

**SECAUCUS BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Secaucus, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Secaucus Board of Education**

**Secaucus, New Jersey**

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

**Prepared by**

**Secaucus Board of Education  
Business Department**

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## **INTRODUCTORY SECTION**



## Secaucus Public Schools

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Erick Alfonso  
Superintendent of Schools  
(201) 974-2000 x2052

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

December 21, 2023

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

Dear Board Members:

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

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

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

that the Secaucus Board of Education’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

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

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

The District provides a full range of educational services appropriate to grade levels PK through 12. These include regular, vocational as well as special education for students with disabilities. The District completed the 2022-2023 fiscal year with an enrollment of 2,250 students. The following details the changes in the student enrollment of the District over the last ten (10) years.

<u>Fiscal Year</u>	<u>Student Count</u>	<u>Percent Change</u>
2022-2023	2,250	2.4 %
2021-2022	2,197	0.1
2020-2021	2,194	(3.3)
2019-2020	2,270	(.09)
2018-2019	2,272	3.4
2017-2018	2,197	3.9
2016-2017	2,114	(0.3)
2015-2016	2,120	(3.0)
2014-2015	2,185	0.1
2013-2014	2,183	(.1)

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



3). MAJOR INITIATIVES: The Secaucus School District remains committed to enhancing rigorous academic standards. This effort is characterized by initiating personalized professional development programs, revising numerous curriculum materials, and adopting 'Linkit' for efficient data warehousing and authentic assessment protocols. Additionally, we have implemented the Amplify CKLA ELA program for Kindergarten through Second Grade, with a current pilot of Third Grade and are piloting an alternative Mathematics program across the District. At Secaucus High School, we have expanded our elective course offerings to provide a more comprehensive, well-rounded education. Specific initiatives implemented throughout the school year include:

- Planning phase of redistricting initiative.
- Piloting of Amplify CKLA ELA program in Third Grade.
- Districtwide piloting of Big Ideas Mathematics program.
- Introduction of Psychology course at Secaucus High School
- Implementation of multi-phase classroom interactive board transition.

The information provided below showcases the continued success of Secaucus High School graduates. It is a testament to continued enhancement of educational programs offered by Secaucus Board of Education.

Class of 2023 comprised 168 students.

Class of 2022 post-graduation:

- 69% attended 4-year colleges
- 12% attended 2-year colleges
- 5% Trade School
- 2% Military
- 9% Undecided/Workforce

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

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

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

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

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7). DEBT ADMINISTRATION: As of June 30, 2023, the District's outstanding debt issues included \$18,330,000 of general obligation and refunding bonds.

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

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

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

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

Respectfully submitted,



Grace Yeo  
Business Administrator/Board Secretary

**Secaucus Public School District  
2022-2023  
Organizational Chart**

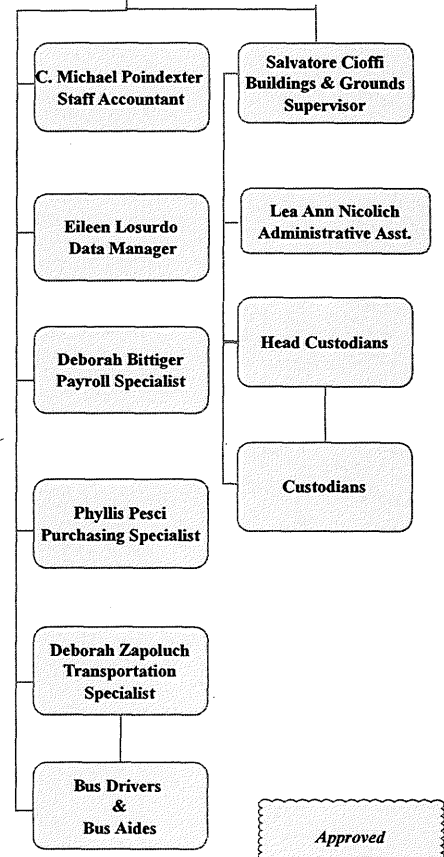
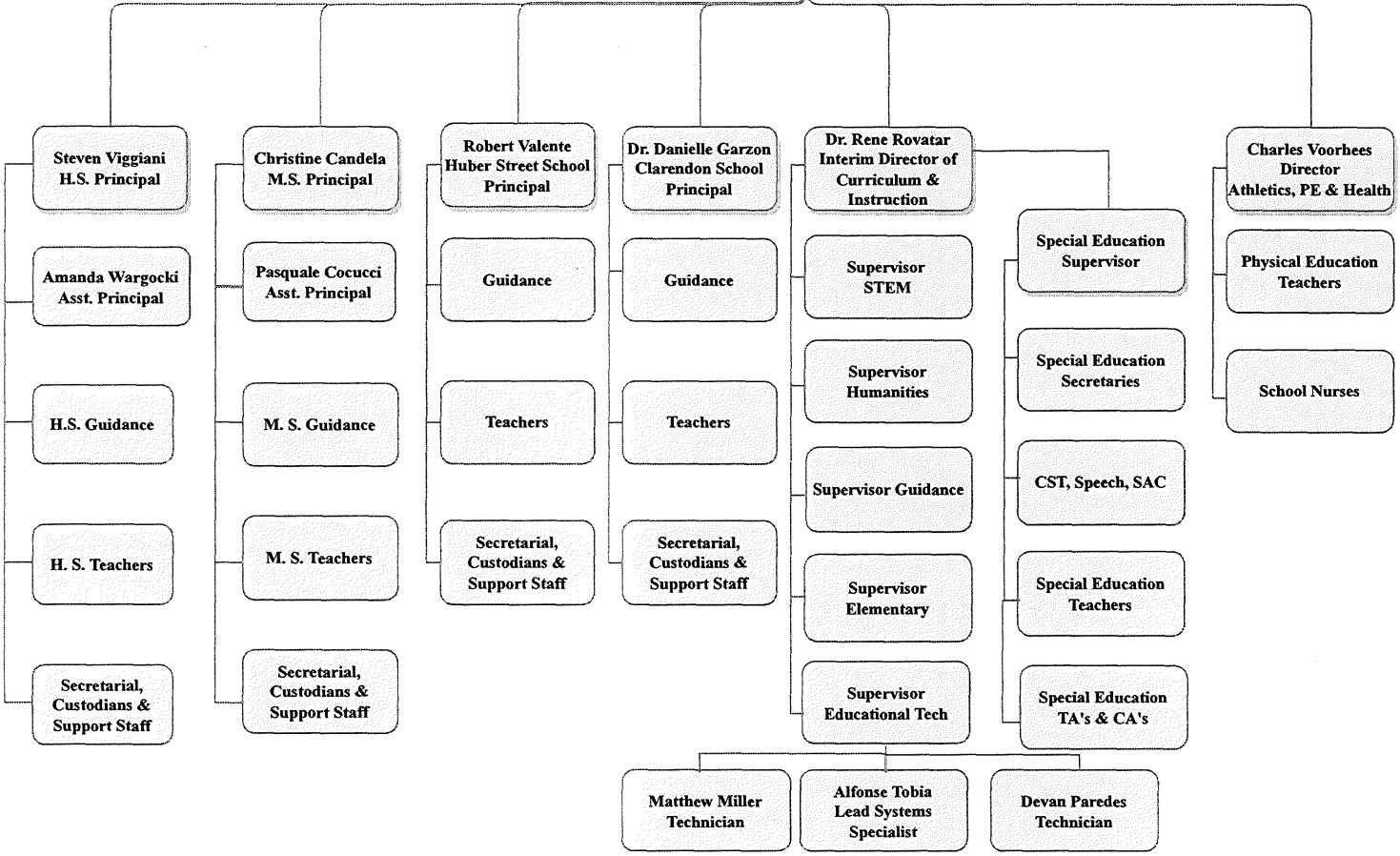
**Dr. Daniela Riser  
Acting Superintendent  
of Schools**

**Ann Marie Grecco  
Administrative Asst.**

**Veronica Melendez  
Administrative Asst.**

**Grace Yeo  
Business  
Administrator/Board  
Secretary**

**Judith Preinfalk  
Administrative Asst.**



*Approved  
09/15/2022*

**Secaucus Board of Education**

**Roster of Officials**

**June 30, 2023**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Joseph Lewis, President	2023
Lance Bartletta, Vice President	2023
Enrico Bolognino	2023
Leah Farinola	2024
Abigail Gonzalez	2024
Melissa Howard	2024
Christina DeBari	2025
Kelli D'Addetta	2025
Alexander de Hombre	2025

**SECAUCUS BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorneys**

Fogarty & Hara  
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Fair Lawn, New Jersey 07410

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

**Official Depository**

TD Bank  
1262 Paterson Plank Road  
Secaucus, New Jersey 07094

**Consultant**

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

**Construction Manager:**

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

**Benefit Advisors:**

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

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, 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 Trustees  
Secaucus Board of Education  
685 Fifth Street  
Secaucus, New Jersey 07094

### Report on the Financial Statements

#### *Opinions*

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

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

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

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

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

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

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

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

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

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

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



### ***Supplementary Information***

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


### ***Other Information***

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023 on our consideration of the Secaucus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Secaucus Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Secaucus Board of Education's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

This section of Secaucus 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. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. 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 include the following:

- The assets and deferred outflows of resources of the Secaucus Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$32,883,020 (net position).
- Overall District revenues were \$53,788,930. General revenues accounted for \$40,320,252 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13,468,678 or 25% of total revenues.
- The School District had \$47,578,620 in expenses for governmental activities; only \$12,066,391 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$40,320,252 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 \$14,966,258 an increase of \$1,560,004 when compared to the ending fund balance at June 30, 2022 of \$13,406,254.
- The General Fund unassigned fund balance at June 30, 2023 was \$426,719 a decrease of \$759,011 when compared with the ending fund balance of \$1,185,730 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,375,594 which represents a decrease of \$211,992 when compared to the ending unassigned fund balance at June 30, 2022 of \$1,587,586.

# SECAUCUS BOARD OF EDUCATION

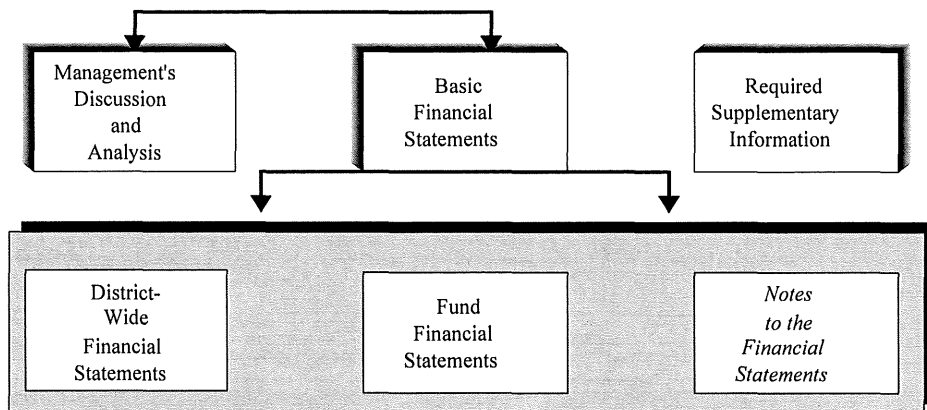
## Management's Discussion and Analysis

### 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 District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Major Features of the District-Wide and Fund Financial Statements

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

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

### District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, 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 it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- 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 buildings and other facilities.

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and Technology Program Fund are 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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

### Fund Financial Statements (Continued)

The District has two kinds of funds:

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

### Notes to the Financial Statements

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

### Other Information

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

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

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



# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,883,020 and \$28,139,182 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>						
Current Assets	\$ 15,975,591	\$ 14,887,348	\$ 620,249	\$ 957,229	\$ 16,595,840	\$ 15,844,577
Capital Assets	<u>46,132,162</u>	<u>45,457,611</u>	<u>472,497</u>	<u>193,524</u>	<u>46,604,659</u>	<u>45,651,135</u>
<b>Total Assets</b>	<u>62,107,753</u>	<u>60,344,959</u>	<u>1,092,746</u>	<u>1,150,753</u>	<u>63,200,499</u>	<u>61,495,712</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	<u>358,215</u>	<u>121,936</u>	<u>-</u>	<u>-</u>	<u>358,215</u>	<u>121,936</u>
<b>Total Deferred Outflows of Resources</b>	<u>358,215</u>	<u>121,936</u>	<u>-</u>	<u>-</u>	<u>358,215</u>	<u>121,936</u>
<b>Liabilities</b>						
Other Liabilities	1,241,486	1,726,972	23,100	18,802	1,264,586	1,745,774
Long-Term Liabilities	<u>27,482,828</u>	<u>27,504,906</u>	<u>-</u>	<u>-</u>	<u>27,482,828</u>	<u>27,504,906</u>
<b>Total Liabilities</b>	<u>28,724,314</u>	<u>29,231,878</u>	<u>23,100</u>	<u>18,802</u>	<u>28,747,414</u>	<u>29,250,680</u>
<b>Deferred Inflows of Resources</b>						
Deferred Commodities Revenue			2,038	158	2,038	158
Deferred Amount on Net Pension Liability	<u>1,926,242</u>	<u>4,227,628</u>	<u>-</u>	<u>-</u>	<u>1,926,242</u>	<u>4,227,628</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,926,242</u>	<u>4,227,628</u>	<u>2,038</u>	<u>158</u>	<u>1,928,280</u>	<u>4,227,786</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	27,764,090	25,840,528	472,497	193,524	28,236,587	26,034,052
Restricted	12,584,670	11,311,039			12,584,670	11,311,039
Unrestricted	<u>(8,533,348)</u>	<u>(10,144,178)</u>	<u>595,111</u>	<u>938,269</u>	<u>(7,938,237)</u>	<u>(9,205,909)</u>
<b>Total Net Position</b>	<u>\$ 31,815,412</u>	<u>\$ 27,007,389</u>	<u>\$ 1,067,608</u>	<u>\$ 1,131,793</u>	<u>\$ 32,883,020</u>	<u>\$ 28,139,182</u>

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 549,529	\$ 415,723	\$ 748,853	\$ 142,617	\$ 1,298,382	\$ 558,340
Grants and Contributions	11,516,862	13,724,351	653,434	1,199,147	12,170,296	14,923,498
General Revenues						
Property Taxes	39,493,996	38,751,050			39,493,996	38,751,050
State Aid	416,795	406,300			416,795	406,300
Other	409,461	203,844	-	-	409,461	203,844
<b>Total Revenues</b>	<u>52,386,643</u>	<u>53,501,268</u>	<u>1,402,287</u>	<u>1,341,764</u>	<u>53,788,930</u>	<u>54,843,032</u>
<b>Program Expenses</b>						
Instruction	28,245,110	29,432,709			28,245,110	29,432,709
Support Services						
Student and Instruction Related	5,128,689	5,311,587			5,128,689	5,311,587
General Administration	1,215,779	1,270,298			1,215,779	1,270,298
School Administration	2,686,436	2,685,042			2,686,436	2,685,042
Central Services	1,394,074	1,252,625			1,394,074	1,252,625
Plant Operations and Maintenance	6,593,963	6,588,128			6,593,963	6,588,128
Pupil Transportation	1,686,764	1,631,008			1,686,764	1,631,008
Interest on Debt	627,805	671,283			627,805	671,283
Food Service			1,360,501	1,386,035	1,360,501	1,386,035
Technology Program	-	-	105,971	72,358	105,971	72,358
<b>Total Expenses</b>	<u>47,578,620</u>	<u>48,842,680</u>	<u>1,466,472</u>	<u>1,458,393</u>	<u>49,045,092</u>	<u>50,301,073</u>
<b>Change in Net Position</b>	4,808,023	4,658,588	(64,185)	(116,629)	4,743,838	4,541,959
<b>Net Position, Beginning of Year</b>	<u>27,007,389</u>	<u>22,348,801</u>	<u>1,131,793</u>	<u>1,248,422</u>	<u>28,139,182</u>	<u>23,597,223</u>
<b>Net Position, End of Year</b>	<u>\$ 31,815,412</u>	<u>\$ 27,007,389</u>	<u>\$ 1,067,608</u>	<u>\$ 1,131,793</u>	<u>\$ 32,883,020</u>	<u>\$ 28,139,182</u>

### Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

## SECAUCUS BOARD OF EDUCATION

### Management's Discussion and Analysis

**Total and Net Cost of Governmental Activities.** The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 28,245,110	\$ 29,432,709	\$ 18,945,801	\$ 18,838,879
Support Services				
Student and Instruction Related	5,128,689	5,311,587	3,991,750	3,931,396
General Administration, School Admin., Central Services	5,296,289	5,207,965	4,753,338	4,418,040
Plant Operations and Maintenance	6,593,963	6,588,128	6,331,103	6,111,471
Pupil Transportation	1,686,764	1,631,008	1,077,145	960,561
Interest on Debt	<u>627,805</u>	<u>671,283</u>	<u>413,092</u>	<u>442,259</u>
<b>Total</b>	<u>\$ 47,578,620</u>	<u>\$ 48,842,680</u>	<u>\$ 35,512,229</u>	<u>\$ 34,702,606</u>

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

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 \$14,966,258, an increase of \$1,560,004 from last year's fund balance of \$13,406,254.

