

SADDLE RIVER BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Saddle River, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Saddle River Board of Education
Saddle River, New Jersey
For The Fiscal Year Ended June 30, 2023**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Saddle River School District - Wandell School
97 East Allendale Road, Saddle River, NJ 07458
201.327.0727 www.wandellschool.org Fax: 201.236.8166



November 29, 2023

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

Dear Board Members:

The comprehensive annual financial report of the Borough of Saddle River School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Saddle River's MD&A can be found immediately following the "Independent Auditors' Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Uniform Guidance, and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **DESCRIPTION OF THE MUNICIPALITY:** The Borough of Saddle River is located approximately 20 miles north of the George Washington Bridge in the northwestern section of Bergen County, New Jersey. Incorporated in 1894, the Borough is a small, suburban residential community, with a large number of commuters who take advantage of a reliable commuter transportation system. It is bordered on the north by Upper Saddle River, on the east by Woodcliff Lake and Hillsdale, on the south by Ho-Ho-Kus and Waldwick, and on the west by Allendale. It touches Ramsey at its extreme northwest corner. The Borough of Saddle River encompasses 4.98 square miles with a population of 3,180 people based on the 2020 Census.



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The District is served by major transportation routes, including Routes 17, 502 and 507, as well as Interstates 87 and 287, along with a network of other county roads. Metropolitan airports are within easy commuting distance. Nearby rail and bus service for commuting are also available.

2) **REPORTING ENTITY AND ITS SERVICES:** The Saddle River School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Saddle River Board of Education and its school constitute the District’s reporting entity.

Wandell School is the District’s only school and provides a full range of educational services for its Preschool through Grade Five students. A sending/receiving relationship with the Borough of Ramsey School District, located in Ramsey, New Jersey, is utilized for the district’s Grades Six through Eight (initiated in September 1998) and Nine through Twelve students. In September 1998, the Saddle River School District also established a sending/receiving relationship with the Northern Highlands Regional High School District, located in Allendale, New Jersey. Under an alternative choice program, Ninth Grade students can attend either Ramsey or Northern Highlands Regional High School.

The District completed the 2022-2023 fiscal year with an average daily enrollment of 111 students. The following details the changes in the student average daily enrollment of the District over the last five years.

Average Daily Enrollment:

Fiscal Year	Student Enrollment	Percent Change
2022-23	111	5.41%
2021-22	117	12.69%
2020-21	134	6.94%
2019-20	144	12.5%
2018-19	162	10.20%
2017-18	147	2.04%
2016-17	150	16.67%
2015-16	175	7.43%
2014-15	188	6.91%

3) **MAJOR INITIATIVES:** In order to successfully improve upon district initiatives the following goals and objectives were undertaken for the improvement and betterment of staff, students and community:

- Continue curriculum enhancements to align to district goals of implementation of the Workshop Model and differentiation.
- Completion of the 2020 Referendum projects.
- Completion of all long/short term facility projects



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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance on June 30, 2023.

6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to Financial Statements", Note 1.

7) **DEBT ADMINISTRATION:** In the 2015-2016 school year, the District sold bonds in the amount of \$3,097,000 (Wandell Elementary School HVAC Upgrades). In the 2019-2020 school year, the district sold bonds in the amount of \$2,459,000 (2020 Referendum).

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Notes I and 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.



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

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

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

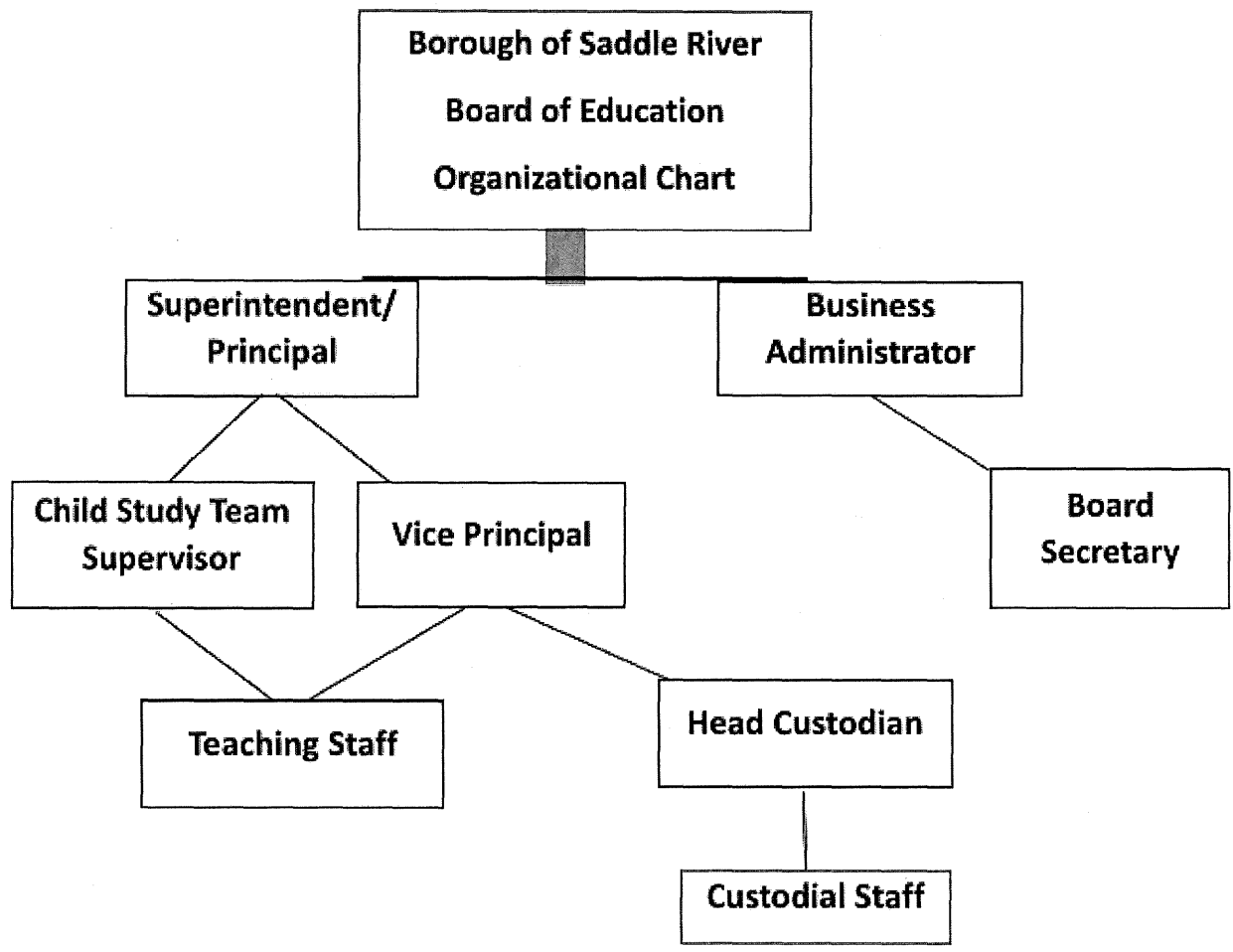
Respectfully submitted,

Dr. Gina Cinotti

Dr. Gina Cinotti
Superintendent/Principal

Eulalia Gillis

Eulalia Gillis
Interim Business Administrator



Saddle River Board of Education

Roster of Officials

June 30, 2023

Members of the Board of Education as of June 30, 2023

Term Expires

John Peros, President

2025

Emily Kaufman, Vice-President

2025

Yasmin Elshami, Trustee

2026

Evelyn Nissirios, Trustee

2024

Elizabeth Salazer, Trustee

2026

Other Officials

Dr. Gina Cinotti, Superintendent/ Principal

Eulalia Gillis, Interim Business Administrator

Kaitlyn Lawler, Board Secretary

Debra Besold, Treasurer

SADDLE RIVER BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Cleary Giacobbe Alfieri Jacobs LLC
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

Official Depository

TD Bank
New Jersey

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle River Board of Education
Saddle River, New Jersey

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Saddle River Board of Education as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saddle River Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Saddle River Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Saddle River Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

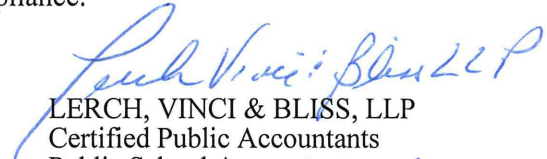
Other Information

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

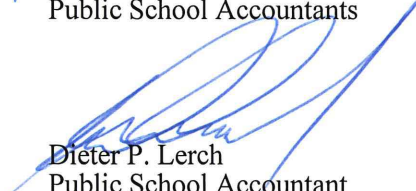
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 29, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Saddle River Board of Education

Saddle River, New Jersey

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2023

This section of the Saddle River Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year are as follows:

- The assets and deferred outflows of resources of the governmental activities of the Saddle River Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,048,929 (net position).
- The District's total net position for governmental activities increased by \$1,135,975.
- Overall governmental activities revenues were \$11,996,591. General revenues accounted for \$9,994,079 or 83% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,002,512 or 17% of total revenues.
- The school district had \$10,860,616 in expenses for governmental activities; only \$2,002,512 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$9,994,079 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,221,708. Of this amount, \$2,608,513 is restricted for capital reserve, \$150,000 is restricted for Maintenance Reserve, \$366,186 is restricted for Tuition Reserve, \$33,586 is restricted for Unemployment, \$818,569 (\$450,000 Excess Surplus, \$368,569 Additional Budgeted Fund Balance) has been appropriated in the 2023/2024 budget for taxpayer relief, \$426,818 is restricted for taxpayer relief in the 2024/2025 budget, \$193 is restricted for Student Activities, \$320,018 is restricted for Capital Projects, \$248,078 represents encumbered purchase orders and \$249,747 is unassigned and unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Saddle River Board of Education's overall financial status.

Saddle River Board of Education

Saddle River, New Jersey

Management’s Discussion and Analysis (continued)

Fiscal Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The remaining statements are fund financial statements that focus on individual parts of the Saddle River Board of Education’s, reporting the Board’s operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The chart below summarizes the major features of the Board’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

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

Saddle River Board of Education Saddle River, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2023

District-Wide Statements

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

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

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

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

- *Governmental activities*- Most of the district's basic services are included here, such as regular and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal and state grants).

Saddle River Board of Education
Saddle River, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023

The district has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- *Fiduciary funds*- The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SADDLE RIVER BOARD OF EDUCATION 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 net pension liability, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the school district's net position for 2023 and 2022.

Net Position. The district's combined net position were \$8,048,929 and \$6,912,954 on June 30, 2023 and 2022, respectively.

Saddle River Board of Education
Saddle River, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023

Statement of Net Position
as of June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current Assets	\$ 5,670,110	\$ 5,413,782			\$ 5,670,110	\$ 5,413,782
Capital Assets	<u>7,377,242</u>	<u>7,070,490</u>	<u>-</u>	<u>-</u>	<u>7,377,242</u>	<u>7,070,490</u>
Total Assets	<u>13,047,352</u>	<u>12,484,272</u>	<u>-</u>	<u>-</u>	<u>13,047,352</u>	<u>12,484,272</u>
Deferred Outflows of Resources						
Deferred Amount on Net Pension Liability	<u>183,659</u>	<u>8,338</u>	<u>-</u>	<u>-</u>	<u>183,659</u>	<u>8,338</u>
Total Deferred Outflows of Resources	<u>183,659</u>	<u>8,338</u>	<u>-</u>	<u>-</u>	<u>183,659</u>	<u>8,338</u>
Liabilities						
Noncurrent Liabilities	3,955,085	4,157,940			3,955,085	4,157,940
Other Liabilities	<u>467,049</u>	<u>269,696</u>	<u>-</u>	<u>-</u>	<u>467,049</u>	<u>269,696</u>
Total Liabilities	<u>4,422,134</u>	<u>4,427,636</u>	<u>-</u>	<u>-</u>	<u>4,422,134</u>	<u>4,427,636</u>
Deferred Inflows of Resources						
Deferred Amount on Net Pension Liability	<u>759,948</u>	<u>1,152,020</u>	<u>-</u>	<u>-</u>	<u>759,948</u>	<u>1,152,020</u>
Total Deferred Inflows of Resources	<u>759,948</u>	<u>1,152,020</u>	<u>-</u>	<u>-</u>	<u>759,948</u>	<u>1,152,020</u>
Net Position						
Net Investment in Capital Assets	4,186,242	3,419,490			4,186,242	3,419,490
Restricted	3,478,496	3,018,362			3,478,496	3,018,362
Unrestricted	<u>384,191</u>	<u>475,102</u>	<u>-</u>	<u>-</u>	<u>384,191</u>	<u>475,102</u>
Total Net Position	<u>\$ 8,048,929</u>	<u>\$ 6,912,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,048,929</u>	<u>\$ 6,912,954</u>

The following page shows changes in net position for fiscal years 2023 and 2022.

