.00	0.00	870,301.00	(870,301.00)	0.00	0.00	0.00	0.00	870,301.00	
Long-Term Disability Insurance	23-495-034-5094-001	658,612.28	0.00	0.00	35,039.09	(35,039.09)	0.00	0.00	0.00	0.00	658,612.28	
Post Retirement Medical	22-495-034-5094-003	734,901.89	0.00	0.00	696,434.81	(734,901.89)	0.00	0.00	0.00	(38,467.08)	734,901.89	
TPAF Social Security Aid	23-495-034-5094-003				6,664,443.90	(6,625,442.89)	(38,999.01)	0.00	0.00	(38,999.01)	6,664,443.90	
Total General Fund												
Special Revenue Funds:												
NJ Nonpublic Aid:												
Technology Aid	22-100-034-5120-373	336.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	336.00	
Textbook Aid	22-100-034-5120-064	480.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	480.00	
Security Aid	22-100-034-5120-509	1,400.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,400.00	
Nursing	22-100-034-5120-070	896.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	896.00	
SDA Emergent Needs	22-100-034-5120-519	25,790.00	0.00	0.00	0.00	(24,673.00)	0.00	0.00	0.00	(24,673.00)	25,790.00	
Climate Awareness Education	22-100-034-5093-359	6,660.00	0.00	0.00	6,660.00	(6,660.00)	0.00	0.00	0.00	0.00	6,660.00	
Total Special Revenue Fund												
			3,112.00	0.00	6,660.00	(31,333.00)	(3,112.00)	0.00	0.00	(24,673.00)	95,796.00	

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

BOROUGH OF EMERSON - SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	AWARD PERIOD FROM	TO	BALANCE AT JUNE 30, 2022		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2023		MEMO		
					(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR					UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
Debt Service Fund:															
Debt Service State Aid	23-495-034-5120-075	\$ 138,733.00	07/01/2022	06/30/2023	\$		138,733.00	(138,733.00)	\$		\$		\$		205,967.00
Enterprise Fund:															
National School Lunch Program	22-100-020-3350-023	12,778.73	07/01/2021	06/30/2022		(917.18)	917.18								12,778.73
National School Lunch Program	23-100-020-3350-023	5,038.60	07/01/2022	06/30/2023			4,639.34	(4,916.50)			(277.16)			(277.16)	5,038.60
National School Breakfast Program	23-100-020-3350-023	122.10	07/01/2022	06/30/2023				(122.10)			(122.10)			(122.10)	122.10
Total Enterprise Fund						(917.18)	5,565.52	(5,038.60)			(399.26)			(399.26)	17,932.43
Total State Financial Assistance					\$	(717,965.27)	6,815,393.42	(7,000,547.49)	(96,772.00)	\$	(806,347.34)	\$		(903,119.34)	9,475,693.60
Less: On-Behalf amounts not utilized for determination of Major Programs:															
On-behalf TPAF Contributions	23-495-034-5094-002		07/01/2022	06/30/2023	\$		3,267,604.00	(3,267,604.00)							
ICGI	23-495-034-5094-004		07/01/2022	06/30/2023			45,334.00	(45,334.00)							
Long-Term Disability Insurance	23-495-034-5094-004		07/01/2022	06/30/2023			1,381.00	(1,381.00)							
Post Retirement Medical	23-495-034-5094-001		07/01/2022	06/30/2023			870,301.00	(870,301.00)							
Total State Financial Assistance Subject to Single Audit					\$		2,630,773.42	(2,815,927.49)							

The accompanying notes to schedules of financial assistance are an integral part of the schedule.

Borough of Emerson School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Emerson School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas GAAP basis does not.

Borough of Emerson School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2023

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$28,230.00) for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$149,639.48) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$6,797,212.89	\$6,797,212.89
Special Revenue Fund	\$738,757.03	24,673.00	763,430.03
Debt Service Fund		138,733.00	138,733.00
Food Service Fund	<u>142,131.39</u>	<u>5,038.60</u>	<u>147,169.99</u>
Total Awards & Financial Assistance	<u><u>\$880,888.42</u></u>	<u><u>\$6,965,657.49</u></u>	<u><u>\$7,846,545.91</u></u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: OTHER

The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2023.

Borough of Emerson School District
Bergen County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness(es) identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? | Yes |

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>AL Number</u>
Education Stabilization Fund:	
CARES - ESSER II	84.425D
ARP ESSER	84.425U

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Borough of Emerson School District
Bergen County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
 - (a) Material weakness(es) identified? No
 - (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

<u>Program</u>	<u>Number</u>
Extraordinary Aid	100-034-5120-473
- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$750,000.00
 - Type B State Program Threshold <= \$750,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Borough of Emerson School District
Bergen County, New Jersey

Schedule of Prior Year Audit Findings

Not Applicable