Revenues of the District's governmental funds were \$55,528,599; total expenditures were \$53,968,595.

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$50,853,985 for the fiscal year ended June 30, 2023. State sources amounts to \$12,061,671, federal sources amounts to \$95,524 and local sources amounts to \$38,696,790.

Expenditures of the General Fund were \$49,306,735. Instructional expenditures were \$29,258,776 for support services were \$18,041,586, for debt services were \$151,131 and capital expenditures totaled \$1,855,242 for the fiscal year ended 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 \$2,817,239 for the fiscal year ended June 30, 2023. Federal sources amounts to \$2,286,910 and local sources totaled \$530,329.

Expenditures of the Special Revenue Fund were \$2,802,198. Instructional expenditures were \$1,652,483, for support services were \$519,379 and for capital expenditures \$630,336 for the fiscal year ended June 30, 2023.

**Capital Projects** - The capital projects expenditures exceeded revenues by \$2,287 decreasing the fund balance from \$2,329 at June 30, 2022 to \$42 at June 30, 2023.

### Proprietary Funds

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

**Enterprise Fund** - The District uses Enterprise Funds to report activities related to the Food Services program and Technology Program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Maintenance Reserve

# SECAUCUS BOARD OF EDUCATION

## Management's Discussion and Analysis

### CAPITAL ASSETS

The District's investment in capital assets for its governmental type activities as of June 30, 2023 and 2022 amounts to \$46,604,659 and \$45,651,135 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, buildings and building improvements, machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,813,314 for governmental activities and \$34,388 for the Business-Type activities.

The following is a comparative analysis of capital assets at 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>
Land	\$ 533,623	\$ 533,623			\$ 533,623	\$ 533,623
Land Improvements	676,919	560,081			676,919	560,081
Construction in Progress	2,446,136	758,130	\$ 313,361		2,759,497	758,130
Buildings and Building Improvements	41,304,895	42,276,955			41,304,895	42,276,955
Machinery and Equipment	<u>1,170,589</u>	<u>1,328,822</u>	<u>159,136</u>	<u>\$ 193,524</u>	<u>1,329,725</u>	<u>1,522,346</u>
<b>Total Net Capital Assets</b>	<b>\$ 46,132,162</b>	<b>\$ 45,457,611</b>	<b>\$ 472,497</b>	<b>\$ 193,524</b>	<b>\$ 46,604,659</b>	<b>\$ 45,651,135</b>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

### LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$2,174,211, serial bonds of \$18,330,000, capital financing agreements of \$38,114 other financing agreements of \$7,908, deferred pension liability of \$4,529 and net pension liability of \$6,928,066 totaling \$27,482,828. This is in comparison to long-term liabilities at June 30, 2022 of \$27,504,906 or a decrease of \$22,078.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

## **SECAUCUS BOARD OF EDUCATION**

### **Management's Discussion and Analysis**

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Secaucus Board of Education, 685 Fifth Street, Secaucus, NJ 07094.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,805,376	\$ 578,532	\$ 15,383,908
Receivables, Net	1,170,215	33,428	1,203,643
Inventory		8,289	8,289
Capital Assets Not Being Depreciated	2,979,759	313,361	3,293,120
Capital Assets, Being Depreciated, net	<u>43,152,403</u>	<u>159,136</u>	<u>43,311,539</u>
Total Assets	<u>62,107,753</u>	<u>1,092,746</u>	<u>63,200,499</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	<u>358,215</u>	-	<u>358,215</u>
Total Deferred Outflows of Resources	<u>358,215</u>	-	<u>358,215</u>
Total Assets and Deferred Outflows of Resources	<u>62,465,968</u>	<u>1,092,746</u>	<u>63,558,714</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	660,414	2,704	663,118
Payable to State Government	53,458		53,458
Accrued Interest Payable	232,153		232,153
Unearned Revenue	295,461	20,396	315,857
Noncurrent Liabilities			
Due Within One Year	1,517,149		1,517,149
Due Beyond One Year	<u>25,965,679</u>	-	<u>25,965,679</u>
Total Liabilities	<u>28,724,314</u>	<u>23,100</u>	<u>28,747,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		2,038	2,038
Deferred Amount on Net Pension Liability	<u>1,926,242</u>	-	<u>1,926,242</u>
Total Deferred Inflows of Resources	<u>1,926,242</u>	<u>2,038</u>	<u>1,928,280</u>
Total Liabilities and Deferred Inflows of Resources	<u>30,650,556</u>	<u>25,138</u>	<u>30,675,694</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	27,764,090	472,497	28,236,587
Restricted for			
Capital Projects	11,232,103		11,232,103
Maintenance Projects	1,000,198		1,000,198
Other Purposes	352,369		352,369
Unrestricted	<u>(8,533,348)</u>	<u>595,111</u>	<u>(7,938,237)</u>
Total Net Position	<u>\$ 31,815,412</u>	<u>\$ 1,067,608</u>	<u>\$ 32,883,020</u>

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



**SECAUCUS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 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
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 18,734,410	\$ 19,200	\$ 4,600,396		\$ (14,114,814)		\$ (14,114,814)
Special Education	6,934,293		3,784,411		(3,149,882)		(3,149,882)
Other Instruction	584,729		91,199		(493,530)		(493,530)
School Sponsored Activities and Athletics	1,979,821	528,963	274,778		(1,176,080)		(1,176,080)
Community Services	11,857		362		(11,495)		(11,495)
Support Services							
Student and Instruction Related Services	5,128,689	1,366	1,135,573		(3,991,750)		(3,991,750)
School Administration Services	2,686,436		424,952		(2,261,484)		(2,261,484)
General Administration Services	1,215,779		50,592		(1,165,187)		(1,165,187)
Plant Operations and Maintenance	6,593,963		262,860		(6,331,103)		(6,331,103)
Pupil Transportation	1,686,764		609,619		(1,077,145)		(1,077,145)
Central Services	1,394,074		67,407		(1,326,667)		(1,326,667)
Interest on Long Term Debt	627,805	-	214,713	-	(413,092)	-	(413,092)
Total Governmental Activities	<u>47,578,620</u>	<u>549,529</u>	<u>11,516,862</u>	<u>-</u>	<u>(35,512,229)</u>	<u>-</u>	<u>(35,512,229)</u>
<b>Business-Type Activities</b>							
Food Service	1,360,501	673,549	653,434	-	-	\$ (33,518)	(33,518)
Technology Program	105,971	75,304	-	-	-	(30,667)	(30,667)
Total Business-Type Activities	<u>1,466,472</u>	<u>748,853</u>	<u>653,434</u>	<u>-</u>	<u>-</u>	<u>(64,185)</u>	<u>(64,185)</u>
Total Primary Government	<u>\$ 49,045,092</u>	<u>\$ 1,298,382</u>	<u>\$ 12,170,296</u>	<u>\$ -</u>	<u>\$ (35,512,229)</u>	<u>\$ (64,185)</u>	<u>\$ (35,576,414)</u>
<b>General Revenues</b>							
Property Taxes - General Purposes					\$ 38,268,129		\$ 38,268,129
Property Taxes - Debt Service					1,225,867		1,225,867
State Aid Restricted for Debt Service					416,795		416,795
Miscellaneous Income					409,461	-	409,461
Total General Revenues					<u>40,320,252</u>	<u>-</u>	<u>40,320,252</u>
Change in Net Position					4,808,023	\$ (64,185)	4,743,838
Net Position, Beginning of Year					<u>27,007,389</u>	<u>1,131,793</u>	<u>28,139,182</u>
Net Position, End of Year					<u>\$ 31,815,412</u>	<u>\$ 1,067,608</u>	<u>\$ 32,883,020</u>

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

**FUND FINANCIAL STATEMENTS**

SECAUCUS BOARD OF EDUCATION  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 AS OF JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 14,533,467	\$ 271,867	\$ 42		\$ 14,805,376
Other Accounts Receivable	973				973
Due from Other Funds	519,993				519,993
Receivables from Other Governments	<u>101,657</u>	<u>1,067,585</u>	<u>-</u>	<u>-</u>	<u>1,169,242</u>
Total Assets	<u>\$ 15,156,090</u>	<u>\$ 1,339,452</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 16,495,584</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 333,554	\$ 252,817			\$ 586,371
Payroll Deductions and Withholdings Payable	74,043				74,043
Due to Other Funds		519,993			519,993
Payable to State Government	53,458				53,458
Unearned Revenue	<u>686</u>	<u>294,775</u>	<u>-</u>	<u>-</u>	<u>295,461</u>
Total Liabilities	<u>461,741</u>	<u>1,067,585</u>	<u>-</u>	<u>-</u>	<u>1,529,326</u>
<b>Fund Balances</b>					
<b>Restricted</b>					
Capital Projects			\$ 42		42
Scholarship Awards		243			243
Student Activities		271,624			271,624
Unemployment Compensation Reserve	80,502				80,502
Capital Reserve	10,112,103				10,112,103
Capital Reserve-Designated for					
Subsequent Year's Budget	1,120,000				1,120,000
Maintenance Reserve	1,000,198				1,000,198
Emergency Reserve	400,000				400,000
Committed					
Year End Encumbrances	738,065				738,065
Assigned					
Year End Encumbrances	109,188				109,188
Designated for Subsequent Year's					
Budget	707,574				707,574
Unassigned	<u>426,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,719</u>
Total Fund Balances	<u>14,694,349</u>	<u>271,867</u>	<u>42</u>	<u>-</u>	<u>14,966,258</u>
Total Liabilities and Fund Balances	<u>\$ 15,156,090</u>	<u>\$ 1,339,452</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 16,495,584</u>
Total Fund Balances-Governmental Funds					\$ 14,966,258

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 \$78,534,883 and the accumulated depreciation is \$32,402,721. 46,132,162

The District has financed capital assets through the issuance of serial bonds. The interest accrual at year end is: (232,153)

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	\$ 358,215	
Deferred Inflows of Resources	<u>(1,926,242)</u>	(1,568,027)

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

Bonds Payable	(18,330,000)	
Capital Financing Agreements	(38,114)	
Other Financing Agreements	(7,908)	
Deferred Pension Obligation	(4,529)	
Net Pension Liability	(6,928,066)	
Compensated Absences Payable	<u>(2,174,211)</u>	(27,482,828)

Net Position of Governmental Activities \$ 31,815,412

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 38,268,129			\$ 1,225,867	\$ 39,493,996
Tuition	19,200				19,200
Rents and Royalties	28,855				28,855
Unrestricted Miscellaneous Revenues	<u>380,606</u>	<u>\$ 530,329</u>	<u>-</u>	<u>-</u>	<u>910,935</u>
Total - Local Sources	38,696,790	530,329	-	1,225,867	40,452,986
State Sources	12,061,671			631,508	12,693,179
Federal Sources	<u>95,524</u>	<u>2,286,910</u>	<u>-</u>	<u>-</u>	<u>2,382,434</u>
Total Revenues	<u>50,853,985</u>	<u>2,817,239</u>	<u>-</u>	<u>1,857,375</u>	<u>55,528,599</u>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	20,092,411	517,963			20,610,374
Special Education Instruction	6,901,063	621,232			7,522,295
Other Instruction	634,546				634,546
School Sponsored Activities and Athletics	1,616,633	513,288			2,129,921
Community Services	14,123				14,123
Support Services					
Student and Instruction Related Services	5,012,174	519,379			5,531,553
School Administration Services	3,000,838				3,000,838
General Administration Services	1,285,412				1,285,412
Plant Operations and Maintenance	5,501,949				5,501,949
Pupil Transportation	1,694,829				1,694,829
Central Services	1,546,384				1,546,384
Debt Service					
Principal	146,976			1,220,000	1,366,976
Interest and Other Charges	4,155			637,375	641,530
Capital Outlay	<u>1,855,242</u>	<u>630,336</u>	<u>\$ 2,287</u>	<u>-</u>	<u>2,487,865</u>
Total Expenditures	<u>49,306,735</u>	<u>2,802,198</u>	<u>2,287</u>	<u>1,857,375</u>	<u>53,968,595</u>
Excess of Revenues Over Expenditures	1,547,250	15,041	(2,287)	-	1,560,004
Fund Balance, Beginning of Year	<u>13,147,099</u>	<u>256,826</u>	<u>2,329</u>	<u>-</u>	<u>13,406,254</u>
Fund Balance, End of Year	<u>\$ 14,694,349</u>	<u>\$ 271,867</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 14,966,258</u>

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

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 1,560,004**

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

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

Capital Outlay	\$ 2,487,865	
Depreciation Expense	<u>(1,813,314)</u>	
		674,551

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

Principal Repayments		
Bond Principal	1,220,000	
Deferred Pension Obligation	20,448	
Capital Financing Agreement Principal	31,298	
Other Financing Agreement Principal	<u>95,230</u>	
		1,366,976

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

Decrease in Accrued Interest		13,725
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In the statement of activities, certain operating expenses - compensated absences and other retirement programs - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)

Decrease in Pension Expense	1,421,829	
Increase in Compensated Absences	<u>(229,062)</u>	
		<u>1,192,767</u>

**Change in net position of governmental activities (Exhibit A-2)** **\$ 4,808,023**

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

	Business-Type Activities Enterprise Funds		
	Food Service Fund	Non Major Technology Program Fund	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 544,309	\$ 34,223	\$ 578,532
Intergovernmental Receivable			
State	1,707		1,707
Federal	31,721		31,721
Inventory	8,289	-	8,289
	586,026	34,223	620,249
Total Current Assets			
Capital Assets			
Construction in Progress	313,361		313,361
Machinery and Equipment	511,645		511,645
Less: Accumulated Depreciation	(352,509)	-	(352,509)
	472,497	-	472,497
Total Capital Assets, Net of Accumulated Depreciation			
Total Assets	1,058,523	34,223	1,092,746
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	-	2,704	2,704
Unearned Revenue	20,396	-	20,396
	20,396	2,704	23,100
Total Current Liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	2,038	-	2,038
	2,038	-	2,038
Total Deferred Inflows of Resources			
Total Liabilities and Deferred Inflows of Resources	22,434	2,704	25,138
<b>NET POSITION</b>			
Investment in Capital Assets	472,497	-	472,497
Unrestricted	563,592	31,519	595,111
	563,592	31,519	595,111
Total Net Position	\$ 1,036,089	\$ 31,519	\$ 1,067,608

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

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

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>Non Major Technology Program Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 385,183		\$ 385,183
Daily Sales - Non-Reimbursable Programs	288,241		288,241
Miscellaneous	125		125
Program Fees	-	\$ 75,304	75,304
Total Operating Revenues	<u>673,549</u>	<u>75,304</u>	<u>748,853</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable Programs	509,783		509,783
Cost of Sales - Non-Reimbursable Programs	78,648		78,648
Salaries and Employee Benefits	531,382		531,382
Other Purchased Services	63,470		63,470
Management Fee	90,750		90,750
General Supplies	45,524	105,971	151,495
Miscellaneous	6,556		6,556
Depreciation Expense	34,388	-	34,388
Total Operating Expenses	<u>1,360,501</u>	<u>105,971</u>	<u>1,466,472</u>
Operating Income (Loss)	<u>(686,952)</u>	<u>(30,667)</u>	<u>(717,619)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	18,173		18,173
School Breakfast Program	5,682		5,682
Federal Sources			
National School Lunch Program	390,831		390,831
Supply Chain Assistance Funding	106,655		106,655
Food Distribution Program	65,451		65,451
National School Breakfast Program	66,642	-	66,642
Total Nonoperating Revenues	<u>653,434</u>	<u>-</u>	<u>653,434</u>
Net Income (Loss)	<u>(33,518)</u>	<u>(30,667)</u>	<u>(64,185)</u>
Change in Net Position	(33,518)	(30,667)	(64,185)
Total Net Position, Beginning of Year	<u>1,069,607</u>	<u>62,186</u>	<u>1,131,793</u>
Total Net Position, End of Year	<u>\$ 1,036,089</u>	<u>\$ 31,519</u>	<u>\$ 1,067,608</u>

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

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

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Food Service Fund</b>	<b>Non Major Technology Program Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 675,268	\$ 75,304	\$ 750,572
Cash Payments to Employees' Salaries and Benefits	(531,382)		(531,382)
Cash Payments to Suppliers for Goods and Services	(727,466)	(103,267)	(830,733)
Net Cash Provided (Used for) Operating Activities	(583,580)	(27,963)	(611,543)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash Received from State and Federal Subsidy Reimbursements	649,126	-	649,126
Net Cash Provided by Noncapital Financing Activities	649,126	-	649,126
<b>CAHS FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(313,361)	-	(313,361)
Net Cash Used for Noncapital Financing Activities	(313,361)	-	(313,361)
Net Increase (Decrease) in Cash and Cash Equivalents	(247,815)	(27,963)	(275,778)
Cash and Cash Equivalents, Beginning of Year	792,124	62,186	854,310
Cash and Cash Equivalents, End of Year	\$ 544,309	\$ 34,223	\$ 578,532
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (686,952)	\$ (30,667)	\$ (717,619)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities			
Depreciation	34,388		34,388
Non-Cash Federal Assistance - Food Distribution - National School Lunch Program	65,451		65,451
Change in Assets and Liabilities			
(Increase)/Decrease in Inventory	1,939		1,939
Increase/(Decrease) in Unearned Revenue	1,719		1,719
Increase/(Decrease) in Accounts Payable	(125)	2,704	2,579
Total Adjustments	103,372	2,704	106,076
Net Cash (Used for) Operating Activities	\$ (583,580)	\$ (27,963)	\$ (611,543)
Non-Cash Financing Activities			
National School Lunch (Food Distribution Program)	\$ 67,331	\$ -	\$ -



**NOTES TO THE FINANCIAL STATEMENTS**

**SECAUCUS 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 Secaucus Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

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

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

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

**B. New Accounting Standards**

During fiscal year 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.