Saddle River Board of Education
Saddle River, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2023

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 108,693	\$ 177,650			\$ 108,693	\$ 177,650
Operating and Capital Grants and Contributions	1,893,819	2,148,504			1,893,819	2,148,504
General Revenues						
Property Taxes	9,688,424	9,513,748			9,688,424	9,513,748
Unrestricted State Aid	177,506	202,281			177,506	202,281
Investment Earnings	80,724	5,352			80,724	5,352
Miscellaneous	47,425	234,939	-	-	47,425	234,939
	<u>11,996,591</u>	<u>12,282,474</u>	<u>-</u>	<u>-</u>	<u>11,996,591</u>	<u>12,282,474</u>
Total Revenues						
Expenses						
Instruction						
Regular	5,821,928	5,151,135			5,821,928	5,151,135
Special Education	1,559,104	1,338,517			1,559,104	1,338,517
School Sponsored Activities and Athletics	1,880	355			1,880	355
Support Services						
Student and Instruction Related Services	1,614,810	1,750,610			1,614,810	1,750,610
General Administrative Services	157,441	132,651			157,441	132,651
School Administrative Services	51,039	44,733			51,039	44,733
Plant Operations and Maintenance	679,359	514,905			679,359	514,905
Pupil Transportation	852,545	668,504			852,545	668,504
Business Services	63,792	77,813			63,792	77,813
Interest on Long-Term Debt	58,718	67,023			58,718	67,023
Food Services	-	-	-	\$ 2,923	-	\$ 2,923
	<u>10,860,616</u>	<u>9,746,246</u>	<u>-</u>	<u>2,923</u>	<u>10,860,616</u>	<u>9,749,169</u>
Total Expenses						
Change in Net Position	1,135,975	2,536,228	-	(2,923)	1,135,975	2,533,305
Net Position, Beginning of Year	<u>6,912,954</u>	<u>4,376,726</u>	<u>-</u>	<u>2,923</u>	<u>6,912,954</u>	<u>4,379,649</u>
Net Position, End of Year	<u>\$ 8,048,929</u>	<u>\$ 6,912,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,048,929</u>	<u>\$ 6,912,954</u>

Saddle River Board of Education Saddle River, New Jersey

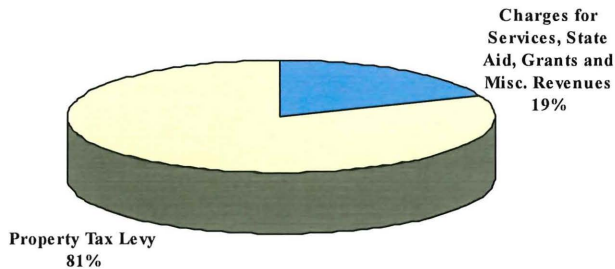
Management’s Discussion and Analysis (continued) Fiscal Year Ended June 30, 2023

Governmental Activities. The District’s total revenues were \$11,996,591. The local share of the revenues for property taxes amounted to \$9,688,424 or 81% of total revenues. Funding from program charges and state, federal and local sources amounted to \$1,893,819 or 16%. Revenues from charges for services amounted to \$108,693 or 1% of total revenues. The remaining revenues totaling \$305,655 or 2% of total revenues, includes investment earnings and other miscellaneous revenues.

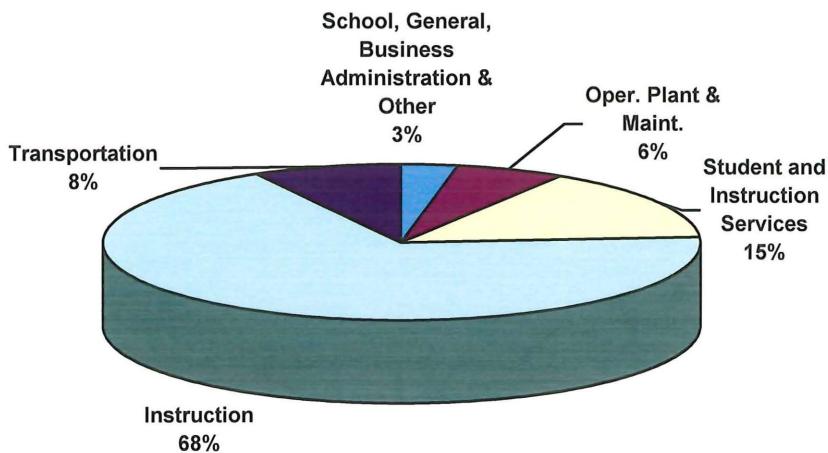
The District’s total expenses of \$10,860,616 are predominantly related to instruction and support services. Instruction totaled \$7,382,912 (68%) and other support services exclusive of interest on long-term debt totaled \$3,418,986 (32%) of total expenditures. Interest on long term debt totaled \$58,718 or less than 1% of total expenditures.

Total governmental activities revenues surpassed expenses, increasing net position by \$1,135,975 from the previous year.

Revenues by Sources – Governmental Activities
For Fiscal Year 2023



Expenses by Function – Governmental Activities
For Fiscal Year 2023



**Saddle River Board of Education
Saddle River, New Jersey**

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

Total and Net Cost of Governmental Activities – The District’s total cost of services was \$10,860,616 after applying program revenues, derived from: charges for services of \$108,693 and operating grants and contributions of \$1,893,819 the net cost of services of the District is \$8,858,104.

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

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Governmental Activities				
Instruction				
Regular	\$ 5,821,928	\$ 5,151,135	\$ 5,126,492	\$ 4,358,534
Special Education	1,559,104	1,338,517	972,385	805,992
School Sponsored Activities and Athletics	1,880	355	(84)	(108)
Support Services				
Student and Instruction Related Services	1,614,810	1,750,610	1,386,889	1,168,566
General Administrative Services	157,441	132,651	158,366	129,794
School Administrative Services	51,039	44,733	44,052	34,005
Plant Operations and Maintenance	679,359	514,905	432,699	344,806
Pupil Transportation	852,545	668,504	613,566	444,688
Business Services	63,792	77,813	65,021	66,792
Interest	58,718	67,023	58,718	67,023
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 10,860,616</u>	<u>\$ 9,746,246</u>	<u>\$ 8,858,104</u>	<u>\$ 7,420,092</u>

Business-Type Activities

The Food Service was taken over by the Education Foundation during the 2022-23 School Year.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

**Saddle River Board of Education
Saddle River, New Jersey**

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

Governmental Funds (Continued)

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,221,708.

Revenues for the District's governmental funds were \$12,504,305, while total expenditures were \$12,448,689 thereby increasing fund balance by \$55,616.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students for grades K through 5 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues.

General Fund Revenues

	Fiscal Year Ended <u>June 30, 2023</u>	Fiscal Year Ended <u>June 30, 2022</u>	Amount of Increase <u>(Decrease)</u>	Percent Increase <u>(Decrease)</u>
Local Sources:				
Property Taxes	\$ 9,343,853	\$ 9,160,640	\$ 183,213	2.0%
Tuition	108,693	177,650	(68,957)	-38.8%
Investment Earnings	80,724	5,352	75,372	1408.3%
Miscellaneous	47,425	154,290	(106,865)	-69.3%
Intergovernmental Federal/State Sources	<u>1,705,145</u>	<u>1,627,370</u>	<u>77,775</u>	4.8%
 Total Revenues	 <u>\$ 11,285,840</u>	 <u>\$ 11,125,302</u>	 <u>\$ 160,538</u>	 1.4%

Total General Fund revenues increased by \$160,538 or 1.4% over the previous year.

Local property taxes increased by 2.0% over the previous year.

**Saddle River Board of Education
Saddle River, New Jersey**

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

General Fund Expenditures

	<u>Fiscal Year Ended June 30, 2023</u>	<u>Fiscal Year Ended June 30, 2022</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Instruction	\$ 7,240,161	\$ 6,550,286	\$ 689,875	10.5%
Student & Instruction Related	1,662,000	1,612,053	49,947	3.1%
School, General & Business Administration	285,264	330,288	(45,024)	-13.6%
Plant Operations & Transportation	1,567,845	1,339,460	228,385	17.1%
Capital Outlay	<u>283,729</u>	<u>314,906</u>	<u>(31,177)</u>	-9.9%
 Total Expenditures	 <u>\$ 11,038,999</u>	 <u>\$ 10,146,993</u>	 <u>\$ 892,006</u>	 8.8%

Total General Fund expenditures increased by \$892,006 or 8.8% from the previous year.

In 2022/2023, General Fund revenues and other financing sources exceeded expenditures by \$246,841. As a result, total fund balance increased to \$4,901,497 at June 30, 2023. After deducting statutory restrictions and designations, the unassigned fund balance decreased from \$349,356 at June 30, 2022 to \$249,747 at June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$696,388 for the year ended June 30, 2023. Local sources represented 12% of the total revenue for the year, state sources accounts for 28% and federal sources accounted for 60%.

Total Special Revenue Fund revenues increased \$11,500 or 2% from the previous year. State sources increased \$48,300 or 33%, Federal sources increased \$2,430 or 1% and miscellaneous revenues decreased \$39,230 or 32%

Expenditures of the Special Revenue Fund were \$696,304. Instructional expenditures were \$353,859 or 51% of the expenditures. Student and instruction related services expenditures were \$116,080 or 17% of expenditures. Plant operations and maintenance totaled to \$70,375 or 10% and capital outlay expenditures were \$155,990 or 22%.

Capital Projects Fund – Expenditures in the Capital Projects Fund totaled \$191,309 during the 2022/23 school year. Fund balance of \$320,018 remains as of June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported through user fees.

**Saddle River Board of Education
Saddle River, New Jersey**

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The District’s budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments occur from implementing budgets for specially funded projects, which include both federal and state grants, reinstating prior year purchase orders being carried over, and appropriating capital reserve funds to implement an approved facilities project.

Capital Assets. At the end of the fiscal year 2023, the school district’s investment in land, land improvements, buildings, furniture, machinery and equipment for governmental activities amounts to \$7,377,242 (net of accumulated depreciation).

	<u>Governmental</u>		<u>Business-Type</u>	
	<u>Activities</u>		<u>Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 3,483	\$ 3,483		
Construction in Progress	3,037,838	2,712,600		
Land Improvements	277,898	268,998		
Building and Building Improvements	6,090,303	6,085,321		
Machinery and Equipment	<u>1,809,583</u>	<u>1,517,675</u>	\$ -	\$ 48,103
 Total	 11,219,105	 10,588,077	 -	 48,103
 Less: Accumulated Depreciation	 <u>(3,841,863)</u>	 <u>(3,517,587)</u>	 <u>-</u>	 <u>(48,103)</u>
 Total Capital Assets, Net	 <u>\$ 7,377,242</u>	 <u>\$ 7,070,490</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional information about the district’s capital assets can be found in the “Notes to the Financial Statements” of this report.

**Saddle River Board of Education
Saddle River, New Jersey**

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

Debt Administration. As of June 30, 2023 the school district had outstanding long-term liabilities in the amount of \$3,955,085.

**Long-Term Debt
Outstanding Long-Term Liabilities**

	<u>2023</u>	<u>2022</u>
Bonds Payable	\$ 3,191,000	\$ 3,651,000
Compensated Absences Payable	109,520	109,520
Net Pension Liability	<u>654,565</u>	<u>397,420</u>
 Total	 <u>\$ 3,955,085</u>	 <u>\$ 4,157,940</u>

Additional information about the district’s long-term liabilities can be found in the “Notes to the Financial Statements” of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Currently, the District is in good financial condition. Everyone associated with Saddle River School District is grateful for the community support.

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.

These indicators were also considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased 1.2% percent to \$11,498,233 in fiscal year 2023-2024.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Administrator, Saddle River Board of Education, 97 East Allendale Road, Saddle River, New Jersey 07458.

BASIC FINANCIAL STATEMENTS

**SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,592,687	\$ 5,592,687
Receivables, net		
Receivables from Other Governments	77,423	77,423
Capital Assets, Not Being Depreciated	3,041,321	3,041,321
Capital Assets, Net of Depreciation	<u>4,335,921</u>	<u>4,335,921</u>
 Total Assets	 <u>13,047,352</u>	 <u>13,047,352</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Net Pension Liability	<u>183,659</u>	<u>183,659</u>
 Total Deferred Outflows of Resources	 <u>183,659</u>	 <u>183,659</u>
 Total Assets and Deferred Outflows of Resources	 <u>13,231,011</u>	 <u>13,231,011</u>
LIABILITIES		
Payable to State Government	17,368	17,368
Payroll Deductions and Withholdings Payable	243,654	243,654
Unearned Revenue	187,380	187,380
Accrued Interest Payable	18,647	18,647
Noncurrent Liabilities		
Due Within One Year	470,000	470,000
Due Beyond One Year	<u>3,485,085</u>	<u>3,485,085</u>
 Total Liabilities	 <u>4,422,134</u>	 <u>4,422,134</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Net Pension Liability	<u>759,948</u>	<u>759,948</u>
 Total Deferred Inflows of Resources	 <u>759,948</u>	 <u>759,948</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>5,182,082</u>	 <u>5,182,082</u>
NET POSITION		
Net Investment in Capital Assets	4,186,242	4,186,242
Restricted for		
Capital Projects	2,928,531	2,928,531
Other Purposes	549,965	549,965
Unrestricted	<u>384,191</u>	<u>384,191</u>
 Total Net Position	 <u>\$ 8,048,929</u>	 <u>\$ 8,048,929</u>

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

**SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,821,928	\$ 108,693	\$ 586,743		\$ (5,126,492)		\$ (5,126,492)
Special Education	1,559,104		586,719		(972,385)		(972,385)
School Sponsored Activities and Athletics	1,880		1,964		84		84
Support Services							
Student and Instruction Related Services	1,614,810		227,921		(1,386,889)		(1,386,889)
General Administrative Services	157,441		(925)		(158,366)		(158,366)
School Administrative Services	51,039		6,987		(44,052)		(44,052)
Plant Operations and Maintenance	679,359		246,660		(432,699)		(432,699)
Pupil Transportation	852,545		238,979		(613,566)		(613,566)
Business Services	63,792		(1,229)		(65,021)		(65,021)
Interest	58,718	-	-	-	(58,718)	-	(58,718)
Total Governmental Activities	<u>10,860,616</u>	<u>108,693</u>	<u>1,893,819</u>	<u>-</u>	<u>(8,858,104)</u>	<u>-</u>	<u>(8,858,104)</u>
Business-Type Activities							
Food Service	-	-	-	-	-	\$ -	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 10,860,616</u>	<u>\$ 108,693</u>	<u>\$ 1,893,819</u>	<u>\$ -</u>	<u>(8,858,104)</u>	<u>-</u>	<u>(8,858,104)</u>
General Revenues							
Property Taxes Levied for General Purpose					9,343,853		9,343,853
Property Taxes Levied for Debt Service					344,571		344,571
State Aid - Restricted for Debt Service					177,506		177,506
Investment Earnings					80,724		80,724
Miscellaneous Income					47,425		47,425
Total General Revenues					<u>9,994,079</u>	<u>-</u>	<u>9,994,079</u>
Change in Net Position					1,135,975	-	1,135,975
Net Position, Beginning of Year					<u>6,912,954</u>	<u>-</u>	<u>6,912,954</u>
Net Position, End of Year					<u>\$ 8,048,929</u>	<u>\$ -</u>	<u>\$ 8,048,929</u>