**SECAUCUS 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.

SECAUCUS 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 funds and its food service enterprise fund to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

**4. Capital Assets**

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

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

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

<u>Assets</u>	<u>Years</u>
Improvements Other Than Buildings	20
Buildings and Building Improvements	20-50
Right-to-use Leased Buildings	3-5
Machinery and Equipment	5-20
Right-to-use Leased Equipment	5-10

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. The first item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Financing Agreements*

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

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

9. *Long-Term Obligations*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

SECAUCUS 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)

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

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

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

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

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

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 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).

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

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

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

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

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

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



**SECAUCUS 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)**

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

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

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

**11. *Fund Balance Policies***

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

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

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

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

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

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

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the General Fund by \$957,156 and the Special Revenue Fund by \$378,588. The increases were funded by additional state aid, additional grant awards, the reappropriation of prior year general fund encumbrances, the inclusion of student activities and scholarship transactions and the additional appropriation of the maintenance reserve.

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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		\$ 9,998,513
Increased by:		
Deposits Approved by Board Resolution	\$ 3,478,369	
Return of Unencumbered Withdrawals from Capital Outlay	<u>180,221</u>	
Total Increases		<u>3,658,590</u>
		13,657,103
Decreased by:		
Withdrawals Approved in District Budget		<u>2,425,000</u>
Balance, June 30, 2023		<u>\$ 11,232,103</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,120,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**SECAUCUS 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	\$ 1,025,198
Increased by:	
Deposits Approved by Board Resolution	<u>425,000</u>
	1,450,198
Decreased by:	
Withdrawals Approved by Board Resolution	<u>450,000</u>
Balance, June 30, 2023	<u>\$ 1,000,198</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,114,398. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**D. Emergency Reserve**

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

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

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

Balance, July 1, 2022	<u>\$ 400,000</u>
Balance, June 30, 2023	<u>\$ 400,000</u>

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits were \$15,383,908 and bank and brokerage firm balances of the Board's deposits amounted to \$18,650,863. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 16,980,077
Uninsured and Collateralized	<u>1,670,786</u>
	<u>\$ 18,650,863</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 \$1,670,786 of the Board's bank balances were exposed to custodial credit risk.

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name.	<u>\$ 1,670,786</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.

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

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

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

**Investments (Continued)**

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

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

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

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

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental-				
Federal		\$ 1,067,585	\$ 31,721	\$ 1,099,306
State	\$ 101,657		1,707	103,364
Other	973	-	-	973
	<u>102,630</u>	<u>1,067,585</u>	<u>33,428</u>	<u>1,203,643</u>
Gross Receivables	102,630	1,067,585	33,428	1,203,643
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 102,630</u>	<u>\$ 1,067,585</u>	<u>\$ 33,428</u>	<u>\$ 1,203,643</u>

**C. Unearned Revenue**

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

General Fund	
Prepaid Tuition/Fees	\$ 686
Special Revenue Fund	
Unencumbered Grant Draw Downs	2,825
Grant Draw Downs Year-End Encumbrances	<u>291,950</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 295,461</u>

**SECAUCUS 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:

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 533,623			\$ 533,623
Construction in Progress	758,130	\$ 1,688,006	-	2,446,136
Total Capital Assets, Not Being Depreciated	<u>1,291,753</u>	<u>1,688,006</u>	<u>-</u>	<u>2,979,759</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	66,800,367	504,018		67,304,385
Land Improvements	1,574,763	161,000		1,735,763
Machinery and Equipment	6,380,135	134,841	-	6,514,976
Total Capital Assets Being Depreciated	<u>74,755,265</u>	<u>799,859</u>	<u>-</u>	<u>75,555,124</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(24,523,412)	(1,476,078)		(25,999,490)
Land Improvements	(1,014,682)	(44,162)		(1,058,844)
Machinery and Equipment	(5,051,313)	(293,074)	-	(5,344,387)
Total Accumulated Depreciation	<u>(30,589,407)</u>	<u>(1,813,314)</u>	<u>-</u>	<u>(32,402,721)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,165,858</u>	<u>(1,013,455)</u>	<u>-</u>	<u>43,152,403</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,457,611</u>	<u>\$ 674,551</u>	<u>\$ -</u>	<u>\$ 46,132,162</u>

**SECAUCUS 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)**

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	-	\$ 313,361	-	\$ 313,361
Total Capital Assets, Not Being Depreciated	-	313,361	-	313,361
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 511,645	-	-	511,645
Total Capital Assets Being Depreciated	511,645	-	-	511,645
Less Accumulated Depreciation for:				
Machinery and Equipment	\$ (318,121)	(34,388)	-	(352,509)
Total Accumulated Depreciation	(318,121)	(34,388)	-	(352,509)
Total Capital Assets, Being Depreciated, Net	193,524	(34,388)	-	159,136
Business-Type Activities Capital Assets, Net	<u>\$ 193,524</u>	<u>\$ 278,973</u>	<u>\$ -</u>	<u>\$ 472,497</u>

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

**Governmental Activities:**

Instruction		
Regular		\$ 10,206
Total Instruction		10,206
Support Services		
Student and Instruction Related Services		56,040
School Administrative Services		4,718
Plant Operations and Maintenance		1,551,563
Pupil Transportation		185,778
Central Services & Info. Technology		5,009
Total Support Services		1,803,108
Total Depreciation Expense - Governmental Activities		<u>\$ 1,813,314</u>

**Business-Type Activities:**

Food Service Fund		\$ 34,388
Total Depreciation Expense-Business-Type Activities		<u>\$ 34,388</u>



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

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

**D. Capital Assets (Continued)**

**Construction Commitments**

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

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades at Clarendon Elementary School	\$ 1,033,549	\$ 7,415
Interior Renovations at Clarendon Elementary School	1,587,841	<u>247,699</u>
		<u>\$ 255,114</u>

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

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

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 519,993</u>
Total		<u>\$ 519,993</u>

The above balance is to cover the cash balance which was in an overdraft position. The District expects the interfund balance to be liquidated within one year.

**F. Financing Agreements**

**Capital Financing Agreements**

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

Capital financing agreement at June 30, 2023 is comprised of the following:

\$151,650, fiscal year 2020 Agreement for the acquisition of telephone system for a term of 5 years due in annual principal installments of \$2,664 through \$2,781 through August 1, 2024 interest at 3.45%	<u>\$ 38,114</u>
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**SECAUCUS 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. Financing Agreements (Continued)**

**Other Financing Agreements**

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

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

\$177,390, fiscal year 2020 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of \$3,948 and \$3,960 through August 1, 2023	<u>\$ 7,908</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 32,561	\$ 923	\$ 7,908	\$ 36	\$ 41,428
2025	<u>5,553</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>5,581</u>
Total	<u>\$ 38,114</u>	<u>\$ 951</u>	<u>\$ 7,908</u>	<u>\$ 36</u>	<u>\$ 47,009</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2023 is comprised of the following issue:

\$27,400,000, 2014 School Bonds, due in annual installments of \$1,255,000 to \$1,870,000 through August 15, 2034, interest at 3.00% to 4.00%	<u>\$18,330,000</u>
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**SECAUCUS 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. Long-Term Debt (Continued)**

**General Obligation Bonds (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 1,255,000	\$ 600,250	\$ 1,855,250
2025	1,290,000	562,075	1,852,075
2026	1,330,000	522,775	1,852,775
2027	1,375,000	482,200	1,857,200
2028	1,425,000	439,310	1,864,310
2029-2033	7,990,000	1,450,194	9,440,194
2034-2035	<u>3,665,000</u>	<u>148,100</u>	<u>3,813,100</u>
	<u>\$ 18,330,000</u>	<u>\$ 4,204,904</u>	<u>\$ 22,534,904</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:

4% of Equalized Valuation Basis (Municipal)	\$ 223,136,459
Less: Net Debt Issued and Authorized But Not Issued	<u>18,330,000</u>
Remaining Borrowing Power	<u>\$ 204,806,459</u>

**H. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2009/2010 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$139,317 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017), at June 30, 2023 is \$4,529.

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

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

**H. Other Long-Term Liabilities (Continued)**

**Deferred Pension Obligation (Continued)**

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending June 30,	<u>PERS</u>
2023	\$ 20,448
2022	22,696
2021	22,254

**Changes in Long-Term Liabilities**

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

	<u>Balance,</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2023</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 19,550,000		\$ 1,220,000	\$ 18,330,000	\$ 1,255,000
Net Pension Liability	5,812,230	\$ 1,694,751	578,915	6,928,066	
Capital Financing Agreements	69,412		31,298	38,114	32,561
Other Financing Agreements	103,138		95,230	7,908	7,908
Compensated Absences	1,945,149	229,062		2,174,211	217,421
Deferred Pension Obligation	24,977	-	20,448	4,529	4,259
	<u>27,504,906</u>	<u>1,923,813</u>	<u>1,945,891</u>	<u>27,482,828</u>	<u>1,517,149</u>
Governmental Activity Long-Term Liabilities	<u>\$ 27,504,906</u>	<u>\$ 1,923,813</u>	<u>\$ 1,945,891</u>	<u>\$ 27,482,828</u>	<u>\$ 1,517,149</u>

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

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the School Alliance Insurance Fund (SAIF or the “Fund”). The Fund is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 50,000	\$ 40,942	\$ 23,272	\$ 80,502
2022	50,000	39,993	38,253	30,502
2021	50,000	35,698	88,117	30,502

**B. Contingent Liabilities**

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

John Doe v. Secaucus Board of Education

The Board is a defendant in ten cases, filed between December 2019 and February 2021 on behalf of ten former students that allege they were sexually abused by a former teacher when they were students in the district in the 1980's or 1990's. Although the allegations are decades old, the lawsuits are filed pursuant to a 2019 New Jersey law that extends the statute of limitations for civil actions based on sexual abuse. While the Board attorney is aggressively defending the Board in these actions, there is the potential for substantial liability in these cases due to the present lack of liability insurance coverage for all the time periods and causes of actions covered by the complaints. The Board's potential liability in each of these cases is substantial, the amount of which depends on the factual allegations in each case. If any of these cases proceed to trial and there is a damage award for any uninsured periods or causes of action, the damages must be paid by the Board. The Board's potential liability has increased due to the recent liquidation of Arrowood Indemnity Company, which was declared insolvent by the Court of Chancery of the State of Delaware on November 8, 2023.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

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

**C. Federal Arbitrage Regulations**

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

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

The following represent the membership tiers for TPAF:

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

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

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.

**SECAUCUS 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)**

**Other Pension Funds**

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

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

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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



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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

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

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

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 578,915	\$ 6,077,174	\$ 25,152
2022	574,583	6,400,660	20,356
2021	555,947	4,527,808	13,742

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,743, \$2,516 and \$3,014, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,315,809 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

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

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

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

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$6,928,066 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2022. At June 30, 2022, the District's proportionate share was .04591 percent, which was a decrease of .00315 percent from its proportionate share measured as of June 30, 2021 of .04906 percent.

**SECAUCUS 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 \$842,914 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 50,004	\$ 44,096
Changes of Assumptions	21,465	1,037,406
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	286,746	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>844,740</u>
Total	<u>\$ 358,215</u>	<u>\$ 1,926,242</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	\$ (902,267)
2024	(537,377)
2025	(343,863)
2026	220,668
2027	(5,188)
Thereafter	<u>-</u>
	<u>\$ (1,568,027)</u>

**SECAUCUS 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.

SECAUCUS 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%

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>8,900,535</u>	\$ <u>6,928,066</u>	\$ <u>5,249,415</u>

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

***Pension Plan Fiduciary Net Position***

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,128,909 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2023 the State's proportionate share of the net pension liability attributable to the District is \$79,103,987. 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 .15332 percent, which was an increase of .00047 percent from its proportionate share measured as of June 30, 2021 of .15285 percent.

**SECAUCUS 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.



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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

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

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

***Discount Rate***

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 92,751,106</u>	<u>\$ 79,103,987</u>	<u>\$ 67,608,004</u>

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

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

**Plan Description and Benefits Provided**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Plan Membership**

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

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

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contributions**

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution 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 \$1,618,608, \$1,495,453 and \$1,418,944, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,509,231. 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 \$67,089,391. 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 .13247 percent, which was a decrease of .00007 percent from its proportionate share measured as of June 30, 2021 of .13254 percent.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

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

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

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

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

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

**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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

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

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ 79,533,416
Changes Recognized for the Fiscal Year:	
Service Cost	3,785,656
Interest on the Total OPEB Liability	1,777,943
Differences Between Expected and Actual Experience	1,694,315
Changes of Assumptions	(17,997,331)
Gross Benefit Payments	(1,761,105)
Contributions from the Member	56,497
Net Changes	<u>\$ (12,444,025)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 67,089,391</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 <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 78,856,522</u>	<u>\$ 67,089,391</u>	<u>\$ 57,658,624</u>

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability (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	\$ 55,453,482	\$ 67,089,391	\$ 82,373,864

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 \$5,691,061 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 38,268,129		\$ 38,268,129	\$ 38,268,129	
Tuition from Individuals				19,200	\$ 19,200
Rents and Royalties	50,000		50,000	28,855	(21,145)
Interest Earned on Capital Reserve Funds	100		100		(100)
Interest Earned on Current Expense Emergency Reserve	25		25		(25)
Interest Earned on Maintenance Reserve	25		25		(25)
Unrestricted Miscellaneous Revenue	26,100		26,100	380,606	354,506
State Sources					
Extraordinary Aid	155,000		155,000	689,304	534,304
Non Public Transportation Aid				37,128	37,128
Special Education Aid	2,046,041		2,046,041	2,046,041	
Security Aid	191,170		191,170	191,170	
Transportation Aid	546,399		546,399	546,399	
On-behalf TPAF (Non-Budget)					
NCGI Premium				84,314	84,314
Long Term Disability Insurance				2,743	2,743
Pension Contribution - Normal Cost				6,077,174	6,077,174
Post Retirement Medical Benefits				1,618,608	1,618,608
Social Security Contribution				1,315,809	1,315,809
Federal Sources					
Medical Assistance Program (SEMI)	47,102	-	47,102	95,524	48,422
<b>Total Revenues</b>	<b>41,330,091</b>	<b>-</b>	<b>41,330,091</b>	<b>51,401,004</b>	<b>10,070,913</b>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool	238,470	\$ 1,120	239,590	239,585	5
Kindergarten	596,951	(13,300)	583,651	519,032	64,619
Grades 1-5	4,648,951	(43,751)	4,605,200	4,451,760	153,440
Grades 6-8	2,556,525	66,731	2,623,256	2,598,650	24,606
Grades 9-12	3,769,322	(60,743)	3,708,579	3,525,211	183,368
Regular Programs - Home Instruction					
Salaries of Teachers	31,000	4,312	35,312	34,944	368
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		3,740	3,740	3,740	-
Purchased Professional/Educational Services	517,700	(2,440)	515,260	486,437	28,823
Other Purchased Services	52,192	2,500	54,692	48,243	6,449
General Supplies	203,062	26,070	229,132	112,894	116,238
Textbooks	30,000	(16,809)	13,191	7,171	6,020
Other Objects	500	(300)	200	-	200
<b>Total Regular Programs</b>	<b>12,644,673</b>	<b>(32,870)</b>	<b>12,611,803</b>	<b>12,027,667</b>	<b>584,136</b>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	332,821	9,763	342,584	342,580	4
Other Salaries for Instruction	280,755	(13,764)	266,991	266,990	1
General Supplies	6,000	-	6,000	4,304	1,696
<b>Total Learning and/or Language Disabilities</b>	<b>619,576</b>	<b>(4,001)</b>	<b>615,575</b>	<b>613,874</b>	<b>1,701</b>
Multiple Disabilities					
Salaries of Teachers	102,559	-	102,559	102,559	-
Purchased Professional/Educational Services	245,420	(11,920)	233,500	233,094	406
General Supplies	5,500	-	5,500	1,685	3,815
<b>Total Multiple Disabilities</b>	<b>353,479</b>	<b>(11,920)</b>	<b>341,559</b>	<b>337,338</b>	<b>4,221</b>

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 1,927,450	\$ 56,550	\$ 1,984,000	\$ 1,965,008	\$ 18,992
Other Salaries for Instruction	120,940	55,510	176,450	176,450	-
Purchased Professional/Educational Services	522,547	(33,395)	489,152	483,495	5,657
General Supplies	6,360	-	6,360	4,821	1,539
<b>Total Resource Room/Resource Center</b>	<b>2,577,297</b>	<b>78,665</b>	<b>2,655,962</b>	<b>2,629,774</b>	<b>26,188</b>
Preschool Disabilities - Part Time					
Salaries of Teachers	262,421	3,635	266,056	266,056	-
<b>Total Preschool Disabilities - Part Time</b>	<b>262,421</b>	<b>3,635</b>	<b>266,056</b>	<b>266,056</b>	<b>-</b>
Preschool Disabilities - Full Time					
Salaries of Teachers	87,523	1,400	88,923	88,923	-
Other Salaries for Instruction	79,435	2,585	82,020	82,020	-
General Supplies	7,294	-	7,294	4,192	3,102
<b>Total Preschool Disabilities - Full Time</b>	<b>174,252</b>	<b>3,985</b>	<b>178,237</b>	<b>175,135</b>	<b>3,102</b>
Home Instruction:					
Salaries of Teachers	40,000	(38,125)	1,875	1,873	2
Purchased Professional Educational Services	-	6,595	6,595	6,384	211
<b>Total Home Instruction</b>	<b>40,000</b>	<b>(31,530)</b>	<b>8,470</b>	<b>8,257</b>	<b>213</b>
<b>Total Special Education</b>	<b>4,027,025</b>	<b>38,834</b>	<b>4,065,859</b>	<b>4,030,434</b>	<b>35,425</b>
Basic Skills/Remedial					
Salaries of Teachers	65,277	-	65,277	64,104	1,173
General Supplies	1,150	-	1,150	479	671
<b>Total Basic Skills/Remedial</b>	<b>66,427</b>	<b>-</b>	<b>66,427</b>	<b>64,583</b>	<b>1,844</b>
Bilingual Education					
Salaries of Teachers	228,798	6,561	235,359	235,358	1
General Supplies	2,350	-	2,350	253	2,097
<b>Total Bilingual Education</b>	<b>231,148</b>	<b>6,561</b>	<b>237,709</b>	<b>235,611</b>	<b>2,098</b>
School Sponsored Co-Curricular Activities					
Salaries	211,525	37,297	248,822	238,547	10,275
Supplies and Materials	9,000	356	9,356	7,589	1,767
Other Objects	-	800	800	751	49
<b>Total School Sponsored Co-Curricular Activities</b>	<b>220,525</b>	<b>38,453</b>	<b>258,978</b>	<b>246,887</b>	<b>12,091</b>
School Sponsored Athletics					
Salaries	592,846	(21,721)	571,125	539,875	31,250
Purchased Services	79,350	14,828	94,178	94,102	76
Supplies and Materials	71,000	10,606	81,606	80,991	615
Other Objects	12,000	10,223	22,223	22,033	190
<b>Total School Sponsored Athletics</b>	<b>755,196</b>	<b>13,936</b>	<b>769,132</b>	<b>737,001</b>	<b>32,131</b>
Other Instructional Programs					
Salaries	121,105	3,050	124,155	123,852	303
Supplies and Materials	2,670	-	2,670	494	2,176
<b>Total Other Instructional Programs</b>	<b>123,775</b>	<b>3,050</b>	<b>126,825</b>	<b>124,346</b>	<b>2,479</b>

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Community Services Programs/Operations					
Salaries	\$ 45,000	-	\$ 45,000	\$ 9,771	\$ 35,229
Total Community Services Programs/Operations	45,000	-	45,000	9,771	35,229
Total - Instruction	18,113,769	\$ 67,964	18,181,733	17,476,300	705,433
Undistributed Expenditures					
Instruction					
Tuition to CSSD & Reg Day Schools	338,325	(123,835)	214,490	211,625	2,865
Tuition to Private Schools for the Disabled Within the State	436,335	99,335	535,670	332,024	203,646
Tuition - Other	400,000	(92,019)	307,981	128,020	179,961
Total Undistributed Expenditures - Instruction	1,174,660	(116,519)	1,058,141	671,669	386,472
Health Services					
Salaries	378,892	(1,740)	377,152	355,487	21,665
Purchased Professional and Technical Services	62,500	(2,040)	60,460	48,000	12,460
Other Purchased Services		1,000	1,000	947	53
Supplies and Materials	22,258	972	23,230	15,044	8,186
Total Health Services	463,650	(1,808)	461,842	419,478	42,364
Speech, OT, PT & Related Services					
Salaries	260,536	12,651	273,187	272,777	410
Purchased Professional- Educational Services	225,000	68,221	293,221	265,717	27,504
Supplies and Materials	3,000	136	3,136	549	2,587
Total Speech, OT, PT & Related Services	488,536	81,008	569,544	539,043	30,501
Other Support Services - Students - Extra Services					
Purchased Professional - Educational Services	347,946	70,100	418,046	409,679	8,367
Total Other Support Services - Students - Extra Serv.	347,946	70,100	418,046	409,679	8,367
Guidance					
Salaries of Other Prof. Staff	676,233	54,171	730,404	730,402	2
Salaries of Secretarial and Clerical Assistants	194,551	895	195,446	127,588	67,858
Purchased Professional - Educational Services	12,000	(1,125)	10,875	9,330	1,545
Other Purchased Prof. and Technical Services	5,000	1,125	6,125	6,121	4
Supplies and Materials	5,000	(240)	4,760	3,407	1,353
Other Objects	250	(250)	-	-	-
Total Guidance	893,034	54,576	947,610	876,848	70,762
Child Study Teams					
Salaries of Other Professional Staff	900,435	-	900,435	751,781	148,654
Salaries of Secretarial and Clerical Assistants	120,552	1,348	121,900	121,899	1
Purchased Professional - Educational Services	18,000	-	18,000	3,200	14,800
Other Purchased Prof. and Technical Services	10,000	844	10,844	10,344	500
Other Purchased Services	11,500	-	11,500	7,749	3,751
Supplies and Materials	12,000	98	12,098	4,699	7,399
Other Objects	1,500	-	1,500	200	1,300
Total Child Study Teams	1,073,987	2,290	1,076,277	899,872	176,405
Improvement of Instructional Services					
Salaries of Other Professional Staff	83,750	(16,498)	67,252	34,586	32,666
Salaries of Secretarial and Clerical Assistants	40,406	-	40,406	40,405	1
Other Purchased Services	52,000	(34,758)	17,242	7,470	9,772
Supplies and Materials	34,232	36,374	70,606	52,234	18,372
Total Improvement of Instructional Services	210,388	(14,882)	195,506	134,695	60,811

**SECAUCUS BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 125,326	\$ 965	\$ 126,291	\$ 74,966	\$ 51,325
Other Purchased Services	5,400	-	5,400	3,924	1,476
Supplies and Materials	7,000	-	7,000	427	6,573
Total Educational Media Services/School Library	137,726	965	138,691	79,317	59,374
Instructional Staff Training Services					
Salaries of Other Professional Staff	22,000	3,895	25,895	22,080	3,815
Other Purchased Prof. and Technical Services	2,500	-	2,500	-	2,500
Other Purchased Services	5,000	1,000	6,000	2,498	3,502
Total Instructional Staff Training Services	29,500	4,895	34,395	24,578	9,817
Support Services General Administration					
Salaries	386,479	(46,105)	340,374	340,372	2
Legal Services	250,000	42,000	292,000	277,274	14,726
Audit Fees	50,000	-	50,000	44,783	5,217
Architectural/Engineering Services	25,000	(15,000)	10,000	-	10,000
Other Purchased Professional Services	52,500	7,000	59,500	58,678	822
Communications/Telephone	205,575	(23,894)	181,681	126,571	55,110
BOE Other Purchased Services	9,000	-	9,000	7,323	1,677
Miscellaneous Purchased Services	214,813	(18,000)	196,813	174,624	22,189
General Supplies	3,500	3,500	7,000	6,230	770
BOE In-House Training/Meeting Supplies	4,500	-	4,500	3,611	889
Judgements Against the School District	-	10,000	10,000	10,000	-
Miscellaneous Expenditures	8,750	4,550	13,300	10,595	2,705
BOE Membership Due and Fees	19,000	(2,000)	17,000	15,035	1,965
Total Support Services General Administration	1,229,117	(37,949)	1,191,168	1,075,096	116,072
Support Services School Administration					
Salaries of Principals/Asst. Principals	779,599	(2,105)	777,494	776,565	929
Salaries of Other Professional Staff	543,820	26,901	570,721	568,855	1,866
Salaries of Secretarial and Clerical Assistants	431,834	8,162	439,996	410,874	29,122
Other Purchased Services	36,250	7,781	44,031	44,008	23
Supplies and Materials	76,865	(11,610)	65,255	62,576	2,679
Other Objects	8,690	3,695	12,385	11,460	925
Total Support Services School Administration	1,877,058	32,824	1,909,882	1,874,338	35,544
Central Services					
Salaries	500,918	(3,798)	497,120	497,120	-
Purchased Professional Services	84,451	-	84,451	63,762	20,689
Purchased Technical Services	6,400	-	6,400	750	5,650
Miscellaneous Purchased Services	67,500	5,134	72,634	41,501	31,133
Supplies and Materials	20,000	-	20,000	11,832	8,168
Miscellaneous Expenditures	7,000	(150)	6,850	1,390	5,460
Total Central Services	686,269	1,186	687,455	616,355	71,100
Admin. Info. Technology					
Salaries	193,715	30,439	224,154	224,153	1
Other Purchased Services	364,628	567	365,195	364,741	454
Supplies and Materials	-	1,869	1,869	1,429	440
Total Admin. Info. Technology	558,343	32,875	591,218	590,323	895
Required Maintenance for School Facilities					
Salaries	166,983	(32,763)	134,220	134,215	5
Cleaning, Repairs & Maintenance Service	361,400	505,839	867,239	681,891	185,348
Lead Testing of Drinking Water	5,000	(5,000)	-	-	-
General Supplies	50,000	99,374	149,374	141,401	7,973
Other Objects	1,500	28,323	29,823	4,820	25,003
Total Required Maintenance for School Facilities	584,883	595,773	1,180,656	962,327	218,329

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 1,518,173	\$ 18,694	\$ 1,536,867	\$ 1,464,695	\$ 72,172
Purchased Professional Technical Services		54,228	54,228	52,413	1,815
Cleaning, Repairs & Maintenance Service	75,000	(1,598)	73,402	65,993	7,409
Rental of Land & Buildings Other Than Leases	200,000	-	200,000	200,000	-
Other Purchased Property Services	52,500	33,003	85,503	34,596	50,907
Insurance	320,640	-	320,640	303,414	17,226
Miscellaneous Purchased Services	1,500	-	1,500	581	919
General Supplies	83,000	11,835	94,835	73,734	21,101
Energy (Natural Gas)	232,000	28,941	260,941	183,054	77,887
Energy (Electricity)	730,250	-	730,250	649,480	80,770
Other Objects	9,500	(1,215)	8,285	2,181	6,104
<b>Total Custodial Services</b>	<b>3,222,563</b>	<b>143,888</b>	<b>3,366,451</b>	<b>3,030,141</b>	<b>336,310</b>
Security					
Salaries	410,400	(13,063)	397,337	382,414	14,923
Purchased Professional and Technical Services	200,000	-	200,000	200,000	-
General Supplies	50,000	13,063	63,063	44,671	18,392
<b>Total Security</b>	<b>660,400</b>	<b>-</b>	<b>660,400</b>	<b>627,085</b>	<b>33,315</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	398,814	-	398,814	233,549	165,265
Salaries for Pupil Transportation (Between Home and School) - Regular	275,952	-	275,952	244,740	31,212
Salaries for Pupil Transportation (Between Home and School) - Special Ed	481,369	-	481,369	307,577	173,792
Salaries for Pupil Transportation (Other than Between Home and School) -	70,000	187	70,187	49,879	20,308
Cleaning, Repair and Maintenance Svcs.	111,069	(1,900)	109,169	86,928	22,241
Contracted Services (Between Home and School) - Vendors	170,000	-	170,000	120,669	49,331
Contracted Services (Spec Ed)-ESC & CTSA	140,000	13,893	153,893	153,267	626
Miscellaneous Purchased Services	20,300	(15,000)	5,300	-	5,300
General Supplies	2,000	-	2,000	1,448	552
Transportation Supplies	162,200	(11,392)	150,808	113,923	36,885
Other Objects	15,200	400	15,600	10,644	4,956
<b>Total Student Transportation Services</b>	<b>1,846,904</b>	<b>(13,812)</b>	<b>1,833,092</b>	<b>1,322,624</b>	<b>510,468</b>
Unallocated Benefits-Employee Benefits					
Social Security Contributions	621,000	(56,227)	564,773	512,214	52,559
Other Retirement Contributions - PERS	647,605	(29,819)	617,786	608,749	9,037
Other Retirement Contributions - Regular	35,000	(799)	34,201	25,152	9,049
Unemployment Compensation	50,000	-	50,000	-	50,000
Worker's Compensation	463,356	-	463,356	366,221	97,135
Health Benefits	5,209,878	(226,870)	4,983,008	4,692,923	290,085
Other Employee Benefits	410,000	(3,800)	406,200	251,085	155,115
Unused Sick Payments to Terminated/Retired Staff	-	-	-	-	-
<b>Total Regular Programs-Instr.- Employee Benefits</b>	<b>7,436,839</b>	<b>(317,515)</b>	<b>7,119,324</b>	<b>6,456,344</b>	<b>662,980</b>
On-behalf TPAF (Non-Budget)					
NCGI Premium				84,314	(84,314)
Long Term Disability Insurance				2,743	(2,743)
Pension Contribution - Normal Cost				6,077,174	(6,077,174)
Post Retirement Medical Benefit Contribution				1,618,608	(1,618,608)
Social Security Contribution	-	-	-	1,315,809	(1,315,809)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,098,648</b>	<b>(9,098,648)</b>
<b>Total Undistributed Expenditures</b>	<b>22,921,803</b>	<b>517,895</b>	<b>23,439,698</b>	<b>29,708,460</b>	<b>(6,268,762)</b>
<b>Total - Current Expenditures</b>	<b>41,035,572</b>	<b>585,859</b>	<b>41,621,431</b>	<b>47,184,760</b>	<b>(5,563,329)</b>

**SECAUCUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures					
Admin Info Technology		\$ 100,000	\$ 100,000	\$ 69,165	\$ 30,835
Operation and Maintenance of Plant Services		40,000	40,000	39,956	44
Care and Upkeep of Grounds		7,765	7,765		7,765
Security		17,235	17,235		17,235
Custodial Services		30,000	30,000	16,563	13,437
School Buses - Regular	-	130,000	130,000	-	130,000
<b>Total Equipment</b>	-	325,000	325,000	125,684	199,316
Facilities Acquisition and Construction Services					
Construction Services		2,429,658	2,429,658	1,710,688	718,970
Assessment for Debt Service on SDA	\$ 55,872	-	55,872	55,872	-
<b>Total Facilities Acquisition and Constr. Services</b>	55,872	2,429,658	2,485,530	1,766,560	718,970
Interest Deposit to Capital Reserve	100	-	100	-	100
Interest Earned on Current Expense Emergency Reserve	25	-	25	-	25
Interest Earned on Maintenance Reserve	25	-	25	-	25
<b>Total Capital Outlay</b>	56,022	2,754,658	2,810,680	1,892,244	918,436
Transfer of Funds to Charter Schools	238,497	41,639	280,136	229,731	50,405
<b>Total Expenditures</b>	41,330,091	3,382,156	44,712,247	49,306,735	(4,594,488)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,382,156)	(3,382,156)	2,094,269	5,476,425
Other Financing Sources(Uses)					
Capital Reserve-Transfer to Capital Outlay Projects	(2,425,000)	2,425,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(2,425,000)	2,425,000	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,425,000)	(957,156)	(3,382,156)	2,094,269	5,476,425
Fund Balances, Beginning of Year	13,548,955	-	13,548,955	13,548,955	-
Fund Balances, End of Year	\$ 11,123,955	\$ (957,156)	\$ 10,166,799	\$ 15,643,224	\$ 5,476,425
<b>Recapitulation</b>					
Restricted:					
Capital Reserve				\$ 10,112,103	
Capital Reserve - Designated for Subsequent Year's Budget				1,120,000	
Maintenance Reserve				1,000,198	
Emergency Reserve				400,000	
Unemployment Compensation Reserve				80,502	
Committed					
Year End Encumbrances				738,065	
Assigned:					
Year End Encumbrances				109,188	
Designated for Subsequent Year's Budget				707,574	
Unassigned				1,375,594	
<b>Total Fund Balance</b>				15,643,224	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less : State Aid Payments not Recognized on GAAP Basis				(948,875)	
<b>Fund Balance per Governmental Funds</b>				\$ 14,694,349	

**SECAUCUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 4,288,021	\$ (136,700)	\$ 4,151,321	\$ 2,144,786	\$ (2,006,535)
Local Sources					
Miscellaneous	-	515,288	515,288	530,329	15,041
Total Revenues	<u>4,288,021</u>	<u>378,588</u>	<u>4,666,609</u>	<u>2,675,115</u>	<u>(1,991,494)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	638,669	(154,049)	484,620	244,211	240,409
Purchased Professional Educational Services	40,000	16,161	56,161	16,161	40,000
Other Purchased Services	494,185	121,848	616,033	605,609	10,424
General Supplies	655,550	(32,852)	622,698	360,410	262,288
Co-Curricular/Extra-Curricular Activities		440,960	440,960	440,960	-
Athletic Activities		72,328	72,328	72,328	-
Other Objects	-	2,000	2,000	693	1,307
Total Instruction	<u>1,828,404</u>	<u>466,396</u>	<u>2,294,800</u>	<u>1,740,372</u>	<u>554,428</u>
Support Services					
Salaries of Teachers		65,940	65,940	10,440	55,500
Salaries of Other Professional Staff	102,638	2,135	104,773	19,919	84,854
Purchased Professional Educational Services	454,000	20,652	474,652	373,605	101,047
Employee Benefits	79,279	103,818	183,097	113,415	69,682
General Supplies	108,000	3,537	111,537	-	111,537
Scholarship Award	-	2,000	2,000	2,000	-
Total Support Services	<u>743,917</u>	<u>198,082</u>	<u>941,999</u>	<u>519,379</u>	<u>422,620</u>
Facilities Acquisition and Construction Svs					
Instructional Equipment	1,685,700	(320,009)	1,365,691	336,204	1,029,487
Noninstructional Equipment	30,000	34,119	64,119	64,119	-
Total Facilities Acquisition and Const Svs	<u>1,715,700</u>	<u>(285,890)</u>	<u>1,429,810</u>	<u>400,323</u>	<u>1,029,487</u>
Total Expenditures	<u>4,288,021</u>	<u>378,588</u>	<u>4,666,609</u>	<u>2,660,074</u>	<u>2,006,535</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	15,041	15,041
Fund Balance, Beginning of Year	<u>256,826</u>	<u>-</u>	<u>256,826</u>	<u>256,826</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 256,826</u>	<u>\$ -</u>	<u>\$ 256,826</u>	<u>\$ 271,867</u>	<u>\$ 15,041</u>
<b>Recapitulation of Fund Balance</b>					
Restricted:					
Scholarships				\$ 243	
Student Activities				<u>271,624</u>	
				<u>\$ 271,867</u>	



**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual Revenues (Budgetary Basis)	\$ 51,401,004	\$ 2,675,115
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2022 Encumbrances, Net		434,074
June 30, 2023 Encumbrances		(291,950)
State Aid payments recognized for GAAP purposes, not recognized for budgetary purposes. (2021-2022)	401,856	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2022-2023)	(948,875)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.(Exhibit B-2)	\$ 50,853,985	\$ 2,817,239
<b>Uses/outflows of resources</b>		
Actual Expenditures (Budgetary Basis)	\$ 49,306,735	\$ 2,660,074
Differences - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
June 30, 2022 Encumbrances, Net		434,074
June 30, 2023 Encumbrances	-	(291,950)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 49,306,735	\$ 2,802,198

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 Last 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)	<u>0.04591%</u>	<u>0.04906%</u>	<u>0.05082%</u>	<u>0.05160%</u>	<u>0.05224%</u>	<u>0.05313%</u>	<u>0.05575%</u>	<u>0.05432%</u>	<u>0.05372%</u>	<u>0.05384%</u>
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 6,928,066</u>	<u>\$ 5,812,230</u>	<u>\$ 8,287,425</u>	<u>\$ 9,298,334</u>	<u>\$ 10,286,385</u>	<u>\$ 12,366,917</u>	<u>\$ 16,510,250</u>	<u>\$ 12,194,135</u>	<u>\$ 10,057,446</u>	<u>\$ 10,289,706</u>
District's Covered Employee Payroll	<u>\$ 3,459,827</u>	<u>\$ 3,397,540</u>	<u>\$ 3,636,286</u>	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>	<u>\$ 3,617,264</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	200%	171%	228%	259%	284%	336%	448%	324%	274%	284%
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%	47.92%	52.08%	48.72%

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

**SECAUCUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S 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	\$ 578,915	\$ 574,583	\$ 555,947	\$ 501,961	\$ 519,649	\$ 492,157	\$ 495,236	\$ 467,021	\$ 464,094	\$ 426,440
Contributions in Relation to the Contractually Required Contributions	<u>578,915</u>	<u>574,583</u>	<u>555,947</u>	<u>501,961</u>	<u>519,649</u>	<u>492,157</u>	<u>495,236</u>	<u>467,021</u>	<u>464,094</u>	<u>426,440</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	<u>\$ 3,303,069</u>	<u>\$ 3,459,827</u>	<u>\$ 3,397,540</u>	<u>\$ 3,636,286</u>	<u>\$ 3,591,745</u>	<u>\$ 3,626,572</u>	<u>\$ 3,684,476</u>	<u>\$ 3,685,550</u>	<u>\$ 3,765,997</u>	<u>\$ 3,670,569</u>
Contributions as a Percentage of Covered Payroll	17.53%	16.61%	16.36%	13.80%	14.47%	13.57%	13.44%	12.67%	12.32%	11.62%

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

TEACHERS PENSION AND ANNUITY FUND  
 Last Ten Fiscal Years \*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 79,103,987</u>	<u>\$ 73,484,658</u>	<u>\$ 99,646,325</u>	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
Total	<u>\$ 79,103,987</u>	<u>\$ 73,484,658</u>	<u>\$ 99,646,325</u>	<u>\$ 90,547,224</u>	<u>\$ 94,238,041</u>	<u>\$ 99,876,153</u>	<u>\$ 117,287,912</u>	<u>\$ 90,706,484</u>	<u>\$ 76,735,244</u>	<u>\$ 76,465,713</u>
District's Covered Employee Payroll	<u>\$ 18,003,953</u>	<u>\$ 17,728,772</u>	<u>\$ 17,259,881</u>	<u>\$ 16,718,008</u>	<u>\$ 15,964,944</u>	<u>\$ 15,521,054</u>	<u>\$ 15,167,830</u>	<u>\$ 14,823,127</u>	<u>\$ 14,925,265</u>	<u>\$ 14,492,650</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	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.

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

**Change of Benefit Terms:**                      None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 3,785,656	\$ 4,430,279	\$ 2,400,268	\$ 2,126,199	\$ 2,443,853	\$ 2,923,049
Interest on the Total OPEB Liability	1,777,943	2,063,181	1,955,129	2,333,333	2,516,410	2,179,386
Changes of Benefit Terms	-	(84,654)				
Differences Between Expected and Actual Experience	1,694,315	(15,312,433)	16,453,385	(8,406,283)	(6,306,297)	
Changes of Assumptions	(17,997,331)	78,466	16,427,311	808,322	(6,766,689)	(9,063,233)
Gross Benefit Payments	(1,761,105)	(1,625,208)	(1,565,625)	(1,664,181)	(1,576,740)	(1,663,310)
Contribution from the Member	56,497	52,745	47,454	49,331	54,495	61,247
Net Change in Total OPEB Liability	(12,444,025)	(10,397,624)	35,717,922	(4,753,279)	(9,634,968)	(5,562,861)
Total OPEB Liability - Beginning	79,533,416	89,931,040	54,213,118	58,966,397	68,601,365	74,164,226
Total OPEB Liability - Ending	<u>\$ 67,089,391</u>	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
District's Proportionate Share	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 67,089,391</u>	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
Total OPEB Liability - Ending	<u>\$ 67,089,391</u>	<u>\$ 79,533,416</u>	<u>\$ 89,931,040</u>	<u>\$ 54,213,118</u>	<u>\$ 58,966,397</u>	<u>\$ 68,601,365</u>
Covered Payroll	<u>\$ 21,126,312</u>	<u>\$ 20,896,167</u>	<u>\$ 20,309,753</u>	<u>\$ 19,591,516</u>	<u>\$ 19,205,530</u>	<u>\$ 18,853,380</u>
District's Proportionate Share of the OPEB Liability as a Percentage of Covered Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

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

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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



**SPECIAL REVENUE FUND**

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

	ESEA					I.D.E.A. Basic	I.D.E.A. Preschool	ARP		Scholarship	Student Activities	Total Exhibit E-1a	Totals
	Title I	Title IIA	Title III	Title III Immigrant	Title IV			I.D.E.A. Basic	I.D.E.A. Preschool				
<b>REVENUES</b>													
Intergovernmental													
Federal	\$ 327,984	\$ 32,602	\$ 9,574	\$ 21,607	\$ 44,633	\$ 506,771	\$ 29,109	\$ 21,536	\$ 8,851			\$ 1,142,119	\$ 2,144,786
Local	-	-	-	-	-	-	-	-	-	\$ 1,366	\$ 528,963	-	530,329
Total Revenues	<u>\$ 327,984</u>	<u>\$ 32,602</u>	<u>\$ 9,574</u>	<u>\$ 21,607</u>	<u>\$ 44,633</u>	<u>\$ 506,771</u>	<u>\$ 29,109</u>	<u>\$ 21,536</u>	<u>\$ 8,851</u>	<u>\$ 1,366</u>	<u>\$ 528,963</u>	<u>1,142,119</u>	<u>\$ 2,675,115</u>
<b>EXPENDITURES</b>													
Instruction													
Salaries of Teachers	\$ 197,860											\$ 46,351	\$ 244,211
Purchased Professional Educational Services						\$ 506,771		\$ 21,536				16,161	16,161
Other Purchased Services												77,302	605,609
General Supplies	297	\$ 3,254	\$ 8,464	\$ 21,175	\$ 43,940		\$ 29,109		\$ 8,851			245,320	360,410
Co-Curricular/Extra-Curricular Activities											\$ 440,960		440,960
Athletic Activities											72,328	-	72,328
Other Objects	-	-	-	-	693	-	-	-	-	-	-	-	693
Total Instruction	<u>198,157</u>	<u>3,254</u>	<u>8,464</u>	<u>21,175</u>	<u>44,633</u>	<u>506,771</u>	<u>29,109</u>	<u>21,536</u>	<u>8,851</u>	<u>-</u>	<u>513,288</u>	<u>385,134</u>	<u>1,740,372</u>
Support Services													
Salaries of Teachers												10,440	10,440
Salaries of Other Professional Staff	16,412	2,742	333	432								-	19,919
Purchased Professional Educational Services		26,606	777									346,222	373,605
Employee Benefits	113,415											-	113,415
Scholarship Awards	-	-	-	-	-	-	-	-	-	\$ 2,000	-	-	2,000
Total Support Services	<u>129,827</u>	<u>29,348</u>	<u>1,110</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>356,662</u>	<u>519,379</u>
Facilities Acquisition and Construction Svs													
Instructional Equipment												336,204	336,204
Noninstructional Equipment												64,119	64,119
Construction Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Const Svs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,323</u>	<u>400,323</u>
Total Expenditures	<u>\$ 327,984</u>	<u>\$ 32,602</u>	<u>\$ 9,574</u>	<u>\$ 21,607</u>	<u>\$ 44,633</u>	<u>\$ 506,771</u>	<u>\$ 29,109</u>	<u>\$ 21,536</u>	<u>\$ 8,851</u>	<u>\$ 2,000</u>	<u>513,288</u>	<u>1,142,119</u>	<u>\$ 2,660,074</u>
Net Changes in Fund Balance	-	-	-	-	-	-	-	-	-	(634)	15,675	-	15,041
Fund Balance, Beginning of the Year	-	-	-	-	-	-	-	-	-	877	255,949	-	256,826
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 271,624</u>	<u>-</u>	<u>\$ 271,867</u>

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

	CRRSA			American Rescue Plan (ARP)			ACSERS Aid	Totals
	ESSER II	Learning	Mental	ESSER III	Accelerated	Evidence Based		
		Acceleration	Health		Learning	Summer Learn. & Enrichment		
<b>REVENUES</b>								
Intergovernmental								
Federal	\$ 126,546	\$ 49,461	\$ 10,440	\$ 847,989	\$ 37,999	\$ 5,868	\$ 63,816	\$ 1,142,119
Local	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 126,546</u>	<u>\$ 49,461</u>	<u>\$ 10,440</u>	<u>\$ 847,989</u>	<u>\$ 37,999</u>	<u>\$ 5,868</u>	<u>\$ 63,816</u>	<u>\$ 1,142,119</u>
<b>EXPENDITURES</b>								
Instruction								
Salaries of Teachers		\$ 33,300		\$ 13,051				\$ 46,351
Purchased Professional Educational Services		16,161						16,161
Other Purchased Services				13,486			\$ 63,816	77,302
General Supplies	\$ 62,427			139,026	\$ 37,999	\$ 5,868		245,320
Co-Curricular/Extra-Curricular Activities								-
Athletic Activities								-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	<u>62,427</u>	<u>49,461</u>	<u>-</u>	<u>165,563</u>	<u>37,999</u>	<u>5,868</u>	<u>63,816</u>	<u>385,134</u>
Support Services								
Salaries of Teachers			\$ 10,440					10,440
Salaries of Other Professional Staff								-
Purchased Professional Educational Services				346,222				346,222
Other Purchased Prof. Services								-
Employee Benefits								-
General Supplies								-
Scholarship Awards	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>10,440</u>	<u>346,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,662</u>
Facilities Acquisition and Construction Svs								
Instructional Equipment				336,204				336,204
Noninstructional Equipment	64,119							64,119
Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Const Svs	<u>64,119</u>	<u>-</u>	<u>-</u>	<u>336,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,323</u>
Total Expenditures	<u>\$ 126,546</u>	<u>\$ 49,461</u>	<u>\$ 10,440</u>	<u>\$ 847,989</u>	<u>\$ 37,999</u>	<u>\$ 5,868</u>	<u>63,816</u>	<u>\$ 1,142,119</u>
Net Changes in Fund Balance	-	-	-	-	-	-	-	-
Fund Balance, Beginning of the Year	-	-	-	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CAPITAL PROJECTS FUND**

SECAUCUS BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue/Project Title</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Middle School Renovations and Expansion Project	\$ 27,400,000	\$ 27,397,671	\$ 2,287	\$ 42
	<u>\$ 27,400,000</u>	<u>\$ 27,397,671</u>	<u>\$ 2,287</u>	<u>\$ 42</u>

**Recapitulation of Balance**

Restricted for Capital Projects:	
Available for Capital Projects	\$ 42
 Total Fund Balance - Restricted For Capital Projects	 <u>\$ 42</u>