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

FUND FINANCIAL STATEMENTS

**SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,193,156	\$ 79,513	\$ 320,018		\$ 5,592,687
Receivables					
Intergovernmental	40,045	37,378	-	-	77,423
Total Assets	<u>\$ 5,233,201</u>	<u>\$ 116,891</u>	<u>\$ 320,018</u>	<u>\$ -</u>	<u>\$ 5,670,110</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Payable to State Government		\$ 17,368			\$ 17,368
Payroll Deductions and Withholdings Payable	\$ 243,654				243,654
Unearned Revenue	88,050	99,330	-	-	187,380
Total Liabilities	<u>331,704</u>	<u>116,698</u>	<u>-</u>	<u>-</u>	<u>448,402</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus-Designated for					
Subsequent Year's Expenditures (2023/24 Budget)	450,000				450,000
Excess Surplus	426,818				426,818
Unemployment Compensation Reserve	33,586				33,586
Student Activities		193			193
Capital Reserve	2,278,513				2,278,513
Capital Reserve - Designated for					
Subsequent Year's Expenditures (2023/24 Budget)	330,000				330,000
Maintenance Reserve	143,000				143,000
Maintenance Reserve - Designated for					
Subsequent Year's Expenditures (2023/24 Budget)	7,000				7,000
Tuition Reserve	143,686				143,686
Tuition Reserve - Designated for					
Subsequent Year's Expenditures (2023/24 Budget)	222,500				222,500
Capital Projects			\$ 320,018		320,018
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures (2023/24 Budget)	368,569				368,569
Year-End Encumbrances	248,078		-	-	248,078
Unassigned Fund Balance	249,747	-	-	-	249,747
Total Fund Balances	<u>4,901,497</u>	<u>193</u>	<u>320,018</u>	<u>-</u>	<u>5,221,708</u>
Total Liabilities and Fund Balances	<u>\$ 5,233,201</u>	<u>\$ 116,891</u>	<u>\$ 320,018</u>	<u>\$ -</u>	<u>\$ 5,670,110</u>

**Amounts Reported for Governmental Activities in the Statement of
Net Position (A-1) are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$11,219,105 and the accumulated depreciation is \$3,841,863. 7,377,242

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

Deferred Outflows of Resources	\$ 183,659	
Deferred Inflows of Resources	(759,948)	
		(576,289)

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (18,647)

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of the following:

General Obligation Bonds Payable	3,191,000	
Compensated Absences Payable	109,520	
Net Pension Liability	654,565	
		(3,955,085)

Net Position of Governmental Activities (Exhibit A-1) \$ 8,048,929

**SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
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					
Property Tax Levy	\$ 9,343,853			\$ 344,571	\$ 9,688,424
Tuition	108,693				108,693
Interest	80,724				80,724
Miscellaneous	47,425	\$ 85,741	-	-	133,166
Total - Local Sources	<u>9,580,695</u>	<u>85,741</u>	<u>-</u>	<u>344,571</u>	<u>10,011,007</u>
State Sources	1,705,145	192,933		177,506	2,075,584
Federal Sources	-	417,714	-	-	417,714
Total Revenues	<u>11,285,840</u>	<u>696,388</u>	<u>-</u>	<u>522,077</u>	<u>12,504,305</u>
EXPENDITURES					
Current					
Regular Instruction	5,673,633	280,039			5,953,672
Special Education Instruction	1,566,528	71,940			1,638,468
School-Sponsored Activities and Athletics		1,880			1,880
Support Services and Undistributed Costs					
Student and Instruction Related Services	1,662,000	116,080			1,778,080
General Administrative Services	161,274				161,274
School Administrative Services	55,156				55,156
Plant Operations and Maintenance	731,514	70,375			801,889
Pupil Transportation	836,331				836,331
Business Services	68,834				68,834
Capital Outlay	283,729	155,990	\$ 191,309		631,028
Debt Service					
Principal				460,000	460,000
Interest	-	-	-	62,077	62,077
Total Expenditures	<u>11,038,999</u>	<u>696,304</u>	<u>191,309</u>	<u>522,077</u>	<u>12,448,689</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>246,841</u>	<u>84</u>	<u>(191,309)</u>	<u>-</u>	<u>55,616</u>
Net Change in Fund Balances	246,841	84	(191,309)	-	55,616
Fund Balance, Beginning of Year	4,654,656	109	511,327	-	5,166,092
Fund Balance, End of Year	<u>\$ 4,901,497</u>	<u>\$ 193</u>	<u>\$ 320,018</u>	<u>\$ -</u>	<u>\$ 5,221,708</u>

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 55,616

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

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

Capital Outlay	\$ 631,028	
Depreciation Expense	<u>(324,276)</u>	
		306,752

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets.

Principal Repayments		
General Obligation Bonds	<u>460,000</u>	
		460,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details are as follows:

Decrease in Accrued Interest	3,359	
Net Decrease in Pension Expense	<u>310,248</u>	
		<u>313,607</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,135,975

EXHIBIT B-4

**SADDLE RIVER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

NOT APPLICABLE

EXHIBIT B-5

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

NOT APPLICABLE

EXHIBIT B-6

**SADDLE RIVER BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Saddle River Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A superintendent of schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Kindergarten through grade five (5) school district.

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

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

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

B. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Long-Term Obligations

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

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

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

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

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

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

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

Tuition Adjustments – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2021/2022 and 2022/2023 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief.

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has not committed fund balances at year end.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are not subject to adjustment.

Tuition Expenditures - Tuition charges for the fiscal years 2021/2022 and 2022/2023 were based on rates established by the receiving district. These rates are not subject to change for year 2022/2023.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board decreased the original budget of the general fund by \$111,579 and increased the original budget of the special revenue fund by \$590,298. The increase was funded by the additional appropriation of grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances. Also an approved decrease of budget in 2022/2023.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Capital Reserve

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

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

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

Balance, July 1, 2022	\$ 2,152,364
Increased by:	
Unexpended Capital Outlay Appropriations	\$ 436,149
Deposits Approved by Board Resolution	<u>500,000</u>
Total Increases	<u>936,149</u>
	3,088,513
Decreased by:	
Withdrawal Approved by Budget	<u>480,000</u>
Balance, June 30, 2023	<u>\$ 2,608,513</u>

The withdrawal from the capital reserve was for use in a facilities project, consistent with the district’s Long Range Facilities Plan. \$330,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

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

Balance, July 1, 2022	\$ 100,000
Increased by	
Deposits Approved by Board Resolution	<u>\$ 50,000</u>
Balance, June 30, 2023	<u>\$ 150,000</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$231,809. \$7,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$876,818. Of this amount, \$450,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$426,818 be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$5,592,687 and bank and brokerage firm balances of the Board's deposits amounted to \$6,411,577. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 6,141,179
Uninsured and Collateralized	<u>270,398</u>
	<u>\$ 6,411,577</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board's bank balance of \$270,398 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department not in the Board's name	<u>\$ 270,398</u>
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Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal		\$ 37,378	\$ 37,378
State	\$ 40,045	-	40,045
Gross Receivables	40,045	37,378	77,423
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 40,045</u>	<u>\$ 37,378</u>	<u>\$ 77,423</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Local Funds	\$ 10,491
Grant Draw Downs Reserved for Encumbrances	88,839
General Fund Tuition	<u>88,050</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 187,380</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 3,483			\$ 3,483
Construction in Progress	<u>2,712,600</u>	<u>\$ 325,238</u>	<u>-</u>	<u>3,037,838</u>
Total Capital Assets, Not Being Depreciated	<u>2,716,083</u>	<u>325,238</u>	<u>-</u>	<u>3,041,321</u>
Capital Assets, Being Depreciated:				
Land Improvements	268,998	8,900		277,898
Building and Building Improvements	6,085,321	4,982		6,090,303
Machinery and Equipment	<u>1,517,675</u>	<u>291,908</u>	<u>-</u>	<u>1,809,583</u>
Total Assets Being Depreciated	<u>7,871,994</u>	<u>305,790</u>	<u>-</u>	<u>8,177,784</u>
Less Accumulated Depreciation for:				
Land Improvements	(242,354)	(2,459)		(244,813)
Building and Building Improvements	(2,302,512)	(143,014)		(2,445,526)
Machinery and Equipment	<u>(972,721)</u>	<u>(178,803)</u>	<u>-</u>	<u>(1,151,524)</u>
Total Accumulated Depreciation	<u>(3,517,587)</u>	<u>(324,276)</u>	<u>-</u>	<u>(3,841,863)</u>
Total Assets, Being Depreciated, Net	<u>4,354,407</u>	<u>(18,486)</u>	<u>-</u>	<u>4,335,921</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,070,490</u>	<u>\$ 306,752</u>	<u>\$ -</u>	<u>\$ 7,377,242</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 191,323
Special Education	22,699
Total Instruction	<u>214,022</u>
Support Services	
Student and Instruction Related Services	51,884
General Administrative Services	9,728
School Administrative Services	3,243
Operations and Maintenance of Plant	16,214
Pupil Transportation	16,214
Business Services	12,971
Total Support Services	<u>110,254</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 324,276</u>

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Remaining Commitment</u>
Feasibility Study	\$ 76,000
Drainage Improvement Project	<u>75,000</u>
Total	<u>\$ 151,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

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

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

\$3,097,000, 2015 Bonds, due in annual installments of \$335,000 to \$357,000 through July 15, 2025, interest at 2.00%	\$1,037,000
\$2,459,000, 2020 Bonds, due in annual installments of \$135,000 to \$204,000 through March 5, 2035, interest at 1.125% to 2.000%	<u>2,154,000</u>
Total	<u>\$3,191,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 470,000	\$ 53,958	\$ 523,958
2025	480,000	45,470	525,470
2026	492,000	41,176	533,176
2027	190,000	31,168	221,168
2028-2035	<u>1,559,000</u>	<u>115,717</u>	<u>1,674,717</u>
Total	<u>\$ 3,191,000</u>	<u>\$ 287,489</u>	<u>\$ 3,478,489</u>

Statutory Borrowing Power

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

2.5% of Equalized Valuation Basis (Municipal)	\$ 62,314,180
Less: Net Debt Issued and Authorized But Not Issued	<u>3,191,000</u>
Remaining Borrowing Power	<u>\$ 59,123,180</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 3,651,000		\$ 460,000	\$ 3,191,000	\$ 470,000
Compensated Absences	109,520			109,520	
Net Pension Liability	<u>397,420</u>	<u>\$ 257,145</u>	<u>-</u>	<u>654,565</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 4,157,940</u>	<u>\$ 257,145</u>	<u>\$ 460,000</u>	<u>\$ 3,955,085</u>	<u>\$ 470,000</u>

For the governmental activities, the liability for compensated absences and net pension liability is generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 5,013	\$ 3,489	\$ 33,586
2022			32,062
2021			32,062

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2021.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 54,696	\$ 642,631	None
2022	39,288	697,385	None
2021	86,241	494,117	None

In addition for fiscal years 2023, 2022 and 2021 the District contributed \$0, \$0 and \$698, respectively for PERS and the State contributed \$195, \$55 and \$97, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$133,790 during the fiscal year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

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

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$654,565 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2021. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District’s proportionate share was 0.00434 percent, which was an increase of 0.00099 percent from its proportionate share measured as of June 30, 2021 of 0.00335 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$255,553 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 4,724	\$ 4,166
Changes of Assumptions	2,028	98,014
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	27,092	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>149,815</u>	<u>657,768</u>
Total	<u>\$ 183,659</u>	<u>\$ 759,948</u>

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

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (262,965)
2024	(186,483)
2025	(152,127)
2026	24,578
2027	708
Thereafter	<u>-</u>
	<u>\$ (576,289)</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>840,924</u>	\$ <u>654,565</u>	\$ <u>495,966</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2022, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$231,955 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$8,618,781. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.01670 percent, which was a decrease of 0.0003 percent from its proportionate share measured as of June 30, 2021 of 0.01700 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 10,105,704</u>	<u>\$ 8,618,781</u>	<u>\$ 7,366,235</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$168,818, \$162,937 and \$157,795, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$71,780. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$8,303,681. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was 0.02 percent, which was unchanged from its proportionate share percent measured as of June 30, 2021 of 0.02 percent.

Actuarial Assumptions

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>10,502,105</u>
Changes Recognized for the Fiscal Year:	
Service Cost	407,460
Interest on the Total OPEB Liability	220,057
Differences Between Expected and Actual Experience	(387,424)
Changes of Assumptions	(2,227,537)
Gross Benefit Payments	(217,973)
Contributions from the Member	6,993
Net Changes	\$ <u>(2,198,424)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>8,303,681</u>

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

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022.

Sensitivity of OPEB Liability

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>9,760,104</u>	\$ <u>8,303,681</u>	\$ <u>7,136,431</u>

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Sensitivity of OPEB Liability (Continued)

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

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>6,863,500</u>	\$ <u>8,303,681</u>	\$ <u>10,195,446</u>

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

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$705,100 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 9,343,853		\$ 9,343,853	\$ 9,343,853	
Preschool Tuition	50,000	-	50,000	108,693	\$ 58,693
Interest	2,000	-	2,000	80,724	78,724
Miscellaneous	960	-	960	47,425	46,465
Total Local Sources	9,396,813	-	9,396,813	9,580,695	183,882
State Sources					
Special Education Aid	259,037	-	259,037	259,037	-
Transportation Aid	202,394	-	202,394	202,394	-
Security Aid	29,320	-	29,320	29,320	-
Additional Nonpublic Transportation Aid		-		33,548	33,548
Extraordinary Aid		-		243,861	243,861
On-behalf TPAF Pension System Payments - Non-Contributory Insurance (Non-Budget)		-		8,794	8,794
On-behalf TPAF Pension System Payments - Normal Cost (Non-Budget)		-		633,837	633,837
On-behalf TPAF Pension System Payments - Post-Retirement Medical Contribution (Non-Budget)		-		168,818	168,818
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance (Non-Budget)		-		195	195
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	133,790	133,790
Total State Sources	490,751	-	490,751	1,713,594	1,222,843
Total Revenues	9,887,564	-	9,887,564	11,294,289	1,406,725
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	117,142	\$ 850	117,992	114,144	3,848
Kindergarten	85,813	-	85,813	84,362	1,451
Grades 1-5	1,208,988	(34,686)	1,174,302	1,141,317	32,985
Regular Programs - Undistributed Instruction					
Salaries of Teachers - Home Instruction	-	3,040	3,040	3,040	-
Other Salaries for Instruction	65,794	(57,100)	8,694	-	8,694
Purchased Professional/Educational Services		12,555	12,555	5,262	7,293
Purchased Technical Services	216,875	(12,471)	204,404	182,758	21,646
Other Purchased Services	42,286	(6,244)	36,042	35,422	620
General Supplies	44,450	36,344	80,794	79,397	1,396
Other Objects	-	-	-	-	-
Total Regular Programs	1,781,348	(57,712)	1,723,636	1,645,702	77,933
Resource Room/Resource Center					
Salaries of Teachers	133,802	-	133,802	125,688	8,114
Other Salaries for Instruction	216,924	(51,150)	165,774	132,901	32,873
General Supplies	-	454	454	454	-
Total Resource Room/Resource Center	350,726	(50,695)	300,031	259,043	40,988
Total Special Education	350,726	(50,695)	300,031	259,043	40,988
Total Instruction	2,132,074	(108,407)	2,023,667	1,904,746	118,921

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 2,840,000	\$ 102,290	\$ 2,942,290	\$ 2,938,932	\$ 3,358
Tuition to Other LEAs Within the State - Special	1,128,640	(398,455)	730,185	730,185	-
Tuition to County Voc. School Dist. - Regular		27,600	27,600	27,000	600
Tuition to County Voc. School Dist. - Special		-	-	-	-
Tuition to CSSD & Reg. Day Schools	170,000	11,381	181,381	102,495	78,886
Tuition to Priv. School for the Disabled W/I State	499,829	(39,214)	460,615	431,542	29,073
Tuition to Priv. Sch. Disabled & Other LEAs- Special,O/S State	-	-	-	-	-
Total Undistributed Expenditures -					
Instruction	4,638,469	(296,398)	4,342,071	4,230,154	111,917
Health Services					
Salaries	71,952	1,829	73,781	73,781	-
Purchased Professional and Technical Services	4,172	(225)	3,947	3,000	947
Other Purchased Services	-	-	-	-	-
Supplies and Materials	1,171	-	1,171	1,008	163
Other Objects	-	25	25	25	-
Total Health Services	77,295	1,629	78,924	77,814	1,110
Speech, OT, PT and Related Services					
Salaries	84,953	1,989	86,942	86,842	100
Purchased Professional-Educational Services	140,500	51,659	192,159	136,128	56,032
Supplies and Materials	433	56	489	475	14
Total Speech, OT, PT and Related Services	225,886	53,705	279,591	223,445	56,146
Other Support Serv. Students - Extra. Svcs.					
Salaries		1,183	1,183	883	300
Purchased Professional-Educational Services	-	-	-	-	-
Total Other Support Serv. Students - Extra. Svcs.	-	1,183	1,183	883	300
Guidance					
Purchased Professional and Technical Services	-	-	-	-	-
Supplies and Materials	6,000	(4,285)	1,715	1,643	72
Total Guidance	6,000	(4,285)	1,715	1,643	72
Child Study Teams					
Salaries of Other Professional Staff	119,651	-	119,651	119,651	0
Salaries of Secretarial and Clerical Assistants	22,161	108	22,269	22,269	-
Purchased Professional/Educational Services	297,150	77,233	374,383	297,902	76,481
Misc. Purchased Services	18,350	(2,118)	16,232	7,862	8,370
Travel	-	10	10	10	-
Supplies and Materials	600	4,213	4,813	4,802	11
Other Objects	600	(109)	491	339	152
Total Child Study Teams	458,512	79,337	537,849	452,835	85,015
Improvement of Instructional Services					
Salaries of Other Professional Staff	209,483	-	209,483	196,513	12,970
Salaries of Secr and Clerical Assist	72,000	-	72,000	72,000	-
Purchased Professional/Educational Services	101,000	(12,089)	88,911	84,746	4,165
Total Improvement of Instructional Services	382,483	(12,089)	370,394	353,259	17,135

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 107,614	\$ 6,056	\$ 113,670	\$ 112,920	\$ 750
Purchased Professional and Technical Services	91,000	(90,468)	532	499	33
Travel		182	182	182	\$ 0
Misc/Dues/Fees		322	322	322	-
Supplies and Materials	2,960	63	3,023	2,053	970
Total Educational Media Serv./School Library	201,574	(83,844)	117,730	115,976	1,754
Instructional Staff Training Services					
Purchased Professional/Educational Services	-	-	-	-	-
Other Purchased Services	-	66	66	66	-
Total Instructional Staff Training Services	-	66	66	66	-
Support Services General Administration					
Salaries	25,093	0	25,093	25,093	-
Legal Services	50,000	80,720	130,720	54,522	76,198
Audit Fees	23,800	307	24,107	24,107	-
Architectural/Engineering Services		4,110	4,110	4,110	-
Other Purchased Professional Services		13,600	13,600	13,600	-
Communications/Telephone	3,100	(2,954)	146	126	20
BOE Other Purchased Services	2,000	1,520	3,520	3,520	-
Miscellaneous Purchased Services	1,000	4,778	5,778	5,778	-
General Supplies	6,950	(3,036)	3,914	3,470	444
BOE In-House Training/Meeting Supplies	-	-	-	-	-
Miscellaneous Expenditures	13,110	(5,479)	7,631	7,604	27
BOE Membership Dues and Fees	-	4,928	4,928	4,928	(0)
Total Support Services General Administration	125,053	98,494	223,547	146,858	76,689
Support Services School Administration					
Salaries of Principals/Assistant Principals	30,600	-	30,600	30,593	7
Other Purchased Services		-			-
Supplies and Materials	2,810	485	3,295	2,878	417
Other Objects	-	59	59	59	-
Total Support Services School Administration	33,410	544	33,954	33,530	424
Central Services					
Salaries	56,000	(1,544)	54,456	33,330	21,126
Purchased Professional Services	16,000	(472)	15,528	14,401	1,126
Travel - All Other	1,600	-	1,600	100	1,500
Misc. Purchased Services		640	640	640	-
Supplies and Materials	2,000	3,761	5,761	5,663	97
Miscellaneous Expenditures	9,500	(2,686)	6,814	668	6,147
Total Central Services	85,100	(301)	84,799	54,802	29,997
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance	53,300	38,381	91,681	63,411	28,270
Lead Testing of Drinking Water		-	-	-	-
Other Objects	-	-	-	-	-
General Supplies	46,550	(10,610)	35,940	21,003	14,937
Total Required Maintenance for School Fac.	99,850	27,771	127,621	84,414	43,207
Custodial Services					
Salaries	329,438	(65,199)	264,239	256,656	7,584
Salaries of Non-Instructional Aides		70	70	70	-
Cleaning, Repair, and Maintenance Svc.	40,000	31,147	71,147	62,307	8,840
Insurance	100,000	(10,753)	89,247	89,247	-
General Supplies	52,612	(11,327)	41,285	24,904	16,381
Miscellaneous Expenditures	-	1,205	1,205	1,205	-
Energy (Electricity)	65,000	-	65,000	53,080	11,920
Energy (Heat)	-	3,057	3,057	3,057	-
Energy (Natural Gas)	25,000	3,009	28,009	28,009	-
Total Custodial Services	612,050	(48,791)	563,259	518,535	44,725

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Svc.	\$ 20,430	\$ 1,991	\$ 22,421	\$ 11,342	\$ 11,079
General Supplies	8,800	-	8,800	8,618	182
Total Care and Upkeep of Grounds	29,230	1,991	31,221	19,960	11,262
Security					
Cleaning, Repair, and Maintenance Svc.	2,500	-	2,500	523	1,977
General Supplies	-	-	-	-	-
Total Security	2,500	-	2,500	523	1,977
Student Transportation Services					
Salaries for Pupil Transportation (Bet Home & Sch) Regular	7,908	(7,908)	-	-	-
Management Fee - ESC & CTSA Trans. Program	22,000	(8,399)	13,601	7,258	6,343
Contracted Serv.-Aid in Lieu of Payments-Non Public Schools	65,000	24,936	89,936	88,301	1,635
Contracted Services (Bet. Home & Sch) -Joint Agree.	525,000	(96,594)	428,406	428,406	-
Contracted Services (Spl. Ed. Students) -Joint Agree.	134,000	187,000	321,000	312,366	8,634
Other Objects	4,000	(2,035)	1,965	-	1,965
Total Student Transportation Services	757,908	97,000	854,908	836,331	18,577
Unallocated Benefits - Employee Benefits					
Group Insurance	48,462	(48,462)	-	-	-
Social Security Contributions	73,000	-	73,000	58,101	14,899
Other Retirement Contributions - PERS	51,000	3,696	54,696	54,696	-
Unemployment Compensation	5,000	1,274	6,274	5,726	548
Workmen's Compensation	27,343	1,614	28,957	28,957	-
Health Benefits	770,000	(140,561)	629,439	575,111	54,327
Tuition Reimbursement	17,500	-	17,500	11,200	6,300
Unused Sick Payments to Terminated/ Retired Staff	15,000	1,420	16,420	16,420	-
Total Unallocated Benefits - Employee Benefits	1,007,305	(181,020)	826,285	750,211	76,074
On-behalf TPAF Pension System Payments -					
Non-Contributory Insurance (Non-Budget)	-	-	-	8,794	(8,794)
On-behalf TPAF Pension System Payments -	-	-	-	633,837	(633,837)
Normal Cost (Non-Budget)	-	-	-	168,818	(168,818)
On-behalf TPAF Pension System Payments -	-	-	-	195	(195)
Post-Retirement Medical Contribution	-	-	-	133,790	(133,790)
(Non-Budget)	-	-	-	945,434	(945,434)
On-behalf TPAF Pension System Payments -	-	-	-	195	(195)
Long-Term Disability Insurance (Non-Budget)	-	-	-	133,790	(133,790)
Reimbursed TPAF Social Security Payments	-	-	-	133,790	(133,790)
(Non-Budget)	-	-	-	945,434	(945,434)
Total On-Behalf Contributions/Reimbursements	-	-	-	945,434	(945,434)
Total Undistributed Expenditures	8,742,625	(265,007)	8,477,618	8,846,672	(369,054)
Total Expenditures - Current Expenditures	10,874,699	(373,415)	10,501,284	10,751,418	(250,133)

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
CAPITAL OUTLAY					
Increase in Capital Reserve					
Equipment					
Instructional	\$ 2,000		\$ 2,000		\$ 2,000
Technology	-	\$ 68,139	68,139	\$ 68,139	-
Security		93,661	93,661	81,661	12,000
Facilities Acquisition and Construction Serv.					
Architectural/ Engineering Services	-	2,330	2,330	2,330	-
Construction Services	480,000	97,706	577,706	131,599	446,107
Assessment for Debt Service on SDA Funding	3,852	-	3,852	3,852	-
Total Capital Outlay	<u>485,852</u>	<u>261,836</u>	<u>747,688</u>	<u>287,581</u>	<u>460,107</u>
Total Expenditures	<u>11,360,551</u>	<u>(111,579)</u>	<u>11,248,972</u>	<u>11,038,999</u>	<u>209,973</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	(1,472,987)	111,579	(1,361,408)	255,290	1,616,698
Fund Balance, Beginning of Year	<u>4,923,869</u>	<u>-</u>	<u>4,923,869</u>	<u>4,923,869</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,450,882</u>	<u>\$ 111,579</u>	<u>\$ 3,562,461</u>	<u>\$ 5,179,159</u>	<u>\$ 1,616,698</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance					
Excess Surplus-Designated for Subsequent Year's Expenditures-2023/2024 Budget				\$ 450,000	
Excess Surplus-2024/2025 Budget				426,818	
Unemployment Compensation				33,586	
Capital Reserve				2,278,513	
Capital Reserve - Designated for Subsequent Year's Expenditures-2023/2024 Budget				330,000	
Maintenance Reserve				143,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures-2023/2024 Budget				7,000	
Tuition Reserve				143,686	
Tuition Reserve - Designated for Subsequent Year's Expenditures-2023/2024 Budget				222,500	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures- 2023/2024 Budget				368,569	
Year-End Encumbrances				248,078	
Unassigned Fund Balance				<u>527,409</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ (243,861)		
State Aid Not Recognized on GAAP Basis			<u>(33,801)</u>		
				<u>(277,662)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,901,497</u>	