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

<b>Expenditures and Other Financing Uses</b>	
Equipment	\$ <u>2,287</u>
Total Expenditures and Other Financing Uses	<u>2,287</u>
Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	(2,287)
Fund Balance, Beginning of Year	<u>2,329</u>
Fund Balance, End of Year	<u><u>\$ 42</u></u>
 <b><u>Reconciliation to GAAP Basis</u></b>	
Fund Balance, June 30, 2023 - Budgetary Basis	\$ <u>42</u>
Fund Balance, June 30, 2023 - GAAP Basis	<u><u>\$ 42</u></u>

**SECAUCUS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MIDDLE SCHOOL RENOVATIONS AND EXPANSION PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 27,400,000	-	\$27,400,000	\$27,400,000
 Total Revenues	 27,400,000	 -	 27,400,000	 27,400,000
<b>Expenditures and Other Financing Uses</b>				
Legal	108,774		108,774	129,063
Purchased Professional and Technical Services	2,351,676		2,351,676	3,010,871
Construction Services	23,688,346		23,688,346	21,708,135
Equipment	896,562	\$ 2,287	898,849	606,000
Other Objects	352,313	-	352,313	1,945,931
 Total Expenditures	 27,397,671	 2,287	 27,399,958	 27,400,000
 Excess of Revenue Over Expenditures	 \$ 2,329	 \$ (2,287)	 \$ 42	 \$ -

**Additional Project Information:**

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

**ENTERPRISE FUNDS**

**NOT APPLICABLE**



**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Retired</u>	<u>Balance June 30, 2023</u>
School Bonds Series 2014	7/16/2014	\$ 27,400,000	8/15/2023	\$ 1,255,000	3.00%			
			8/15/2024	1,290,000	3.00%			
			8/15/2025	1,330,000	3.00%			
			8/15/2026	1,375,000	3.00%			
			8/15/2027	1,425,000	3.125%			
			8/15/2028	1,475,000	3.125%			
			8/15/2029	1,535,000	3.250%			
			8/15/2030	1,595,000	3.375%			
			8/15/2031	1,660,000	3.500%			
			8/15/2032	1,725,000	3.625%			
			8/15/2033	1,795,000	4.000%			
			8/15/2034	1,870,000	4.000%			
						\$ 19,550,000	\$ 1,220,000	\$ 18,330,000
						<u>\$ 19,550,000</u>	<u>\$ 1,220,000</u>	<u>\$ 18,330,000</u>

**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF CAPITAL AND OTHER FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Capital Financing Agreements**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Phone System	3.96%	\$ 151,650	\$ 69,412	\$ 31,298	\$ 38,114
			<u>\$ 69,412</u>	<u>\$ 31,298</u>	<u>\$ 38,114</u>

**Other Financing Agreements**

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
Chromebooks	4.28%	\$ 69,500	\$ 7,823	\$ 7,823	
Chromebooks	4.51%	228,145	40,934	40,934	
Chromebooks	3.57%	177,390	<u>54,381</u>	<u>46,473</u>	<u>\$ 7,908</u>
			<u>\$ 103,138</u>	<u>\$ 95,230</u>	<u>\$ 7,908</u>

**SECAUCUS 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 to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,225,867		\$ 1,225,867	\$ 1,225,867	
State Sources					
Debt Service Aid	<u>631,508</u>	<u>-</u>	<u>631,508</u>	<u>631,508</u>	<u>-</u>
Total Revenues	<u>1,857,375</u>	<u>-</u>	<u>1,857,375</u>	<u>1,857,375</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal	1,220,000		1,220,000	1,220,000	
Interest	<u>637,375</u>	<u>-</u>	<u>637,375</u>	<u>637,375</u>	<u>-</u>
Total Expenditures	<u>1,857,375</u>	<u>-</u>	<u>1,857,375</u>	<u>1,857,375</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	As of June 30,									
	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 14,720,735	\$ 18,324,882	\$ 20,860,209	\$ 22,249,472	\$ 23,569,792	\$ 23,627,355	\$ 24,608,429	\$ 25,321,865	\$ 25,840,528	\$ 27,764,090
Restricted	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,753,680	8,693,843	11,311,039	12,584,670
Unrestricted	(10,872,549)	(9,889,492)	(10,389,772)	(12,124,730)	(12,612,423)	(12,618,632)	(12,782,084)	(11,666,907)	(10,144,178)	(8,533,348)
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,731,050</b>	<b>\$ 9,316,675</b>	<b>\$ 12,421,365</b>	<b>\$ 13,166,487</b>	<b>\$ 15,307,199</b>	<b>\$ 16,345,223</b>	<b>\$ 18,580,025</b>	<b>\$ 22,348,801</b>	<b>\$ 27,007,389</b>	<b>\$ 31,815,412</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 28,954	\$ 28,276	\$ 36,209	\$ 32,804	\$ 193,493	\$ 198,407	\$ 179,069	\$ 159,902	\$ 193,524	\$ 472,497
Unrestricted	565,638	679,034	818,123	944,824	857,206	829,953	738,992	1,088,520	938,269	595,111
<b>Total Business-Type Activities Net Position</b>	<b>\$ 594,592</b>	<b>\$ 707,310</b>	<b>\$ 854,332</b>	<b>\$ 977,628</b>	<b>\$ 1,050,699</b>	<b>\$ 1,028,360</b>	<b>\$ 918,061</b>	<b>\$ 1,248,422</b>	<b>\$ 1,131,793</b>	<b>\$ 1,067,608</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 14,749,689	\$ 18,353,158	\$ 20,896,418	\$ 22,282,276	\$ 23,763,285	\$ 23,825,762	\$ 24,787,498	\$ 25,481,767	\$ 26,034,052	\$ 28,236,587
Restricted	3,882,864	881,285	1,950,928	3,041,745	4,349,830	5,336,500	6,753,680	8,693,843	11,311,039	12,584,670
Unrestricted	(10,306,911)	(9,210,458)	(9,571,649)	(11,179,906)	(11,755,217)	(11,788,679)	(12,043,092)	(10,578,387)	(9,205,909)	(7,938,237)
<b>Total District Net Position</b>	<b>\$ 8,325,642</b>	<b>\$ 10,023,985</b>	<b>\$ 13,275,697</b>	<b>\$ 14,144,115</b>	<b>\$ 16,357,898</b>	<b>\$ 17,373,583</b>	<b>\$ 19,498,086</b>	<b>\$ 23,597,223</b>	<b>\$ 28,139,182</b>	<b>\$ 32,883,020</b>

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 17,287,422	\$ 17,891,698	\$ 18,631,672	\$ 21,972,466	\$ 22,669,639	\$ 21,507,249	\$ 20,756,782	\$ 23,058,564	\$ 19,892,050	\$ 18,734,410
Special Education	3,077,142	5,299,019	5,636,227	5,873,674	6,058,490	6,686,059	6,900,384	6,917,989	7,207,913	6,934,293
Other Special Instruction	262,571									
Other Instruction	1,166,714	438,715	585,582	546,407	462,428	434,110	548,883	603,970	589,297	584,729
School Sponsored Activities And Athletics		1,345,392	1,406,365	1,554,978	1,579,347	1,398,894	1,378,398	1,489,183	1,730,961	1,979,821
Community Services		42,123	40,068	44,379	49,365	51,720	52,708	4,637	12,488	11,857
Support Services:										
Tuition	394,392									
Student & Instruction Related Services	3,622,645	4,394,143	4,600,464	5,129,110	5,246,723	4,877,420	4,764,119	5,730,596	5,311,587	5,128,689
School Administration Services	1,250,439	2,429,217	2,789,015	2,974,427	2,866,244	2,815,991	2,529,611	2,912,271	2,685,042	2,686,436
General Administrative Services	1,966,545	1,005,038	1,046,506	1,210,746	1,277,129	1,208,780	1,125,856	1,181,161	1,270,298	1,215,779
Business/Central Services	735,185	1,221,673	1,267,410	1,430,431	1,434,535	1,254,064	1,121,975	1,160,327	1,252,625	1,394,074
Administration of Information Technology	442,727									
Plant Operations And Maintenance	4,072,940	4,802,450	5,135,538	6,377,866	6,150,870	6,035,771	5,928,702	6,280,124	6,588,128	6,593,963
Pupil Transportation	1,364,581	1,756,128	1,640,332	1,939,996	1,924,270	1,994,340	1,685,783	1,230,309	1,631,008	1,686,764
Transfer to Charter School	53,088									
Interest On Long-Term Debt	-	965,431	948,658	896,480	832,525	792,148	760,526	714,387	671,283	627,805
<b>Total Governmental Activities Expenses</b>	<b>35,696,391</b>	<b>41,591,027</b>	<b>43,727,837</b>	<b>49,950,960</b>	<b>50,551,565</b>	<b>49,056,546</b>	<b>47,553,727</b>	<b>51,283,518</b>	<b>48,842,680</b>	<b>47,578,620</b>
Business-Type Activities:										
Enterprise Fund	1,712,055	938,181	896,165	967,022	1,062,094	1,170,158	980,990	759,403	1,458,393	1,466,472
<b>Total Business-Type Activities</b>	<b>1,712,055</b>	<b>938,181</b>	<b>896,165</b>	<b>967,022</b>	<b>1,062,094</b>	<b>1,170,158</b>	<b>980,990</b>	<b>759,403</b>	<b>1,458,393</b>	<b>1,466,472</b>
<b>Total District Expenses</b>	<b>\$ 37,408,446</b>	<b>\$ 42,529,208</b>	<b>\$ 44,624,002</b>	<b>\$ 50,917,982</b>	<b>\$ 51,613,659</b>	<b>\$ 50,226,704</b>	<b>\$ 48,534,717</b>	<b>\$ 52,042,921</b>	<b>\$ 50,301,073</b>	<b>\$ 49,045,092</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges For Services:										
Regular		\$ 3,200	\$ 9,050		\$ 124,950	\$ 87,780	\$ 53,420	\$ 8,000	\$ 8,400	\$ 19,200
Plant Operations and Maintenance										
School Sponsored Activities And Athletics								127,966	405,825	528,963
Student Instruction								1,498	1,366	-
Transportation		33,850		\$ 13,782						-
Operating Grants And Contributions	\$ 3,913,673	8,395,904	10,318,266	13,579,378	14,501,964	12,407,342	11,200,155	16,073,215	13,724,351	11,516,862
Capital Grants And Contributions	-	-	-	-	-	58,545	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>3,913,673</b>	<b>8,432,954</b>	<b>10,327,316</b>	<b>13,593,160</b>	<b>14,626,914</b>	<b>12,553,667</b>	<b>11,253,575</b>	<b>16,209,181</b>	<b>14,140,074</b>	<b>12,066,391</b>
Business-Type Activities:										
Charges For Services										
Food Service	621,045	646,804	648,083	685,843	722,056	717,140	464,715	5,941	71,710	673,549
Technology Program							37,209	56,732	70,907	75,304
Operating Grants And Contributions	356,729	404,095	395,104	404,475	413,109	430,679	368,767	1,027,091	1,199,147	653,434
<b>Total Business Type Activities Program Revenues</b>	<b>977,774</b>	<b>1,050,899</b>	<b>1,043,187</b>	<b>1,090,318</b>	<b>1,135,165</b>	<b>1,147,819</b>	<b>870,691</b>	<b>1,089,764</b>	<b>1,341,764</b>	<b>1,402,287</b>
<b>Total District Program Revenues</b>	<b>\$ 4,891,447</b>	<b>\$ 9,483,853</b>	<b>\$ 11,370,503</b>	<b>\$ 14,683,478</b>	<b>\$ 15,762,079</b>	<b>\$ 13,701,486</b>	<b>\$ 12,124,266</b>	<b>\$ 17,298,945</b>	<b>\$ 15,481,838</b>	<b>\$ 13,468,678</b>



**SECAUCUS 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
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (31,782,718)	\$ (33,158,073)	\$ (33,400,521)	\$ (36,357,800)	\$ (35,924,651)	\$ (36,502,879)	\$ (36,300,152)	\$ (35,074,337)	\$ (34,702,606)	\$ (35,512,229)
Business-Type Activities	(734,281)	112,718	147,022	123,296	73,071	(22,339)	(110,299)	330,361	(116,629)	(64,185)
<b>Total District-Wide Net Expense</b>	<b>\$ (32,516,999)</b>	<b>\$ (33,045,355)</b>	<b>\$ (33,253,499)</b>	<b>\$ (36,234,504)</b>	<b>\$ (35,851,580)</b>	<b>\$ (36,525,218)</b>	<b>\$ (36,410,451)</b>	<b>\$ (34,743,976)</b>	<b>\$ (34,819,235)</b>	<b>\$ (35,576,414)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 32,311,941	\$ 32,748,152	\$ 33,321,245	\$ 33,987,669	\$ 34,667,422	\$ 35,360,770	\$ 36,067,984	\$ 36,789,344	\$ 37,517,774	\$ 38,268,129
Taxes Levied For Debt Service	1,276,826	1,877,925	2,368,408	2,413,708	2,526,693	1,554,633	1,534,459	1,512,240	1,233,276	1,225,867
Federal and State Aid - Restricted			573,563	465,009	472,476	409,149	416,662	425,386	406,300	416,795
Federal and State Aid - Unrestricted	1,153,386	39,072	42,688	62,119	64,682	4,859				-
Investment Earnings		41,595	37,644							-
Miscellaneous Income	637,242	36,954	161,663	174,417	334,090	211,492	196,694	116,143	203,844	409,461
Transfers	(884,624)	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>34,494,771</b>	<b>34,743,698</b>	<b>36,505,211</b>	<b>37,102,922</b>	<b>38,065,363</b>	<b>37,540,903</b>	<b>38,215,799</b>	<b>38,843,113</b>	<b>39,361,194</b>	<b>40,320,252</b>
Business-Type Activities:										
Transfers	842,784	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	42,688	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>842,784</b>	<b>42,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 35,337,555</b>	<b>\$ 34,786,386</b>	<b>\$ 36,505,211</b>	<b>\$ 37,102,922</b>	<b>\$ 38,065,363</b>	<b>\$ 37,540,903</b>	<b>\$ 38,215,799</b>	<b>\$ 38,843,113</b>	<b>\$ 39,361,194</b>	<b>\$ 40,320,252</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 2,712,053	\$ 1,585,625	\$ 3,104,690	\$ 745,122	\$ 2,140,712	\$ 1,038,024	\$ 1,915,647	\$ 3,768,776	\$ 4,658,588	\$ 4,808,023
Business-Type Activities	108,503	155,406	147,022	123,296	73,071	(22,339)	(110,299)	330,361	(116,629)	(64,185)
<b>Total District</b>	<b>\$ 2,820,556</b>	<b>\$ 1,741,031</b>	<b>\$ 3,251,712</b>	<b>\$ 868,418</b>	<b>\$ 2,213,783</b>	<b>\$ 1,015,685</b>	<b>\$ 1,805,348</b>	<b>\$ 4,099,137</b>	<b>\$ 4,541,959</b>	<b>\$ 4,743,838</b>

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

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
General Fund										
Reserved	\$ 1,761,756									
Unreserved	766,083									
Restricted		\$ 1,548,141	\$ 2,604,017	\$ 3,841,745	\$ 5,099,830	\$ 5,936,500	\$ 6,917,446	\$ 8,806,392	\$ 11,454,213	\$ 12,712,803
Committed		302,900	387,343	133,001				187,718	329,558	738,065
Assigned		796,128	488,021	377,484	285,887	133,733	127,783	130,417	177,598	816,762
Unassigned	-	470,999	478,988	492,560	512,886	505,723	462,212	1,174,533	1,185,730	426,719
<b>Total General Fund</b>	<b><u>\$ 2,527,839</u></b>	<b><u>\$ 3,118,168</u></b>	<b><u>\$ 3,958,369</u></b>	<b><u>\$ 4,844,790</u></b>	<b><u>\$ 5,898,603</u></b>	<b><u>\$ 6,575,956</u></b>	<b><u>\$ 7,507,441</u></b>	<b><u>\$ 10,299,060</u></b>	<b><u>\$ 13,147,099</u></b>	<b><u>\$ 14,694,349</u></b>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 2,121,108	\$ 23,794,552	\$ 6,309,981	\$ 962,971	\$ 437,398	\$ 385,919	\$ 327,084	\$ 239,780	\$ 259,155	\$ 271,909
<b>Total All Other Governmental Funds</b>	<b><u>\$ 2,121,108</u></b>	<b><u>\$ 23,794,552</u></b>	<b><u>\$ 6,309,981</u></b>	<b><u>\$ 962,971</u></b>	<b><u>\$ 437,398</u></b>	<b><u>\$ 385,919</u></b>	<b><u>\$ 327,084</u></b>	<b><u>\$ 239,780</u></b>	<b><u>\$ 259,155</u></b>	<b><u>\$ 271,909</u></b>