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

	<u>Original</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 174,932	\$ 34,214	\$ 209,146	\$ 191,778	\$ (17,368)
Federal	145,322	417,990	563,312	410,229	(153,083)
Local Sources					
Miscellaneous	-	138,094	138,094	139,206	1,112
Total Revenues	<u>320,254</u>	<u>590,298</u>	<u>910,552</u>	<u>741,213</u>	<u>(169,339)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	16,181	40,682	56,863	56,863	-
Purchased Professional/Technical Services	76,973	41,094	118,067	86,882	31,185
Tuition	48,104	1,464	49,568	49,568	-
General Supplies	-	183,663	183,663	176,434	7,229
Textbooks	14,345	4,003	18,348	15,305	3,043
Student Activities	-	603	603	1,880	(1,277)
Total Instruction	<u>155,603</u>	<u>271,509</u>	<u>427,112</u>	<u>386,932</u>	<u>40,180</u>
Support Services					
Personal Services- Employee Benefits	7,281	5,909	13,190	13,190	-
Other Purchased Professional and Technical Services	48,591	79,253	127,844	45,946	81,898
Other Purchased Services	55,754	42,747	98,501	49,944	48,557
General Supplies	-	1,540	1,540	1,540	-
Total Support Services	<u>111,626</u>	<u>129,449</u>	<u>241,075</u>	<u>110,620</u>	<u>130,455</u>
Facilities Acquisition and Construction					
Construction Services	53,025	17,495	70,520	70,375	145
Non-instructional Equipment	-	171,845	171,845	173,202	(1,357)
Total Facilities Acq. and Construction	<u>53,025</u>	<u>189,340</u>	<u>242,365</u>	<u>243,577</u>	<u>(1,212)</u>
Total Expenditures	<u>320,254</u>	<u>590,298</u>	<u>910,552</u>	<u>741,129</u>	<u>169,423</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>	<u>84</u>
Fund Balances, Beginning of Year				<u>109</u>	
Fund Balances, End of Year				<u>\$ 193</u>	
Recapitulation of Fund Balance:					
Restricted Fund Balance				<u>\$ 193</u>	
Student Activities				<u>\$ 193</u>	
Total Fund Balance				<u>\$ 193</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 11,294,289	(C-2) \$ 741,213
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized :		
Encumbrance, June 30, 2022		44,013
Encumbrance, June 30, 2023		(88,838)
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2021/2022 State Aid)	269,213	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2022/2023 State Aid)	<u>(277,662)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)	<u>\$ 11,285,840</u>	<u>\$ 696,388</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 11,038,999	(C-2) \$ 741,129
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes -		
Encumbrance, June 30, 2022		44,013
Encumbrance, June 30, 2023	<u>-</u>	<u>(88,838)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Exhibit B-2)	<u>\$ 11,038,999</u>	<u>\$ 696,304</u>

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

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

**Public Employees Retirement System
Last Ten Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00434%	0.00335%	0.00788%	0.00812%	0.00842%	0.00909%	0.00922%	0.00925%	0.00979%	0.00976%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 654,565</u>	<u>\$ 397,420</u>	<u>\$ 1,285,585</u>	<u>\$ 1,463,422</u>	<u>\$ 1,658,969</u>	<u>\$ 2,115,300</u>	<u>\$ 2,731,528</u>	<u>\$ 2,076,852</u>	<u>\$ 1,834,424</u>	<u>\$ 1,866,405</u>
District's Covered Payroll	<u>\$ 341,104</u>	<u>\$ 292,285</u>	<u>\$ 505,376</u>	<u>\$ 631,558</u>	<u>\$ 576,732</u>	<u>\$ 591,694</u>	<u>\$ 620,553</u>	<u>\$ 623,898</u>	<u>\$ 612,691</u>	<u>\$ 649,412</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	192%	136%	254%	232%	288%	357%	440%	333%	299%	287%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

SADDLE RIVER BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 54,696	\$ 39,288	\$ 86,241	\$ 79,001	\$ 83,808	\$ 84,181	\$ 81,934	\$ 79,541	\$ 80,772	\$ 73,921
Contributions in Relation to the Contractually Required Contribution	<u>54,696</u>	<u>39,288</u>	<u>86,241</u>	<u>79,001</u>	<u>83,808</u>	<u>84,181</u>	<u>81,934</u>	<u>79,541</u>	<u>80,772</u>	<u>73,921</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 354,432</u>	<u>\$ 341,104</u>	<u>\$ 292,285</u>	<u>\$ 505,376</u>	<u>\$ 631,558</u>	<u>\$ 576,732</u>	<u>\$ 591,694</u>	<u>\$ 620,553</u>	<u>\$ 623,898</u>	<u>\$ 612,691</u>
Contributions as a Percentage of Covered Payroll	15%	12%	30%	16%	13%	15%	14%	13%	13%	12%

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>8,618,781</u>	<u>8,171,904</u>	<u>10,858,582</u>	<u>11,310,525</u>	<u>12,519,449</u>	<u>12,290,769</u>	<u>15,821,840</u>	<u>13,284,975</u>	<u>13,827,576</u>	<u>12,537,719</u>
Total	<u>\$ 8,618,781</u>	<u>\$ 8,171,904</u>	<u>\$ 10,858,582</u>	<u>\$ 11,310,525</u>	<u>\$ 12,519,449</u>	<u>\$ 12,290,769</u>	<u>\$ 15,821,840</u>	<u>\$ 13,284,975</u>	<u>\$ 13,827,576</u>	<u>\$ 12,537,719</u>
District's Covered Payroll	<u>\$ 1,763,202</u>	<u>\$ 1,682,796</u>	<u>\$ 1,966,472</u>	<u>\$ 1,821,184</u>	<u>\$ 1,782,220</u>	<u>\$ 1,950,336</u>	<u>\$ 2,008,027</u>	<u>\$ 2,052,982</u>	<u>\$ 1,962,745</u>	<u>\$ 2,121,244</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 407,460	\$ 535,145	\$ 292,329	\$ 300,150	\$ 381,641	\$ 464,972
Interest on Total OPEB Liability	220,057	272,436	274,160	332,856	365,469	312,843
Changes of Benefit Terms	-	(11,178)				
Differences Between Expected and Actual Experiences	(387,424)	(2,974,514)	2,527,553	(1,284,262)	(1,085,422)	
Changes of Assumptions	(2,227,537)	10,361	2,352,275	114,041	(965,504)	(1,312,508)
Gross Benefit Payments	(217,973)	(214,603)	(224,187)	(234,788)	(224,977)	(183,452)
Contribution from the Member	6,993	6,965	6,795	6,960	7,776	6,755
Net Change in Total OPEB Liability	(2,198,424)	(2,375,388)	5,228,925	(765,043)	(1,521,017)	(711,390)
Total OPEB Liability - Beginning	10,502,105	12,877,493	7,648,568	8,413,611	9,934,628	10,646,018
Total OPEB Liability - Ending	\$ 8,303,681	\$ 10,502,105	\$ 12,877,493	\$ 7,648,568	\$ 8,413,611	\$ 9,934,628
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	8,303,681	10,502,105	12,877,493	7,648,568	8,413,611	9,934,628
Total OPEB Liability - Ending	\$ 8,303,681	\$ 10,502,105	\$ 12,877,493	\$ 7,648,568	\$ 8,413,611	\$ 9,934,628
District's Covered Payroll	\$ 2,104,306	\$ 1,975,081	\$ 2,471,848	\$ 2,452,742	\$ 2,358,952	\$ 2,542,030
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	IDEA Part B Basic	ARP IDEA Part B Basic	IDEA Part B Preschool	ESEA Title I	ESEA Title II-A	ESEA Title IV	ESSER II		ESSER III			Page 1 Total	
							Learning Acceleration	Mental Health	ARP ESSER III	Evidence Based Summer	Evidence Based Comprehensive		NJTSS Mental Health
REVENUES													
Intergovernmental													
State													
Federal	\$ 66,803	\$ 7,604	\$ 4,449	\$ 23,441	\$ 9,496	\$ 13,198	\$ 6,696	\$ 6,040	\$ 193,817	\$ 40,000	\$ 13,500	\$ 25,185	\$ 410,229
Local	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 66,803	\$ 7,604	\$ 4,449	\$ 23,441	\$ 9,496	\$ 13,198	\$ 6,696	\$ 6,040	\$ 193,817	\$ 40,000	\$ 13,500	\$ 25,185	\$ 410,229
EXPENDITURES													
Instruction													
Salaries of Teachers				\$ 15,524			\$ 1,339			\$ 40,000			\$ 56,863
Purchased Professional and Technical Services		\$ 7,604	\$ 4,449		\$ 2,235	\$ 11,684							25,972
Tuition	\$ 49,568												49,568
General Supplies	10,319			84		1,514			\$ 20,615				32,532
Textbooks													-
Student Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Instruction	59,887	7,604	4,449	15,608	2,235	13,198	1,339	-	20,615	40,000	-	-	164,935
Support Services													
Personal Services- Employee Benefits				7,833			5,357						13,190
Other Purchased Professional and Technical Services					7,261					\$ 13,500	\$ 25,185		45,946
Other Purchased Services	6,916							\$ 4,500					11,416
General Supplies	-	-	-	-	-	-	-	1,540	-	-	-	-	1,540
Total Support Services	6,916	-	-	7,833	7,261	-	5,357	6,040	-	-	13,500	25,185	72,092
Facilities Acquisition and Construction													
Non-instructional Equipment	-	-	-	-	-	-	-	-	\$ 173,202	-	-	-	173,202
Total Facilities Acq. and Construction	-	-	-	-	-	-	-	-	173,202	-	-	-	173,202
Total Expenditures	\$ 66,803	\$ 7,604	\$ 4,449	\$ 23,441	\$ 9,496	\$ 13,198	\$ 6,696	\$ 6,040	\$ 193,817	\$ 40,000	\$ 13,500	\$ 25,185	\$ 410,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SADDLE RIVER BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Nonpublic Technology	Nonpublic Auxiliary Services	Nonpublic Handicapped Services			PAWS	Education Foundation	Miscellaneous	Climate Grant	Student Activities	Page 1 Totals	Grand Total
					ESL	Corrective Speech	Exam & Classification	Supplemental Instruction			Local Donations				
REVENUES															
Intergovernmental															
State	\$ 15,305	\$ 38,528	\$ 70,375	\$ 11,612	\$ 1,904	\$ 18,321	\$ 21,226	\$ 7,847				\$ 6,660		\$ 410,229	\$ 191,778
Federal													\$ 1,964		410,229
Local	-	-	-	-	-	-	-	-	\$ 25,659	\$ 111,583	-	-	-	-	139,206
Total Revenues	\$ 15,305	\$ 38,528	\$ 70,375	\$ 11,612	\$ 1,904	\$ 18,321	\$ 21,226	\$ 7,847	\$ 25,659	\$ 111,583	\$ -	\$ 6,660	\$ 1,964	\$ 410,229	\$ 741,213
EXPENDITURES															
Instruction															
Salaries of Teachers														\$ 56,863	\$ 56,863
Purchased Professional and Technical Services				\$ 11,612	\$ 1,904	\$ 18,321	\$ 21,226	\$ 7,847						25,972	86,882
Tuition														49,568	49,568
General Supplies									\$ 25,659	\$ 111,583		\$ 6,660		32,532	176,434
Textbooks	\$ 15,305													-	15,305
Student Activities													\$ 1,880	-	1,880
Total Instruction	15,305	-	-	11,612	1,904	18,321	21,226	7,847	25,659	111,583	-	6,660	1,880	164,935	386,932
Support Services															
Personal Services- Employee Benefits														13,190	13,190
Other Purchased Professional and Technical Services														45,946	45,946
Other Purchased Services		\$ 38,528												11,416	49,944
General Supplies														1,540	1,540
Total Support Services	-	38,528	-	-	-	-	-	-	-	-	-	-	-	72,092	110,620
Facilities Acquisition and Construction															
Construction Services			\$ 70,375												70,375
Non-instructional Equipment														173,202	173,202
Total Facilities Acq. and Construction	-	-	70,375	-	-	-	-	-	-	-	-	-	-	173,202	243,577
Total Expenditures	\$ 15,305	\$ 38,528	\$ 70,375	\$ 11,612	\$ 1,904	\$ 18,321	\$ 21,226	\$ 7,847	\$ 25,659	\$ 111,583	\$ -	\$ 6,660	\$ 1,880	\$ 410,229	\$ 741,129
Excess (Deficiency) of Revenues Over (Under) Expenditures														84	84
Fund Balance, July 1														109	109
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193	\$ -	\$ 193

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

NOT APPLICABLE

CAPITAL PROJECTS FUND

SADDLE RIVER BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue/Project Title</u>	<u>Modified</u> <u>Appropriations</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Cancelled</u>	<u>Balance,</u> <u>June 30, 2023</u>
Wandell School-HVAC Project	\$ 3,097,091	\$ 3,096,154		\$ 937	\$ -
Carbon Monoxide Detector System Project	27,558	27,558			-
Wandell School-Roof Project	<u>2,459,846</u>	<u>1,948,519</u>	<u>\$ 191,309</u>	<u>-</u>	<u>320,018</u>
	<u>\$ 5,584,495</u>	<u>\$ 5,072,231</u>	<u>\$ 191,309</u>	<u>\$ 937</u>	<u>\$ 320,018</u>
Project Balance					\$ 320,018
Debt Authorized But Not Issued					<u>-</u>
Fund Balance- GAAP Basis					<u>\$ 320,018</u>

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

Expenditures and Other Financing Uses

Expenditures

Construction Services	\$ <u>191,309</u>
 Total Expenditures	 <u>191,309</u>
 Excess of Expenditures over Revenues	 (191,309)
 Fund Balance - Beginning of Year	 <u>511,327</u>
 Fund Balance - End of Year	 <u><u>\$ 320,018</u></u>

Recapitulation of Fund Balance:

Year End Encumbrances	\$ 1,822
Unassigned Fund Balance	<u>318,196</u>
	<u><u>\$ 320,018</u></u>

SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2015 REFERENDUM - HVAC UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Cancelled</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources					
Bond Proceeds	\$ 3,097,091	\$ -	\$ -	\$ 3,097,091	\$ 3,097,091
Total Revenues and Other Financing Sources	<u>3,097,091</u>	<u>-</u>	<u>-</u>	<u>3,097,091</u>	<u>3,097,091</u>
Expenditures and Other Financing Uses					
Salaries	13,611			13,611	13,611
Purchased Professional and Technical Services	338,102			338,102	338,102
Construction Services	2,582,047		937	2,582,984	2,582,984
Construction Supplies	105,853	-		105,853	105,853
Other Objects	12,041	-	-	12,041	12,041
Total Expenditures	<u>3,051,654</u>	<u>-</u>	<u>937</u>	<u>3,052,591</u>	<u>3,052,591</u>
Other Financing Uses - Transfer to Debt Service	<u>(44,500)</u>	<u>-</u>	<u>-</u>	<u>(44,500)</u>	<u>(44,500)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 937</u>	<u>\$ -</u>	<u>\$ (937)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:					
Project Number					
Grant Date		N/A			
Bond Issue Date		7/15/2015			
Bonds Authorized	\$ 3,097,091				
Bonds Issues	3,097,000				
Original Authorized Cost	3,097,091				
Adjustment					
Revised Authorized Cost	3,097,091				
Percentage Increase Over Original Authorized Cost		-			
Percentage Completion		100%			
Original Target Completion Date		2015/2016			
Revised Target Completion Date		6/30/2016			

**SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
CARBON MONOXIDE DETECTOR SYSTEM
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				
Transfer from General Fund- Capital Reserve	\$ 27,558	\$ -	\$ 27,558	\$ 27,558
Total Revenues and Other Financing Sources	<u>27,558</u>	<u>-</u>	<u>27,558</u>	<u>27,558</u>
Expenditures and Other Financing Uses				
Construction Services	<u>27,558</u>	<u>-</u>	<u>27,558</u>	<u>27,558</u>
Total Expenditures	<u>27,558</u>	<u>-</u>	<u>27,558</u>	<u>27,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Original Authorized Cost	27,558			
Adjustment				
Revised Authorized Cost	27,558			
Percentage Increase Over Original Authorized Cost		-		
Percentage Completion		100%		
Original Target Completion Date	2018/2019			
Revised Target Completion Date	2018/2019			

SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
2020 REFERENDUM - ROOF PROJECT
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	\$ 2,459,846	\$ -	\$ 2,459,846	\$ 2,459,846
Total Revenues and Other Financing Sources	<u>2,459,846</u>	<u>-</u>	<u>2,459,846</u>	<u>2,459,846</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	1,948,519	191,309	2,139,828	2,459,846
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,948,519</u>	<u>191,309</u>	<u>2,139,828</u>	<u>2,459,846</u>
Other Financing Uses - Transfer to Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 511,327</u>	<u>\$ (191,309)</u>	<u>\$ 320,018</u>	<u>\$ -</u>
Additional Project Information:				
Project Number				
Grant Date		N/A		
Bond Issue Date		3/5/2020		
Bonds Authorized	\$ 2,459,846			
Bonds Issues	2,459,000			
Original Authorized Cost	2,459,846			
Adjustment				
Revised Authorized Cost	2,459,846			
Percentage Increase Over Original Authorized Cost		-		
Percentage Completion		-8%		
Original Target Completion Date		2,020		
Revised Target Completion Date		-		

ENTERPRISE FUND

EXHIBIT G-1

**SADDLE RIVER BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

LONG-TERM DEBT

**SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>
General Improvements - 2020	3/5/2020	\$ 2,459,000	3/1/2024-3/1/2026	\$ 135,000	1.125-1.500 %	\$ 2,289,000	\$ 135,000	\$ 2,154,000
			3/1/2027-3/1/2030	190,000	1.500-1.750			
			3/1/2031-3/1/2033	195,000	1.750-2.000			
			3/1/2034	200,000	2.000			
			3/1/2035	204,000	2.000			
General Improvements - 2015	7/15/2015	3,097,000	7/15/2023	\$ 335,000	2.000 %	1,362,000	325,000	1,037,000
			7/15/2024	345,000	2.000			
			7/15/2025	357,000	2.000			
						<u>\$ 3,651,000</u>	<u>\$ 460,000</u>	<u>\$ 3,191,000</u>
Paid by Budget Appropriation							<u>\$ 460,000</u>	

**SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**SADDLE RIVER BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 344,571		\$ 344,571	\$ 344,571	
State Aid	177,506	-	177,506	177,506	-
Total Revenues	<u>522,077</u>	<u>-</u>	<u>522,077</u>	<u>522,077</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	460,000		460,000	460,000	
Interest	62,077	-	62,077	62,077	-
Total Expenditures	<u>522,077</u>	<u>-</u>	<u>522,077</u>	<u>522,077</u>	<u>-</u>
Other Financing Sources					
Transfer in from Capital Projects	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 2,642,341	\$ 2,722,286	\$ 1,812,290	\$ 2,084,324	\$ 2,132,102	\$ 2,453,134	\$ 2,579,421	\$ 2,718,562	\$ 3,419,490	\$ 4,186,242
Restricted	613,875	155,424	1,066,810	957,297	896,467	723,253	1,119,860	1,593,497	3,018,362	3,478,496
Unrestricted	<u>(1,085,257)</u>	<u>(1,112,205)</u>	<u>(1,345,090)</u>	<u>(1,371,392)</u>	<u>(1,221,585)</u>	<u>(1,192,036)</u>	<u>(785,878)</u>	<u>64,667</u>	<u>475,102</u>	<u>384,191</u>
Total Governmental Activities Net Position	\$ 2,170,959	\$ 1,765,505	\$ 1,534,010	\$ 1,670,229	\$ 1,806,984	\$ 1,984,351	\$ 2,913,403	\$ 4,376,726	\$ 6,912,954	\$ 8,048,929
Business-Type Activities										
Investment in Capital Assets	\$ 10,845	\$ 9,148	\$ 7,451	\$ 9,552	\$ 7,923	\$ 6,294	\$ 4,665	\$ 3,036	\$ -	\$ -
Restricted										
Unrestricted	<u>1,392</u>	<u>824</u>	<u>4,560</u>	<u>3,449</u>	<u>1,268</u>	<u>5,850</u>	<u>5,288</u>	<u>(113)</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities Net Position	\$ 12,237	\$ 9,972	\$ 12,011	\$ 13,001	\$ 9,191	\$ 12,144	\$ 9,953	\$ 2,923	\$ -	\$ -
District-Wide										
Net Investment in Capital Assets	\$ 2,653,186	\$ 2,731,434	\$ 1,819,741	\$ 2,093,876	\$ 2,140,025	\$ 2,459,428	\$ 2,584,086	\$ 2,721,598	\$ 3,419,490	\$ 4,186,242
Restricted	613,875	155,424	1,066,810	957,297	896,467	723,253	1,119,860	1,593,497	3,018,362	3,478,496
Unrestricted	<u>(1,083,865)</u>	<u>(1,111,381)</u>	<u>(1,340,530)</u>	<u>(1,367,943)</u>	<u>(1,220,317)</u>	<u>(1,186,186)</u>	<u>(780,590)</u>	<u>64,554</u>	<u>475,102</u>	<u>384,191</u>
Total District Net Position	\$ 2,183,196	\$ 1,775,477	\$ 1,546,021	\$ 1,683,230	\$ 1,816,175	\$ 1,996,495	\$ 2,923,356	\$ 4,379,649	\$ 6,912,954	\$ 8,048,929

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: School District's financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 5,200,646	\$ 5,837,936	\$ 5,950,754	\$ 5,859,931	\$ 6,029,160	\$ 6,122,752	\$ 5,879,745	\$ 5,776,724	\$ 5,151,135	\$ 5,821,928
Special Education	827,952	751,348	834,586	906,186	1,066,104	1,192,425	1,198,006	1,134,427	1,338,517	1,559,104
Other Instruction			17,828	10,000					-	-
School Sponsored Activities And Athletics	22,193	29,032	32,837	13,781	10,032	116,017		19,631	355	1,880
Support Services:										
Student & Instruction Related Services	1,441,689	1,625,308	1,680,990	2,142,416	2,169,803	1,828,634	1,782,548	1,925,037	1,750,610	1,614,810
School Administrative Services	55,111	10,364	75,632	55,279	57,279	45,734	65,291	88,339	44,733	51,039
General Administration	165,918	113,806	72,575	66,680	101,312	145,875	138,417	156,237	132,651	157,441
Plant Operations And Maintenance	438,831	774,808	597,442	519,377	538,621	544,014	386,274	495,459	514,905	679,359
Pupil Transportation	455,916	497,004	509,828	515,661	547,330	538,580	429,915	511,464	668,504	852,545
Other Support Services	283,168	275,685	261,236	316,301	243,333	220,746	207,779	303,913	77,813	63,792
Interest On Long-Term Debt	8,203	4,266	50,942	50,061	46,526	42,844	47,925	73,740	67,023	58,718
Total Governmental Activities Expenses	8,899,627	9,919,557	10,084,650	10,455,673	10,809,500	10,797,621	10,135,900	10,484,971	9,746,246	10,860,616
Business-Type Activities:										
Food Service	78,315	73,321	71,305	70,844	75,367	78,244	67,733	26,465	2,923	-
Total Business-Type Activities Expense	78,315	73,321	71,305	70,844	75,367	78,244	67,733	26,465	2,923	-
Total District Expenses	\$ 8,977,942	\$ 9,992,878	\$ 10,155,955	\$ 10,526,517	\$ 10,884,867	\$ 10,875,865	\$ 10,203,633	\$ 10,511,436	\$ 9,749,169	\$ 10,860,616
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 106,292	\$ 124,525	\$ 106,133	\$ 52,038	\$ 119,095	\$ 149,994	\$ 119,795	\$ 117,625	\$ 177,650	\$ 108,693
Operating Grants And Contributions	1,259,394	1,601,062	1,746,876	2,204,762	2,323,674	2,061,916	1,745,183	2,294,264	2,148,504	1,893,819
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	1,365,686	1,725,587	1,853,009	2,256,800	2,442,769	2,211,910	1,864,978	2,411,889	2,326,154	2,002,512
Business-Type Activities:										
Charges For Services										
Food Service	77,087	71,011	73,294	71,832	71,557	81,197	65,542	19,435	-	-
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	77,087	71,011	73,294	71,832	71,557	81,197	65,542	19,435	-	-
Total District Program Revenues	\$ 1,442,773	\$ 1,796,598	\$ 1,926,303	\$ 2,328,632	\$ 2,514,326	\$ 2,293,107	\$ 1,930,520	\$ 2,431,324	\$ 2,326,154	\$ 2,002,512
Net (Expense)/Revenue										
Governmental Activities	\$ (7,533,941)	\$ (8,193,970)	\$ (8,231,641)	\$ (8,198,873)	\$ (8,366,731)	\$ (8,585,711)	\$ (8,270,922)	\$ (8,073,082)	\$ (7,420,092)	\$ (8,858,104)
Business-Type Activities	(1,228)	(2,310)	1,989	988	(3,810)	2,953	(2,191)	(7,030)	(2,923)	-
Total District-Wide Net Expense	\$ (7,535,169)	\$ (8,196,280)	\$ (8,229,652)	\$ (8,197,885)	\$ (8,370,541)	\$ (8,582,758)	\$ (8,273,113)	\$ (8,080,112)	\$ (7,423,015)	\$ (8,858,104)

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied	\$ 7,608,694	\$ 7,754,933	\$ 7,925,250	\$ 8,235,981	\$ 8,368,885	\$ 8,581,462	\$ 9,029,612	\$ 9,248,845	\$ 9,513,748	\$ 9,688,424
State Aid - Restricted/Unrestricted			3,991	85,689	121,119	116,184	115,750	117,594	202,281	177,506
Investment Earnings	4,010	2,454	2,592	2,213	5,737	20,031	14,544	7,353	5,352	80,724
Miscellaneous Income	13,566	31,129	68,313	11,209	7,745	45,401	40,068	124,765	234,939	47,425
Transfers	(616)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>7,625,654</u>	<u>7,788,516</u>	<u>8,000,146</u>	<u>8,335,092</u>	<u>8,503,486</u>	<u>8,763,078</u>	<u>9,199,974</u>	<u>9,498,557</u>	<u>9,956,320</u>	<u>9,994,079</u>
Business-Type Activities:										
Investment Earnings	81	45	50	2						
Transfers	616	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>697</u>	<u>45</u>	<u>50</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 7,626,351</u>	<u>\$ 7,788,561</u>	<u>\$ 8,000,196</u>	<u>\$ 8,335,094</u>	<u>\$ 8,503,486</u>	<u>\$ 8,763,078</u>	<u>\$ 9,199,974</u>	<u>\$ 9,498,557</u>	<u>\$ 9,956,320</u>	<u>\$ 9,994,079</u>
Change in Net Position										
Governmental Activities	\$ 91,713	\$ (405,454)	\$ (231,495)	\$ 136,219	\$ 136,755	\$ 177,367	\$ 929,052	\$ 1,425,475	\$ 2,536,228	\$ 1,135,975
Business-Type Activities	(531)	(2,265)	2,039	990	(3,810)	2,953	(2,191)	(7,030)	(2,923)	-
Total District	<u>\$ 91,182</u>	<u>\$ (407,719)</u>	<u>\$ (229,456)</u>	<u>\$ 137,209</u>	<u>\$ 132,945</u>	<u>\$ 180,320</u>	<u>\$ 926,861</u>	<u>\$ 1,418,445</u>	<u>\$ 2,533,305</u>	<u>\$ 1,135,975</u>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 991,534	\$ 993,955	\$ 1,130,757	\$ 1,116,790	\$ 1,192,200	\$ 1,338,677	\$ 1,929,132	\$ 3,037,885	\$ 3,397,261	\$ 4,035,103
Committed	-		73,195	-	-	-	-	-		
Assigned	338,974	161,951	99,176	142,923	221,817	223,151	380,089	359,332	908,039	616,647
Unassigned	<u>156,885</u>	<u>201,708</u>	<u>158,536</u>	<u>182,661</u>	<u>221,066</u>	<u>181,359</u>	<u>169,499</u>	<u>279,130</u>	<u>349,356</u>	<u>249,747</u>
Total General Fund	<u>\$ 1,487,393</u>	<u>\$ 1,357,614</u>	<u>\$ 1,461,664</u>	<u>\$ 1,442,374</u>	<u>\$ 1,635,083</u>	<u>\$ 1,743,187</u>	<u>\$ 2,478,720</u>	<u>\$ 3,676,347</u>	<u>\$ 4,654,656</u>	<u>\$ 4,901,497</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	-	\$ (330,002)	\$ 356,486	\$ 356,486	\$ 295,656	\$ 123,141	\$ 1,705,296	\$ 763,272	\$ 511,436	\$ 320,211
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ (330,002)</u>	<u>\$ 356,486</u>	<u>\$ 356,486</u>	<u>\$ 295,656</u>	<u>\$ 123,141</u>	<u>\$ 1,705,296</u>	<u>\$ 763,272</u>	<u>\$ 511,436</u>	<u>\$ 320,211</u>

Source: District financial statements

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 7,608,694	\$ 7,754,933	\$ 7,925,250	\$ 8,235,981	\$ 8,368,885	\$ 8,581,462	\$ 9,029,612	\$ 9,248,845	\$ 9,513,748	\$ 9,688,424
Tuition Charges	106,292	124,525	106,133	52,038	119,095	149,994	119,795	117,625	177,650	108,693
Interest Earnings	4,010	2,454	2,592	2,213	5,737	20,031	14,544	7,353	5,352	80,724
Miscellaneous	271,433	76,085	191,890	192,279	164,846	150,615	58,926	154,653	359,910	133,166
State Sources	867,001	830,793	854,125	1,027,114	1,200,756	1,386,401	1,382,446	1,579,517	1,974,284	2,075,584
Federal Sources	134,526	94,897	123,027	98,518	83,815	97,757	134,737	165,127	415,284	417,714
Total Revenue	8,991,956	8,883,687	9,203,017	9,608,143	9,943,134	10,386,260	10,740,060	11,273,120	12,446,228	12,504,305
Expenditures										
Instruction										
Regular Instruction	5,113,947	5,232,466	5,251,071	5,106,832	5,336,846	5,626,246	5,521,279	5,283,710	5,421,436	5,953,672
Special Education Instruction	818,976	695,077	772,098	826,022	984,268	1,141,011	1,161,651	1,096,801	1,376,292	1,638,468
Other Instruction			14,336	10,000					-	-
School Sponsored Activities and Athletics	22,193	24,879	27,021	11,800	8,704	5,642		19,631	355	1,880
Support Services:										
Student and Inst. Related Services	1,421,172	1,532,492	1,615,228	1,725,234	1,773,380	1,727,665	1,671,198	1,721,205	1,942,745	1,778,080
General Administration	162,071	95,617	66,943	57,238	88,450	137,602	132,737	148,802	150,475	161,274
School Administrative Services	53,829	8,037	60,075	41,275	35,779	37,652	57,521	73,582	50,323	55,156
Plant Operations And Maintenance	432,419	768,586	582,830	459,008	484,064	529,017	392,939	488,595	659,685	801,889
Pupil Transportation	449,504	490,782	500,172	497,514	528,045	525,031	416,436	497,985	679,775	836,331
Other Support Services	263,506	285,240	249,042	278,512	211,603	208,810	214,469	298,899	129,490	68,834
Capital Outlay		114,386	2,278,694	306,213	26,957	172,461	972,702	1,040,736	753,790	631,028
Debt Service:										
Principal	90,000	90,000	90,000	230,000	285,000	295,000	300,000	310,000	485,000	460,000
Interest and Other Charges	9,844	5,906	1,969	77,785	48,159	44,534	40,440	75,419	70,389	62,077
Total Expenditures	8,837,461	9,343,468	11,509,479	9,627,433	9,811,255	10,450,671	10,881,372	11,055,365	11,719,755	12,448,689
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	154,495	(459,781)	(2,306,462)	(19,290)	131,879	(64,411)	(141,312)	217,755	726,473	55,616
Other Financing Sources (Uses)										
Proceeds From Bond Sale			3,097,000	-	-	-	2,459,000			
Transfers In					44,500	27,558	846			
Transfers Out	(616)	-	-	-	(44,500)	(27,558)	(846)	-	-	-
Total Other Financing Sources (Uses)	(616)	-	3,097,000	-	-	-	2,459,000	-	-	-
Net Change in Fund Balances	\$ 153,879	\$ (459,781)	\$ 790,538	\$ (19,290)	\$ 131,879	\$ (64,411)	\$ 2,317,688	\$ 217,755	\$ 726,473	\$ 55,616
Debt Service as a Percentage of										
Noncapital Expenditures	1.13%	1.04%	1.00%	3.30%	3.41%	3.30%	3.44%	3.85%	5.06%	4.42%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

**SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
MISCELLANEOUS REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

	<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>
General Fund										
Interest on Investments	\$ 4,010	\$ 2,454	\$ 2,592	\$ 2,213	\$ 5,737	\$ 20,031	\$ 14,544	\$ 7,353	\$ 5,352	\$ 80,724
Prior Years' Refunds	9,053	17,865	16,502	3,157		86	1,085			
Rentals	1,087	800	750	25	5,913	966				
Activity Income Fee										
Insurance Refund			45,171							
Cancelled Invalid Accounts Payables								110,954	-	
Miscellaneous	<u>3,426</u>	<u>12,464</u>	<u>5,890</u>	<u>8,027</u>	<u>1,832</u>	<u>44,349</u>	<u>38,137</u>	<u>13,811</u>	<u>154,290</u>	<u>47,425</u>
Total Miscellaneous	17,576	33,583	70,905	13,422	13,482	65,432	53,766	132,118	159,642	128,149
Tuition	<u>106,292</u>	<u>124,525</u>	<u>106,133</u>	<u>52,038</u>	<u>119,095</u>	<u>149,994</u>	<u>119,795</u>	<u>117,625</u>	<u>177,650</u>	<u>108,693</u>
Total General Fund	<u>\$ 123,868</u>	<u>\$ 158,108</u>	<u>\$ 177,038</u>	<u>\$ 65,460</u>	<u>\$ 132,577</u>	<u>\$ 215,426</u>	<u>\$ 173,561</u>	<u>\$ 249,743</u>	<u>\$ 337,292</u>	<u>\$ 236,842</u>

Source: District records.

SADDLE RIVER BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2014	\$ 63,539,000	\$ 2,132,744,100	\$ 8,044,900	\$ 133,600	\$ 57,119,200			\$ 2,261,580,800		\$ 2,261,580,800	\$ 2,450,250,054	\$ 0.340
2015	66,610,400	2,149,488,000	9,145,600	135,400	57,119,200			2,282,498,600		2,282,498,600	2,526,275,490	0.339
2016	66,255,200	2,147,673,100	8,062,600	135,400	57,119,200			2,279,245,500		2,279,245,500	2,557,770,266	0.361
2017	58,047,400	2,166,117,000	8,788,600	127,100	57,119,200			2,290,199,300		2,290,199,300	2,510,353,016	0.362
2018	56,153,200	2,422,376,800	17,310,800	47,200	72,190,800			2,568,078,800		2,568,078,800	2,515,794,419	0.331
2019	53,475,000	2,431,851,000	21,259,000	49,556	72,133,200			2,578,767,756		2,578,767,756	2,466,604,089	0.342
2020	53,031,100	2,428,974,000	23,004,500	49,556	72,133,200			2,577,192,356		2,577,192,356	2,526,430,746	0.356
2021	53,195,700	2,422,647,200	24,309,500	49,556	72,133,200			2,572,335,156		2,572,335,156	2,484,414,434	0.367
2022	51,248,200	2,419,041,500	29,617,100	49,556	72,133,200			2,572,089,556		2,572,089,556	2,468,191,362	0.373
2023	49,016,000	2,424,089,400	29,656,900	49,556	63,638,000			2,566,449,856		2,566,449,856	2,516,112,309	0.382

Source: County Abstract of Ratables

^a Tax rates are per \$100

**SADDLE RIVER BOARD OF EDUCATION
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Assessment <u>Year</u>	Saddle River <u>School District</u>	Borough <u>Saddle River</u>	Bergen <u>County</u>	<u>Total</u>
2014	\$0.340	\$0.384	\$0.253	0.977
2015	0.339	0.383	0.265	0.987
2016	0.361	0.383	0.275	1.019
2017	0.362	0.376	0.275	1.013
2018	0.331	0.335	0.240	0.906
2019	0.342	0.346	0.233	0.921
2020	0.356	0.361	0.242	0.959
2021	0.367	0.376	0.242	0.985
2022	0.373	0.401	0.220	0.994
2023	0.382	0.405	0.234	1.021

Source: Abstract of Ratables, County Board of Taxation

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

2022			2013		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
MIREF S.R. (Office Bldg.)	\$ 19,545,200	0.76%			
GRAND PRIX SADDLE RIVER, LLC	17,246,000	0.67%			
Brighton Gardens Sunrise Senior Living	17,246,000	0.67%			
SRHNI, LLC	11,302,100	0.44%			
Bank of America, MD9-890-10-51, REIF	10,923,000	0.42%			
Individual	8,566,700	0.33%			
Individual	8,423,400	0.33%			
Individual	8,200,600	0.32%			
Individual	8,051,900	0.31%			
Individual	7,881,500	0.31%			
	<u>\$ 117,386,400</u>	<u>4.56%</u>			
			Individual	\$ 17,836,000	0.82%
			Innkeepers Inn/Marriott	17,400,000	0.80%
			Fox Hedge Manor, LLC	12,000,000	0.55%
			Individual	11,891,600	0.54%
			Individual	10,632,400	0.49%
			Prudence Group, LLC	9,984,500	0.46%
			Marriott/Brighton Gardens	8,372,500	0.38%
			Individual	7,375,000	0.34%
			Individual	7,031,700	0.32%
			Individual	<u>6,357,000</u>	<u>0.29%</u>
				<u>\$ 108,880,700</u>	<u>4.99%</u>

Source: Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 7,608,694	\$ 7,608,694	100.00%	
2015	7,754,933	7,754,933	100.00%	
2016	7,925,250	7,925,250	100.00%	
2017	8,235,971	8,235,891	100.00%	
2018	8,368,885	8,368,885	100.00%	
2019	8,581,462	8,581,462	100.00%	
2020	9,029,612	9,029,612	100.00%	
2021	9,248,845	9,248,845	100.00%	
2022	9,513,748	9,513,748	100.00%	
2023	9,688,424	9,688,424	100.00%	

Source: District financial records.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2014	\$ 180,000					\$ 180,000	3,222	\$ 56
2015	90,000					90,000	3,215	28
2016	3,097,000					3,097,000	3,216	963
2017	2,867,000					2,867,000	3,207	894
2018	2,582,000					2,582,000	3,214	803
2019	2,287,000					2,287,000	3,173	721
2020	4,446,000					4,446,000	3,155	1,409
2021	4,136,000					4,136,000	3,351	1,234
2022	3,651,000					3,651,000	3,354	1,089
2023	3,191,000					3,191,000	3,354 *	951

Source: District records

* Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	\$ 180,000		\$ 180,000	0.01%	\$ 56
2015	90,000		90,000	0.004%	28
2016	3,097,000		3,097,000	0.136%	963
2017	2,867,000		2,867,000	0.125%	894
2018	2,582,000		2,582,000	0.101%	803
2019	2,287,000		2,287,000	0.089%	721
2020	4,446,000		4,446,000	0.173%	1,409
2021	4,136,000		4,136,000	0.161%	1,234
2022	3,651,000		3,651,000	0.142%	1,089
2023	3,191,000		3,191,000	0.124%	951

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

SADDLE RIVER BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
AS OF DECEMBER 31, 2022
(Unaudited)

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Saddle River	\$ 17,779,019
Borough of Saddle River School District	<u>3,326,000</u>
Total Direct Debt	<u>21,105,019</u>
Overlapping Debt Apportioned to the Municipalities: (2)	
County of Bergen	<u>19,131,182</u>
Total Overlapping Debt	<u>19,131,182</u>
Total Direct and Overlapping Debt	<u>\$ 40,236,201</u>

Source:
(1) Borough of Saddle River's Annual Debt Statement - December 31, 2022
(2) Bergen County Annual Debt Statement - December 31, 2022

SADDLE RIVER BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2022	\$ 2,521,162,082
2021	2,467,941,241
2020	<u>2,488,598,258</u>
Average equalized valuation of taxable property	<u>\$ 2,492,567,193.67</u>
Debt Limit (2.5% of average equalized valuation)	62,314,180 a
Total Net Debt Applicable to Limit	<u>3,191,000</u>
Legal Debt Margin	<u>\$ 59,123,180</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 60,668,803	\$ 60,966,306	\$ 62,270,615	\$ 63,010,392	\$ 62,628,634	\$ 61,753,484	\$ 62,000,626	\$ 62,265,877	\$ 62,366,665	\$ 62,314,180
Total Net Debt Applicable to Limit	<u>180,000</u>	<u>3,187,091</u>	<u>3,097,091</u>	<u>2,867,091</u>	<u>2,582,091</u>	<u>2,287,091</u>	<u>4,446,937</u>	<u>4,136,937</u>	<u>3,651,000</u>	<u>3,191,000</u>
Legal Debt Margin	<u>\$ 60,488,803</u>	<u>\$ 57,779,215</u>	<u>\$ 59,173,524</u>	<u>\$ 60,143,301</u>	<u>\$ 60,046,543</u>	<u>\$ 59,466,393</u>	<u>\$ 57,553,689</u>	<u>\$ 58,128,940</u>	<u>\$ 58,715,665</u>	<u>\$ 59,123,180</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.30%	5.23%	4.97%	4.55%	4.12%	3.70%	7.17%	6.64%	5.85%	5.12%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population(2)</u>
2013	7.00%	\$ 71,100	3,222
2014	3.00%	93,637	3,215
2015	3.30%	76,821	3,216
2016	3.10%	77,901	3,207
2017	2.60%	81,203	3,214
2018	2.30%	85,951	3,197
2019	2.30%	89,456	3,173
2020	7.00%	91,972	3,155
2021	4.40%	97,343	3,351
2022	3.30%	N/A	3,354

- (1) Represents county information vs. municipality
(2) Represents estimates as of July 1
N/A Information not available

Source: Data regarding unemployment rate, per capita income and school district population was provided by the State Department of Education.