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Property Taxes	\$ 33,588,767	\$ 34,626,077	\$ 35,689,653	\$ 36,401,377	\$ 37,194,115	\$ 36,915,403	\$ 37,602,443	\$ 38,301,584	\$ 38,751,050	\$ 39,493,996
Other Local Governmental Units-Restricted	1,375	3,200	9,050							
Tuition Charges	4,125				124,950	87,780	53,420	8,000	8,400	19,200
Rents and Royalties			65,041	51,681	72,203	66,514	46,715	12,715	850	28,855
Restricted Revenue from Intermediate Sources	83,385	33,850	13,442	13,782						-
Miscellaneous	548,357	175,718	120,824	122,736	261,887	144,978	149,979	232,049	610,317	910,935
State Sources	4,268,224	4,088,104	5,728,295	6,054,287	6,858,840	7,961,112	8,546,317	10,054,057	12,553,310	12,693,179
Federal Sources	798,836	896,511	861,490	905,861	786,495	1,062,966	1,055,291	1,451,692	2,792,639	2,382,434
<b>Total Revenue</b>	<b>39,293,069</b>	<b>39,823,460</b>	<b>42,487,795</b>	<b>43,549,724</b>	<b>45,298,490</b>	<b>46,238,753</b>	<b>47,454,165</b>	<b>50,060,097</b>	<b>54,716,566</b>	<b>55,528,599</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	12,044,626	15,709,509	15,933,860	17,195,586	18,253,198	19,499,704	19,385,759	20,124,572	20,793,617	20,610,374
Special Education Instruction	2,183,184	4,889,398	5,101,040	4,987,977	5,277,013	6,302,599	6,646,555	6,309,556	7,500,684	7,522,295
Other Special Instruction	180,019									
Other Instruction	958,536	393,617	508,514	437,645	384,912	399,678	518,215	536,461	613,461	634,546
School Sponsored Activities and Athletics		1,189,777	1,209,951	1,218,386	1,279,193	1,268,059	1,290,187	1,316,298	1,795,752	2,129,921
Community Services		41,525	38,301	38,042	43,562	50,813	53,741	4,485	14,028	14,123
<b>Support Services:</b>										
Tuition	394,392									
Student and Inst. Related Services	3,000,150	3,986,083	4,062,874	4,184,282	4,394,443	4,524,357	4,508,397	5,124,297	5,508,297	5,531,553
General Administration Services	884,507	968,588	993,383	1,093,413	1,171,126	1,172,461	1,109,385	1,128,951	1,326,917	1,285,412
School Administration Services	1,615,653	2,194,588	2,439,118	2,356,554	2,340,776	2,570,976	2,390,603	2,575,411	2,850,059	3,000,838
Central Services	131,002									
Administration of Information Technology	363,731									
Plant Operations And Maintenance	3,346,203	3,970,609	4,209,721	4,630,399	4,378,138	4,572,205	4,508,195	4,666,024	5,353,616	5,501,949
Pupil Transportation	1,121,098	1,620,705	1,492,560	1,557,112	1,587,676	1,817,242	1,532,970	1,002,072	1,535,614	1,694,829
Business/Central Services	473,003	1,164,975	1,195,051	1,216,041	1,247,351	1,191,521	1,093,894	1,085,299	1,343,498	1,546,384
Employee Benefits	9,077,269									
Transfer to Charter School	53,088									
Capital Outlay	1,175,539	3,290,438	18,221,641	5,697,524	1,223,759	499,827	1,683,586	1,132,427	1,142,740	2,487,865
Principal	1,115,000	1,936,598	2,744,828	2,477,761	2,329,472	1,457,283	1,578,180	1,617,486	1,386,142	1,366,976
Interest and Other Charges	161,826	674,370	981,323	919,591	859,631	809,789	778,393	732,443	684,727	641,530
<b>Total Expenditures</b>	<b>38,278,826</b>	<b>42,030,780</b>	<b>59,132,165</b>	<b>48,010,313</b>	<b>44,770,250</b>	<b>46,136,514</b>	<b>47,078,060</b>	<b>47,355,782</b>	<b>51,849,152</b>	<b>53,968,595</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,014,243	(2,207,320)	(16,644,370)	(4,460,589)	528,240	102,239	376,105	2,704,315	2,867,414	1,560,004
<b>Other Financing Sources (Uses)</b>										
Capital Lease Proceeds						523,635	177,390			-
Bond Proceeds	3,000,000	27,400,000								
State Grants Receivable Cancelled	(41,840)									
Transfers to Cover Deficit - Food Service	(842,784)									
Transfers In		2	257	150,533						
Transfers Out		(2)	(257)	(150,533)						
<b>Total Other Financing Sources (Uses)</b>	<b>2,115,376</b>	<b>27,400,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>523,635</b>	<b>177,390</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 3,129,619</b>	<b>\$ 25,192,680</b>	<b>\$ (16,644,370)</b>	<b>\$ (4,460,589)</b>	<b>\$ 528,240</b>	<b>\$ 625,874</b>	<b>\$ 553,495</b>	<b>\$ 2,704,315</b>	<b>\$ 2,867,414</b>	<b>\$ 1,560,004</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.44%	6.74%	9.11%	8.03%	7.32%	4.97%	5.19%	5.08%	4.08%	3.90%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Year</u>	<u>Interlocal Agreements</u>	<u>Tuition</u>	<u>Interest Earned on Investments</u>	<u>Miscellaneous</u>	<u>Sale of Assets</u>	<u>Total</u>
2014	\$ 31,862	\$ 4,125	\$ 1,393	\$ 412,448		\$ 449,828
2015	33,850	3,200	41,593	36,954		115,597
2016	13,442	9,050	37,130	145,918	\$ 2,560	208,100
2017	13,782	8,122	17,765	148,530		188,199
2018	4,200	124,950	29,317	298,473	2,100	459,040
2019		87,780	51,713	159,779		299,272
2020		53,420	100,628	96,066		250,114
2021		8,000	16,569	99,574		124,143
2022		8,400	10,971	192,873		212,244
2023		19,200	253,773	149,188	6,500	428,661

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2014	\$ 65,552,700	\$ 809,674,400	\$ 780,089,475	\$ 826,429,600	\$ 54,043,000	\$ 2,535,789,175	\$ 2,903,044	\$ 2,538,692,219	\$ 4,789,253,168	\$ 1.34
2015	60,295,500	867,609,000	799,892,975	869,802,300	54,043,000	2,651,642,775	3,339,721	2,654,982,496	4,402,341,949	1.41
2016	60,427,100	865,092,000	797,560,475	867,274,300	56,537,100	2,646,890,975	3,293,675	2,650,184,650	4,577,186,263	1.36
2017	60,578,100	829,147,250	892,345,175	906,471,500	65,058,400	2,753,600,425	3,232,106	2,756,832,531	4,832,900,084	1.30
2018	59,458,100	833,569,750	903,258,175	906,966,800	65,058,400	2,768,311,225	3,258,237	2,771,569,462	4,898,813,081	1.34
2019	52,745,100	838,410,850	922,260,875	939,627,600	64,763,400	2,817,807,825	3,336,160	2,821,143,985	5,472,494,946	1.32
2020	52,417,300	845,440,750	919,485,575	936,428,450	63,663,400	2,817,435,475	3,352,759	2,820,788,234	5,550,541,721	1.35
2021	52,675,600	848,416,150	920,609,275	940,545,350	63,663,400	2,825,909,775	3,488,259	2,829,398,034	5,688,048,937	1.36
2022	53,501,800	850,806,050	899,861,775	978,187,100	63,663,400	2,846,020,125	3,840,357	2,849,860,482	5,307,569,560	1.37
2023	52,912,600	856,130,150	899,656,575	982,777,800	63,663,400	2,855,140,525	3,538,758	2,858,679,283	5,923,456,864	1.40

Source: County Abstract of Ratables

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

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

<b><u>Calendar Year</u></b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2014	\$ 3.77	\$ 1.34	\$ 1.40	\$ 1.03
2015	3.70	1.41	1.39	0.90
2016	3.71	1.36	1.43	0.92
2017	3.61	1.30	1.44	0.87
2018	3.61	1.34	1.48	0.79
2019	3.71	1.32	1.56	0.83
2020	3.74	1.35	1.64	0.75
2021	3.77	1.36	1.64	0.77
2022	3.76	1.37	1.69	0.71
2023	3.97	1.40	1.84	0.74

Source: Tax Duplicate, Township of Secaucus

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

Taxpayer	2023		Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Fraternity Meadows LLC	\$ 143,965,900	5.04%	PMP 500 Plaza Corp	\$ 48,477,600	1.91%
Hancock S REIT SECA Corp	63,251,200	2.21%	300-400 Park Plaza Drive Inc	41,679,000	1.64%
800 Secaucus LLC % Hartz	57,246,700	2.00%	755 Secaucus Road	35,548,900	1.40%
755 Secaucus LLC % Hartz	52,695,800	1.84%	Fraternity Meadows LLC	33,793,600	1.33%
Hartz Enterprise LLC	48,070,600	1.68%	Mill Creek Mall LLC	33,158,200	1.31%
HMGL LLC	46,983,200	1.64%	800 Secaucus LLC	31,672,000	1.25%
Fraternity, Riverside Holding Co	39,256,400	1.37%	BT Newyo LLC	30,900,500	1.22%
NY2 Hartz Way LLC	38,021,400	1.33%	50 Meadowland Parkway LLC	30,439,400	1.20%
Coresite RE 2 Emerson Lane LLC	36,448,600	1.28%	Gaia 200 Plaza Drive	28,857,400	1.14%
50 Meadowland Parkway LLC	36,424,400	1.27%	400 Plaza Dr Inc	25,801,500	1.02%
	<u>\$ 562,364,200</u>	<u>19.67%</u>		<u>\$ 340,328,100</u>	<u>13.41%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 34,107,422	\$ 34,107,422	100.00%	N/A
2015	34,626,077	34,626,075	99.99%	\$ 2
2016	35,689,653	35,689,653	100.00%	N/A
2017	36,401,377	36,401,377	100.00%	N/A
2018	37,194,115	37,194,115	100.00%	N/A
2019	36,915,403	36,915,403	100.00%	N/A
2020	37,602,443	37,602,443	100.00%	N/A
2021	38,301,584	38,301,584	100.00%	N/A
2022	38,751,050	38,751,050	100.00%	N/A
2023	39,493,996	39,493,996	100.00%	N/A



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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population (1)</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Financing Agreements</u>	<u>Bond Anticipation Notes</u>			
2014	\$ 5,560,000	\$ 1,453,838	\$ 3,000,000	\$ 10,013,838	18,091	\$ 554
2015	31,810,000	688,492		32,498,492	18,156	1,790
2016	29,585,000	168,664		29,753,664	18,827	1,580
2017	27,305,000			27,305,000	19,560	1,396
2018	24,990,000			24,990,000	19,686	1,269
2019	23,595,000	476,975		24,071,975	20,634	1,167
2020	22,180,000	508,097		22,688,097	21,936	1,034
2021	20,745,000	99,496		20,844,496	21,602	965
2022	19,550,000	69,412		19,619,412	21,295	921
2023	18,330,000	38,114		18,368,114	21,108	870

Source: District records

(1) Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2014	\$ 5,560,000		\$ 5,560,000	0.22%	\$ 307
2015	31,810,000		31,810,000	1.20%	1,752
2016	29,585,000		29,585,000	1.12%	1,571
2017	27,305,000		27,305,000	0.99%	1,396
2018	24,990,000		24,990,000	0.90%	1,269
2019	23,595,000		23,595,000	0.84%	1,144
2020	22,180,000		22,180,000	0.79%	1,011
2021	20,745,000		20,745,000	0.73%	960
2022	19,550,000		19,550,000	0.69%	918
2023	18,330,000		18,330,000	0.64%	868

Source: District records

**SECAUCUS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Secaucus Board of Education	\$ 18,330,000	\$ 18,330,000	
Town of Secaucus	<u>64,997,838</u>	<u>33,478</u>	\$ 64,964,360
	<u>\$ 83,327,838</u>	<u>\$ 18,363,478</u>	64,964,360
Overlapping Debt Apportioned to the Municipality:			
Hudson County:			
County of Hudson (2)			<u>65,407,190</u>
Total Direct and Overlapping Debt			<u>\$ 130,371,550</u>

Source:  
(1) 2022 Annual Debt Statement of the Town of Secaucus  
(2) Hudson County Treasurer's Office

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 193,011,901	\$ 186,236,835	\$ 179,928,993	\$ 177,785,822	\$ 184,473,973	\$ 205,510,487	\$ 217,518,238	\$ 219,869,504	\$ 218,403,234	\$ 223,136,459
Total Net Debt Applicable To Limit	<u>5,560,000</u>	<u>31,810,000</u>	<u>29,585,000</u>	<u>27,305,000</u>	<u>24,990,000</u>	<u>23,595,000</u>	<u>22,180,000</u>	<u>20,745,000</u>	<u>19,550,000</u>	<u>18,330,000</u>
Legal Debt Margin	<u>\$ 187,451,901</u>	<u>\$ 154,426,835</u>	<u>\$ 150,343,993</u>	<u>\$ 150,480,822</u>	<u>\$ 159,483,973</u>	<u>\$ 181,915,487</u>	<u>\$ 195,338,238</u>	<u>\$ 199,124,504</u>	<u>\$ 198,853,234</u>	<u>\$ 204,806,459</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.88%	17.08%	16.44%	15.36%	13.55%	11.48%	10.20%	9.44%	8.95%	8.21%

Source: Annual Debt Statements

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

Equalized Valuation Basis	
2022	\$ 5,633,744,201
2021	5,232,197,325
2020	5,869,292,895
	<u>\$ 16,735,234,421</u>
Average Equalized Valuation Of Taxable Property	<u>\$ 5,578,411,474</u>
Debt Limit (4% of Average Equalization Value)	\$ 223,136,459
Total Net Debt Applicable to Limit	<u>18,330,000</u>
Legal Debt Margin	<u>\$ 204,806,459</u>

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (A)</u>	<u>School District Population (1)</u>
2014	7.3	\$ 51,066	18,091
2015	4.6	54,675	18,156
2016	4.3	56,597	18,827
2017	3.8	60,558	19,560
2018	3.4	65,090	19,686
2019	2.8	67,570	20,634
2020	9.1	71,682	21,936
2021	5.8	72,046	21,602
2022	3.3	N/A	21,295
2023	N/A	N/A	21,108

(A) Represents the County of Hudson

(1) Estimated

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

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	141	138	141	150	151	155	155	153	149	144
Special Education	37	39	37	41	42	47	47	48	48	48
Other Instruction	3	4	3	3	3	3	3	3	3	3
Support Services:										
Student and Instruction Related Services	33	33	33	33	33	30	31	31	31	32
General Administration	9	8	8	6	6	6	6	6	6	6
School Administrative Services	16	16	16	16	16	18	18	17	17	18
Central Services	3	5	5	5	5	6	6	6	6	9
Administrative Information Technology	1	1	1	1						
Plant Operations And Maintenance	27	27	21	21	22	32	32	28	32	29
Pupil Transportation	30	30	30	30	30	30	32	28	22	23
Total	<u>300</u>	<u>301</u>	<u>295</u>	<u>306</u>	<u>308</u>	<u>327</u>	<u>330</u>	<u>320</u>	<u>314</u>	<u>312</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2014	2,181	35,826,462	16,427	1.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,189	36,129,374	16,505	0.48%	N/A	N/A	N/A	N/A	2,181	2,076	N/A	95.19%
2016	2,114	37,184,373	17,590	6.57%	N/A	N/A	N/A	N/A	2,110	2,017	-3.26%	95.59%
2017	2,113	38,915,437	18,417	4.70%	N/A	N/A	N/A	N/A	2,109	2,012	-0.05%	95.40%
2018	2,197	40,357,388	18,369	-0.26%	N/A	N/A	N/A	N/A	2,171	2,076	2.94%	95.62%
2019	2,272	43,369,615	19,089	3.92%	N/A	N/A	N/A	N/A	2,272	2,257	4.65%	99.34%
2020	2,270	43,037,901	18,959	-0.68%	N/A	N/A	N/A	N/A	2,270	2,183	-0.09%	96.17%
2021	2,194	43,873,426	19,997	5.47%	N/A	N/A	N/A	N/A	2,152	2,140	-5.20%	99.44%
2022	2,197	48,635,543	22,137	10.70%	N/A	N/A	N/A	N/A	2,192	2,158	1.86%	98.45%
2023	2,250	49,472,224	21,988	-0.68%	N/A	N/A	N/A	N/A	2,230	2,090	1.73%	93.72%