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

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

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction										
Regular										
Special Education										
Other Special Education										
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services										
General Administration										
School Administrative Services										
Other Administrative Services										
Central Services										
Administrative Information Technology										
Plant Operations And Maintenance										
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

INFORMATION NOT AVAILABLE

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	201.0	\$ 8,737,617	\$ 43,471	7.05%	22	1:09			198.0	189	-4.39%	95.45%
2015	187.0	9,133,176	48,841	12.35%	24	1:08			187.6	177	-5.25%	94.61%
2016	175.0	9,138,816	52,222	6.92%	23	1:08			175.4	168	-6.50%	95.78%
2017	150.0	9,013,435	60,090	15.07%	20	1:08			150.0	147	-14.48%	97.89%
2018	147.0	8,397,809	57,128	-4.93%	18	1:08			147.0	144	-2.00%	97.96%
2019	162.0	9,938,676	61,350	7.39%	18	1:09			162.0	158	10.20%	97.53%
2020	145.0	9,568,230	65,988	7.56%	21	1:07			145.0	138	-10.49%	95.17%
2021	134.0	9,629,210	71,860	8.90%	21	1:07			134.0	134	-7.59%	100.00%
2022	117.0	10,410,576	88,979	23.82%	21	1:07			116.9	108	-12.76%	92.39%
2023	111.0	11,295,584	101,762	14.37%	21	1:07			111.0	111	-5.05%	100.00%

Sources: District records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
<u>Elementary</u>										
Square Feet	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526	40,526
Enrollment	201.0	187.0	175.0	150.0	147.0	162.0	145.0	134.0	117.0	111.0
Number of Schools at June 30, 2022										
Elementary = 1										
Middle School = 0										
Senior High School = 0										
Other = 0										

Source: District Records

SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School Facilities										
Wandell Elementary School	\$ 89,062	\$ 43,605	\$ 33,395	\$ 41,070	\$ 38,552	\$ 28,074	\$ 46,085	\$ 56,080	\$ 55,689	\$ 84,414
Grand Total	<u>\$ 89,062</u>	<u>\$ 43,605</u>	<u>\$ 33,395</u>	<u>\$ 41,070</u>	<u>\$ 38,552</u>	<u>\$ 28,074</u>	<u>\$ 46,085</u>	<u>\$ 56,080</u>	<u>\$ 55,689</u>	<u>\$ 84,414</u>

Source: School District's Financial Statements

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property - Blanket Building & Contents	\$ 12,995,673	\$ 5,000
Earthquake/Flood (outside Zones A & V)	5,000,000	50,000
Flood (Zones A & V)	1,000,000	500,000
Commercial General Liability - Each Occurrence	1,000,000	
Commercial General Liability - General Aggregate	2,000,000	
Comprehensive Automobile Liability	1,000,000	1,000
Employer's Liability	1,000,000	1,000
Commercial Umbrella	9,000,000	10,000
Employee Theft	100,000/400,000	5,000/1,000
Environmental	2,000,000/4,000,000	15,000
Excess Umbrella	50,000,000	
Cyber Liability	1,000,000/4,000,000	15,000
Workers Compensation	1,000,000	
Travel Accident	100,000	
Officials' Bonds -		
Treasurer of School Money	180,000	
School Business Administrator	100,000	

Source: District records.

*Note: The District is part of the Northeast Bergen County School Board Insurance Group.
The above coverages are the combined amounts for all the school districts under master policies with insurance companies.

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle River Board of Education
Saddle River, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle River Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Saddle River Board of Education's basic financial statements and have issued our report thereon dated November 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

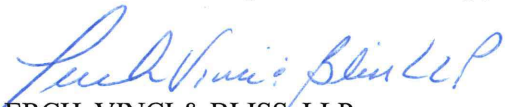
Report on Compliance and Other Matters

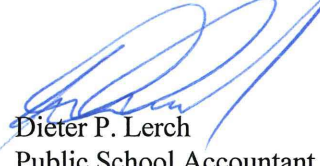
As part of obtaining reasonable assurance about whether the Saddle River Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Saddle River Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated November 29, 2023.

Purpose of this Report

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 29, 2023



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED
BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle River Board of Education
Saddle River, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

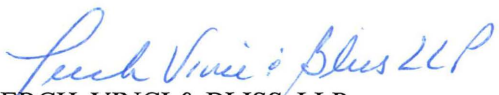
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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


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

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

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

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


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


Dieter P. Lerch
Public School Accountant
PSA Number CS00756

Fair Lawn, New Jersey
November 29, 2023

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Federal AL Number	FAIN Number	Project Period	Award Amount	Balance, July 1, 2022	Carryover Amount	Cash Received	Budgetary Expenditures	Carryover Receivables	Adjustment	Balance, June 30, 2023			Memo GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education Passed -through State Department of Education														
<u>Special Revenue Fund:</u>														
ESEA Title I- A	84.010	S010A220030	7/1/22-6/30/23	\$ 23,441			\$ 23,441	\$ 23,441						
ESEA Title II-A	84.367	S367A220029	7/1/22-6/30/23	8,168		\$ 1,328	9,496	9,496	\$ (1,328)					
ESEA Title II-A	84.367	S367A210029	7/1/21-6/30/22	7,025		(1,328)			1,328					
ESEA Title IV	84.424	S424A220031	7/1/22-6/30/23	10,000		3,198	13,198	13,198	(3,198)					
ESEA Title IV	84.424	S424A210031	7/1/21-6/30/22	10,000	\$ (775)	(3,198)	775	-	3,198					
Total Special Education (ESEA) Cluster					(775)	-	46,910	46,135	-					
IDEA Part B, Basic	84.027	H027A220100	7/1/22-6/30/23	100,090		55,488	63,475	66,803	(55,488)	\$ (92,103)	\$ 88,775		\$ (3,328)	
IDEA Part B, Basic	84.027	H027A210100	7/1/21-6/30/22	92,975	(3,650)	(55,488)	3,650		55,488					
ARP IDEA Part B, Basic	84.027X	H027X210100	7/1/21-6/30/22	19,433	-	(7,604)	7,604	7,604	7,604					
IDEA Part B, Preschool	84.173	H173A220114	7/1/22-6/30/23	4,449	-	-	3,063	4,449	-		(1,386)			(1,386)
Total Special Education (IDEA) Cluster					(3,650)	(7,604)	77,792	78,856	7,604		(93,489)	88,775		(4,714)
ACSERS Grant			7/1/22-6/30/23	53,800	-	-	-	-	-		(53,800)	53,800		-
Total Special Revenue Fund/Department of Education					(4,425)	(7,604)	124,702	124,991	7,604		(147,289)	142,575		(4,714)
<u>Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</u>														
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	112,608	(16,424)	-	16,424		-					-
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(1,339)	6,696	8,035	6,696	(6,696)					-
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(450)	5,140	3,690	6,040	(5,140)	\$ 900	(1,900)			(1,900)
<u>Elementary and Secondary School Emergency Relief (ESSER III) American Rescue Plan (ARP) Act</u>														
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	253,079	(10,884)	197,750	180,278	193,817	(197,750)	(1,707)	(28,356)	2,226		(26,130)
Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	50,000	(7,489)	-	7,489							-
Evidence Based Summer	84.425U	S425U210027	3/13/20-9/30/24	40,000		40,000	40,000	40,000	(40,000)					-
Evidence Based Comp	84.425U	S425U210027	3/13/20-9/30/24	40,000	(15,730)	13,500	29,230	13,500	(13,500)					-
NJTSS Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	(3,972)	31,760	24,523	25,185	(31,760)		(11,209)	6,575		(4,634)
Total ESSER Cluster					(56,288)	294,846	309,669	285,238	(294,846)	(807)	(41,465)	8,801		(32,664)
Total Federal Awards					\$ (60,713)	\$ 287,242	\$ 434,371	\$ 410,229	\$ (287,242)	\$ (807)	\$ (134,954)	\$ 97,576	\$ -	\$ (37,378)

Note: The District is not subject to a Federal Single Audit.

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance, June 30, 2023			MEMO	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures
State Department of Education														
General Fund:														
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	\$ 202,394				\$ 188,454	\$ 202,394				\$ (13,940)		\$ 202,394
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	202,394	\$ (16,977)			16,977							
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	33,548					33,548				(33,548)	\$ (33,548)	33,548
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	21,433	(21,433)			21,433							
Total Transportation Aid Cluster				(38,410)			226,864	235,942				(47,488)	(33,548)	235,942
State Aid Public:														
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	259,037				241,195	259,037				(17,842)		259,037
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	227,251	(19,062)			19,062							
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	29,320				27,301	29,320				(2,019)		29,320
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	29,320	(2,459)			2,459							
Total State Aid Public Aid Cluster				(21,521)			290,017	288,357				(19,861)		288,357
Extraordinary Special Education Costs Aid	23-100-034-5120-473	7/1/22-6/30/23	243,861					243,861				(243,861)		243,861
Extraordinary Special Education Costs Aid	22-100-034-5120-473	7/1/21-6/30/22	230,715	(230,715)			230,715							
On-Behalf TPAF Pension Contribution - Non Contrib. Ins.	23-495-034-5094-004	7/1/22-6/30/23	8,794				8,794	8,794						8,794
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	7/1/22-6/30/23	633,837				633,837	633,837						633,837
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	168,818				168,818	168,818						168,818
On-Behalf TPAF Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	195				195	195						195
Total On-Behalf TPAF Contributions							811,644	811,644						811,644
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	7/1/22-6/30/23	133,790				127,293	133,790				(6,497)	(6,497)	133,790
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	7/1/21-6/30/22	126,087	(5,805)			5,805							
Total General Fund				(296,451)			1,692,338	1,713,594				(317,707)	(40,045)	1,713,594
Special Revenue Fund:														
N.J. Nonpublic Aid														
Auxiliary Services														
Compensatory Education	22-100-034-5120-067	7/1/21-6/30/22	4,479			\$ 4,389		\$ 4,389						
ESL	23-100-034-5120-067	7/1/22-6/30/23	5,011				5,011	1,904					\$ 3,107	1,904
ESL	22-100-034-5120-067	7/1/21-6/30/22	2,923			2,193			2,193					
Total Auxiliary Services (Chap. 192) Cluster						6,582	5,011	1,904	6,582				3,107	1,904
N.J. Nonpublic Aid														
Handicapped Services														
Examination & Classification	23-100-034-5120-066	7/1/22-6/30/23	23,693				23,693	21,226					2,467	21,226
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	40,754			24,638		24,638						
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	12,390				12,390	7,847					4,543	7,847
Supplemental Instruction	22-100-034-5120-066	7/1/21-6/30/22	17,346			7,351		7,351						
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	22,320				22,320	18,321					3,999	18,321
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	20,832			4,408		4,408						
Total Handicapped Services (Chap. 193) Cluster						36,397	58,403	47,394	36,397				11,009	47,394
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	18,348				18,348	15,305					3,043	15,305
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	14,345			198		198						
Technology	23-100-034-5120-064	7/1/22-6/30/23	11,676				11,676	11,612					64	11,612
Technology	22-100-034-5120-064	7/1/21-6/30/22	10,038			26		26						
Nursing	23-100-034-5120-070	7/1/22-6/30/23	38,528				38,528	38,528						38,528
Security	23-100-034-5120-509	7/1/21-6/30/22	70,520				70,520	70,375					145	70,375
Security	22-100-034-5120-509	7/1/22-6/30/23	53,025			1,754		1,754						
Total Non Public Cluster						1,978	139,072	135,820	1,978				3,252	135,820
Climate Change Grant		7/1/22-6/30/23	6,660				6,660	6,660						6,660
Total Special Revenue Fund/Department of Education						44,957	209,146	191,778	44,957				17,368	191,778
Debt Service Fund														
Debt Service Aid - Type II	23-495-34-5120-017	7/1/22-6/30/23	177,506				177,506	177,506						177,506
Total State Financial Assistance Subject to Single Audit Determination				\$ (296,451)	\$ -	\$ 44,957	\$ 2,078,990	\$ 2,082,878	\$ 44,957	\$ (317,707)	\$ -	\$ 17,368	\$ (40,045)	\$ 2,082,878
State Financial Assistance Not Subject to Major Program Determination														
General Fund														
Less: On-Behalf TPAF Pension Contribution			642,631				\$ (642,631)	\$ (642,631)						\$ (642,631)
On-Behalf TPAF Post-Retirement Medical			168,818				(168,818)	(168,818)						(168,818)
On-Behalf TPAF Long Term Disability Insurance			195				(195)	(195)						(195)
Total State Financial Assistance Subject to Major Program Determination				\$ (296,451)	\$ -	\$ 44,957	\$ 1,267,346	\$ 1,271,234	\$ 44,957	\$ (317,707)	\$ -	\$ 17,368	\$ (40,045)	\$ 1,271,234

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$8,449 for the general fund and a decrease of \$44,825 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,705,145	\$ 1,705,145
Special Revenue Fund	\$ 417,714	192,933	610,647
Debt Service Fund	-	177,506	177,506
Total Financial Assistance	<u>\$ 417,714</u>	<u>\$ 2,075,584</u>	<u>\$ 2,493,298</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$133,790 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$642,631, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$168,818 and TPAF Long-Term Disability Insurance in the amount of \$195 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u> _____	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	<u> X </u> none reported
Noncompliance material to basic financial statements noted?	_____ yes	<u> X </u> no

Federal Awards Section

Not Applicable

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>23-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>23-495-034-5120-084</u>	<u>Security Aid</u>
<u>23-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contribution</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes _____ no

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**SADDLE RIVER BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.