Sources: District records

N/A - Not Available

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



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Clarendon School										
Square Feet	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715	97,715
Capacity (students)	456	456	456	456	456	456	456	456	456	456
Enrollment	641	579	448	448	456	479	472	454	471	482
Huber School										
Square Feet	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240	58,240
Capacity (students)	466	466	466	466	466	466	466	466	466	466
Enrollment	640	694	600	593	622	655	660	639	620	639
<b><u>High School / Middle School</u></b>										
Square Feet	159,070	159,070	159,070	213,695	213,695	213,695	213,695	213,695	213,695	213,695
Capacity (students)	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109	1,109
Enrollment	892	916	1,066	1,072	1,119	1,138	1,138	1,101	1,106	1,129

Number of Schools at June 30, 2023  
 Elementary = 2 Clarendon/Huber Street  
 Middle School / High School = 1  
 Other = 2 Pre K and Board Office

Source: District Records

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

<u>School Facility</u>	<u>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>
Clarendon School	\$ 230,684	\$ 133,113	\$ 218,018	\$ 181,614	\$ 177,298	\$ 171,623	\$ 190,177	\$ 238,178	\$ 269,635	\$ 265,025
Huber School	129,114	74,504	122,026	101,651	95,312	92,261	102,235	128,039	144,950	142,472
High School / Middle School	<u>502,818</u>	<u>290,144</u>	<u>475,210</u>	<u>395,862</u>	<u>371,174</u>	<u>359,292</u>	<u>398,135</u>	<u>498,625</u>	<u>564,481</u>	<u>554,830</u>
Total School Facilities	862,616	497,761	815,254	679,127	643,784	623,176	690,547	864,842	979,066	962,327
Other Facilities	<u>9,495</u>	<u>5,479</u>	<u>8,974</u>	<u>7,476</u>	-	-	-	-	-	-
Grand Total	<u>\$ 872,111</u>	<u>\$ 503,240</u>	<u>\$ 824,228</u>	<u>\$ 686,603</u>	<u>\$ 643,784</u>	<u>\$ 623,176</u>	<u>\$ 690,547</u>	<u>\$ 864,842</u>	<u>\$ 979,066</u>	<u>\$ 962,327</u>

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

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

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
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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 Trustees  
Secaucus Board of Education  
685 Fifth Street  
Secaucus, New Jersey 07094

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Secaucus Board of Education's basic financial statements and have issued our report thereon dated December 21, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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


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


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Secaucus Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2023.

### **Purpose of this Report**

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

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

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

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

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

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

### *Responsibilities of Management for Compliance*

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

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

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

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

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

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

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

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

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




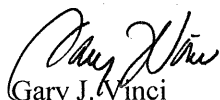
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Secaucus Board of Education, as of and for the fiscal year ended June 30, 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 December 21, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Gary J. Vinci  
Public School Accountant  
PSA Number CS00829

Fair Lawn, New Jersey  
December 21, 2023

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance, July 1, 2022	Unearned Revenue Carryover	Accounts Receivable Carryover	Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Adjustments (A)	June 30, 2023		MEMO GAAP Receivable	
												(Account Receivable)	Unearned Revenue		
<b>U.S. Department of Agriculture</b>															
<b>Passed-Through State Department of Education</b>															
Enterprise Fund:															
National School Lunch Program	10.555														*
Cash Assistance		231NJ304N1099	07/01/22-6/30/23	\$ 390,831				\$ 364,962	\$ 390,831			\$ (25,869)		\$ (25,869)	*
Cash Assistance		221NJ304N1099	07/01/21-6/30/22	964,961	\$ (76,052)			76,052							*
Non-Cash Assistance (Food Distribution)		231NJ304N1099	07/01/22-6/30/23	67,331				67,331	65,293			\$ 2,038			*
Non-Cash Assistance (Food Distribution)		221NJ304N1099	07/01/21-6/30/22	41,798	158				158						*
Supply Chain Assistance Funding	10.555	221NJ344N8903	07/01/22-6/30/23	106,655				106,655	106,655						*
School Breakfast Program	10.553	231NJ304N1099	07/01/22-6/30/23	97,332				60,790	66,642			(5,852)		(5,852)	*
School Breakfast Program	10.553	221NJ304N1099	07/01/21-6/30/22	134,694	(16,769)	-	-	16,769	-	-	-	-	-	-	*
Child Nutrition Cluster					(92,663)	-	-	692,559	629,579	-	-	(31,721)	2,038	(31,721)	*
<b>U.S. Department of Education</b>															
<b>Passed-Through State Department of Education</b>															
Special Revenue Fund:															
ESEA															
Title I	84.010	S010A220030	07/01/22-9/30/23	328,232		\$ 537	\$ (125,448)	362,307	327,984			(91,373)	785	(90,588)	*
Title I, Carryover	84.010	S010A210030	07/01/21-9/30/22	355,678	(124,911)	(537)	125,448								*
Title II - Part A	84.367A	S367A220029	07/01/22-9/30/23	54,831		3,926	(13,466)	30,694	32,602		\$ 782	(37,603)	26,937	(10,666)	*
Title II - Part A, Carryover	84.367A	S367A210029	07/01/21-9/30/22	52,604	(9,540)	(3,926)	13,466								*
Title III	84.365	S365A220030	07/01/22-9/30/23	16,656		3,323	(4,263)	3,704	9,574			(17,215)	10,405	(6,810)	*
Title III- Carryover	84.365	S365A210030	07/01/21-9/30/22	12,385	(940)	(3,323)	4,263								*
Title III-Immigrant	84.365	S365A220030	07/01/22-9/30/23	21,607		3,348	(6,818)	5,671	21,607			(22,754)	3,348	(19,406)	*
Title III-Immigrant, Carryover	84.365	S365A200030	07/01/20-9/30/21	10,164	(3,470)	(3,348)	6,818								*
Title IV	84.424	S424A220031	07/01/22-9/30/23	29,710		31,072	(32,699)	49,007	44,633		77	(13,402)	16,226		*
Title IV, Carryover	84.424	S424A210031	07/01/21-9/30/22	29,719	(1,627)	(31,072)	32,699								*
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	343,363	(800)			800				(3,537)	3,537	-	*
CRRSA-ESSER II	84.425D	S425D210027	3/13/20-9/30/23	1,334,539	(1,334,510)			1,237,680	126,546		140,786	(96,859)	14,269	(82,590)	*
CRRSA-Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	85,644	(26,850)			39,100	49,461			(46,544)	9,333	(37,211)	*
CRRSA-Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(34,560)			39,390	10,440			(5,610)	-	(5,610)	*
ARP - ESSER	84.425U	S425U210027	3/13/20-9/30/24	2,999,290	(461,540)			687,478	847,989		577	(2,311,812)	1,690,338	(621,474)	*
ARP - Accelerated Learning Coach	84.425U	S425U210027	3/13/20-9/30/24	197,086	(18,722)			51,553	37,999			(145,533)	140,365	(5,168)	*
ARP - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000					5,868			(40,000)	34,132	(5,868)	*
ARP - Evidence Based Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000								(40,000)	40,000	-	*
ARP - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(5,000)			5,000				(40,000)	40,000	-	*
ARP - Homeless Children and Youth	84.425W	S425W210031	4/23/21-9/30/23	10,165	(10,165)	-	-	10,165	-	-	-	-	-	-	*
Education Stabilization Fund (ESF) Cluster					(1,892,147)	-	-	2,071,166	1,078,303	-	141,363	(2,729,895)	1,971,974	(757,921)	*
Coronavirus Relief Fund	21.019	C8220COVID19	3/1/20-12/31/2021	133,252	144					\$ 144					*
ACSERS Aid	21.027	SLFRFD0EE1SES	07/01/2022-6/30/2022	63,816					63,816			(63,816)	-	(63,816)	*
ACSERS Aid	21.027	SLFRFD0EE1SES	07/01/2021-6/30/2021	353,906	(176,953)			176,953							*
School Violence Prevention Program (SVPP)	16.71		7/1/2022-6/30/24	499,980								(499,980)	499,980		*
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	07/01/22-9/30/23	459,836		139,201	(75,525)	344,432	506,771		31,860	(190,929)	124,126	(66,803)	*
I.D.E.A. Part B, Basic Regular, Carryover	84.027A	H027A210100	07/01/21-9/30/22	452,943	63,676	(139,201)	75,525								*
I.D.E.A. ARP Basic	84.027X	H027X210100	07/01/21-9/30/22	103,936	(32,311)			32,311	21,536			(21,536)	-	(21,536)	*
I.D.E.A. ARP Preschool	84.173X	H173X210114	07/01/21-9/30/22	8,851					8,851			(8,851)	-	(8,851)	*
I.D.E.A. Part B, Preschool	84.173A	H173A220114	07/01/22-9/30/23	16,644		46,407	(43,049)	4,563	29,109			(55,130)	33,942	(21,188)	*
I.D.E.A. Part B, Preschool, Carryover	84.173A	H173A210114	07/01/21-9/30/22	14,574	3,358	(46,407)	43,049	-	-	-	-	-	-	-	*
Special Education Cluster (IDEA)					34,723	-	-	381,306	566,267	-	31,860	(276,446)	158,068	(118,378)	*
Total Special Revenue Fund					(2,174,721)	-	-	3,080,808	2,144,786	144	174,082	(3,752,484)	2,687,723	(1,067,585)	*
<b>U.S. Department of Education</b>															
<b>Passed-Through State Department of Education</b>															
General Fund:															
Medicaid Assistance Program (SEMI)	93.778	2305NJSMAP	07/01/22-6/30/23	95,524	-	-	-	95,524	95,524	-	-	-	-	-	*
Total General Fund					-	-	-	95,524	95,524	-	-	-	-	-	*
Total Federal Financial Awards					\$ (2,267,384)	\$ -	\$ -	\$ 3,868,891	\$ 2,869,889	\$ 144	\$ 174,082	\$ (3,784,205)	\$ 2,689,761	\$ (1,099,306)	*

(A) Represents cancelled prior year encumbrances and accounts payable

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022 (Accts. Rec.)		Budgetary Expenditures	Adjustments	June 30, 2023		MEMO	
				Unearned Revenue	Cash Received			(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Expenditures
State Department of Education											
General Fund											
Special Education Aid	23-495-034-5120-089	07/01/2022-6/30/2023	\$ 2,046,041		\$ 1,855,248	\$ 2,046,041		\$ (190,793)			\$ 2,046,041
Special Education Aid	22-495-034-5120-089	07/01/2021-6/30/2022	1,689,156	\$ (142,476)	142,476						
Security Aid	23-495-034-5120-084	07/01/2022-6/30/2023	191,170		173,344	191,170		(17,826)			191,170
Security Aid	22-495-034-5120-084	07/01/2021-6/30/2022	191,170	(16,125)	16,125	-	-	-	-	-	-
Subtotal State Aid Public Cluster				(158,601)	2,187,193	2,237,211	-	(208,619)	-	-	2,237,211
Transportation Aid	23-495-034-5120-014	07/01/2022-6/30/2023	546,399		495,447	546,399		(50,952)			546,399
Transportation Aid	22-495-034-5120-014	07/01/2021-6/30/2022	546,399	(46,087)	46,087						
Non-Public Transportation Reimb.	23-495-034-5120-014	07/01/2022-6/30/2023	37,128			37,128		(37,128)		\$ (37,128)	37,128
Non-Public Transportation Reimb.	22-495-034-5120-014	07/01/2021-6/30/2022	21,750	(21,750)	21,750	-	-	-	-	-	-
Subtotal Transportation Aid Cluster				(67,837)	563,284	583,527	-	(88,080)	-	(37,128)	583,527
Extraordinary Aid	23-495-034-5120-044	07/01/2022-6/30/2023	689,304			689,304		(689,304)			689,304
Extraordinary Aid	22-495-034-5120-044	07/01/2021-6/30/2022	197,168	(197,168)	197,168						
T.P.A.F. NCGI	23-495-034-5094-004	07/01/2022-6/30/2023	84,314		84,314	84,314					84,314
T.P.A.F. LTDI	23-495-034-5094-004	07/01/2022-6/30/2023	2,743		2,743	2,743					2,743
T.P.A.F. Post Retirement Medical	23-495-034-5094-001	07/01/2022-6/30/2023	1,618,608		1,618,608	1,618,608					1,618,608
T.P.A.F. Normal Cost & Accrued Liab	23-495-034-5094-002	07/01/2022-6/30/2023	6,077,174		6,077,174	6,077,174					6,077,174
Reimbursed T.P.A.F. Social Security Aid	23-495-034-5094-003	07/01/2022-6/30/2023	1,315,809		1,251,280	1,315,809		(64,529)		(64,529)	1,315,809
Reimbursed T.P.A.F. Social Security Aid	22-495-034-5094-003	07/01/2021-6/30/2022	1,342,696	(62,422)	62,422	-	-	-	-	-	-
Total General Fund				(486,028)	12,044,186	12,608,690	-	(1,050,532)	-	(101,657)	12,608,690
Debt Service Fund											
Debt Service Aid	23-495-034-5120-075	07/01/2022-6/30/2023	631,508	-	631,508	631,508	-	-	-	-	631,508
Total Debt Service Fund				-	631,508	631,508	-	-	-	-	631,508
State Department of Agriculture											
Enterprise Fund											
National School Breakfast (State Share)	23-100-010-3350-023	07/01/2022-6/30/2023	5,682		5,175	5,682		(507)		(507)	5,682
National School Lunch (State Share)	23-100-010-3350-023	07/01/2022-6/30/2023	18,173		16,973	18,173		(1,200)		(1,200)	18,173
National School Lunch (State Share)	22-100-010-3350-023	07/01/2021-6/30/2022	26,367	(1,750)	1,750	-	-	-	-	-	-
Total Enterprise Fund				(1,750)	23,898	23,855	-	(1,707)	-	(1,707)	23,855
State Financial Assistance Subject to Single Audit Determination				\$ (487,778)	\$ 12,699,592	\$ 13,264,053	\$ -	\$ (1,052,239)	\$ -	\$ (103,364)	\$ 13,264,053
State Financial Assistance Not Subject to Single Audit											
General Fund											
T.P.A.F. NCGI	23-495-034-5094-004	07/01/2022-6/30/2023			(84,314)	(84,314)					(84,314)
T.P.A.F. LTDI	23-495-034-5094-004	07/01/2022-6/30/2023			(2,743)	(2,743)					(2,743)
T.P.A.F. Post Retirement Medical	23-495-034-5094-001	07/01/2022-6/30/2023			(1,618,608)	(1,618,608)					(1,618,608)
T.P.A.F. Normal Cost & Accrued Liab	23-495-034-5094-002	07/01/2022-6/30/2023			(6,077,174)	(6,077,174)					(6,077,174)
Total State Financial Assistance for Major Program Determination				\$ (487,778)	\$ 4,916,753	\$ 5,481,214	\$ -	\$ (1,052,239)	\$ -	\$ (103,364)	\$ 5,481,214

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

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

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$547,019 for the general fund and an increase of \$142,124 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	\$ 95,524	\$ 12,061,671	\$ 12,157,195
Special Revenue Fund	2,286,910		2,286,910
Debt Service Fund		631,508	631,508
Food Service Fund	<u>629,579</u>	<u>23,855</u>	<u>653,434</u>
Total Awards Financial Assistance	<u>\$ 3,012,013</u>	<u>\$ 12,717,034</u>	<u>\$ 15,729,047</u>

**SECAUCUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023****NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,315,809 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 \$6,161,488, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,618,608 and TPAF Long-Term Disability Insurance in the amount of \$2,743 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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

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

**NOTE 8 DE MINIMIS INDIRECT COST RATE**

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

**SECAUCUS 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 Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted?            yes     X     no

**Federal Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

<u>AL Number(s)</u>	<u>FAIN Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D210027	Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	S425U210027	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP)
84.425W	S425W210031	American Rescue Plan - Elementary and Secondary School Emergency Relief- Homeless Children and Youth

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

Auditee qualified as low-risk auditee?     X     yes            no

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

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over major programs:

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

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

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

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

Identification of major state programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5094-003	Reimbursed T.P.A.F. Social Security Aid

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

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

**SECAUCUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 financial statements in accordance with Government Auditing Standards.

There are none.



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

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

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

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE.

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.