

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

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Upper Saddle River Board of Education

Upper Saddle River, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION

Brad Siegel, Ed.D.
Superintendent of Schools



Dana Imbasciani
Board Secretary/Business Administrator

395 West Saddle River Road, Upper Saddle River, New Jersey 07458
201-961-6500 (phone) ~ 201-961-9020 (fax)

October 23, 2023

Honorable President and
Members of the Board of Education
Upper Saddle River Board of Education
Upper Saddle River, NJ 07458

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart, and a list of principal officials. The financial section includes the Independent Auditor’s Report, Management’s Discussion and Analysis and basic financial statements including the district-wide financial statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the State Treasury OMB Circular Letter 15-08. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Upper Saddle River Board of Education is an independent reporting entity. All funds of the District are included in this report. The Upper Saddle River 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 K through 8. The District completed the 2022/23 fiscal year with an average daily enrollment of 1,117, which is 7 students less than the previous year's enrollment. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>School Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2022/2023	1,117	(0.62%)
2021/2022	1,124	1.54%
2020/2021	1,107	0.36%
2019/2020	1,103	(2.13%)
2018/2019	1,127	(3.26%)
2017/2018	1,165	(2.27%)
2016/2017	1,191	(2.70%)
2015/2016	1,224	(2.00%)
2014/2015	1,249	(3.78%)
2013/2014	1,298	(3.71%)

2. ECONOMIC CONDITION AND OUTLOOK:

Development and expansion in the Upper Saddle River area has increased this year. The Upper Saddle River area is expected to continue to prosper.

3. MAJOR INITIATIVES:

The District committed to the following new programs/goals:

- Curricula are reviewed and developed on a cyclical basis. The most significant recent reform is in the area of Mathematics, English/Language Arts, and Science. Our focus on these curricular initiatives is based on pending NJSLS changes requiring revisions to our scope and sequence plans, as well following our regional district cyclical review process. Working through our Director of Curriculum, groups of staff members made adjustments to their unit plans and lessons, collaboratively, to meet the new goals set by the state.
- The District made a commitment to modifying our assessment design and formative feedback practices to elevate the rigor on student evaluations. Seeking to expand the number of students moving categories on the NJSLA test (from "approaching" to "meeting" and "meeting" to "exceeding" expectations), assessment upgrades was identified as a need.
- The District expanded partnerships between the school, families, and community on two broad initiatives: diversity and wellness education. Resources were allocated to developing committees, projects, and educational partnerships on both topics.
- Supporting all learners is the chief goal for our school district. Our staff assessed our enrichment programs for three different tiers of support at all three buildings, while also evaluating our entrance criteria, instructional models, and professional training for our general education teachers. The results of this exploration have prompted some programmatic changes in elementary/middle school mathematics.
- The District continued its commitment to small elementary class size by maintaining an average of 17 students in all grades K-5.

4. INTERNAL ACCOUNTING 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.

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. Annual appropriated 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either restriction or assigned 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 Governmental Accounting Standards Board (GASB).

7. 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) or New Jersey Cash Management Fund. GUDPA was enacted to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, which the funds are secured in accordance with the Act or the New Jersey Cash Management Fund.

8. RISK MANAGEMENT:

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

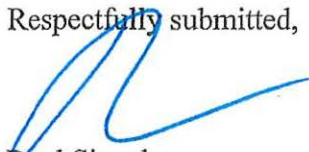
9. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the State Treasury OMB Circular 15-08. The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s report related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

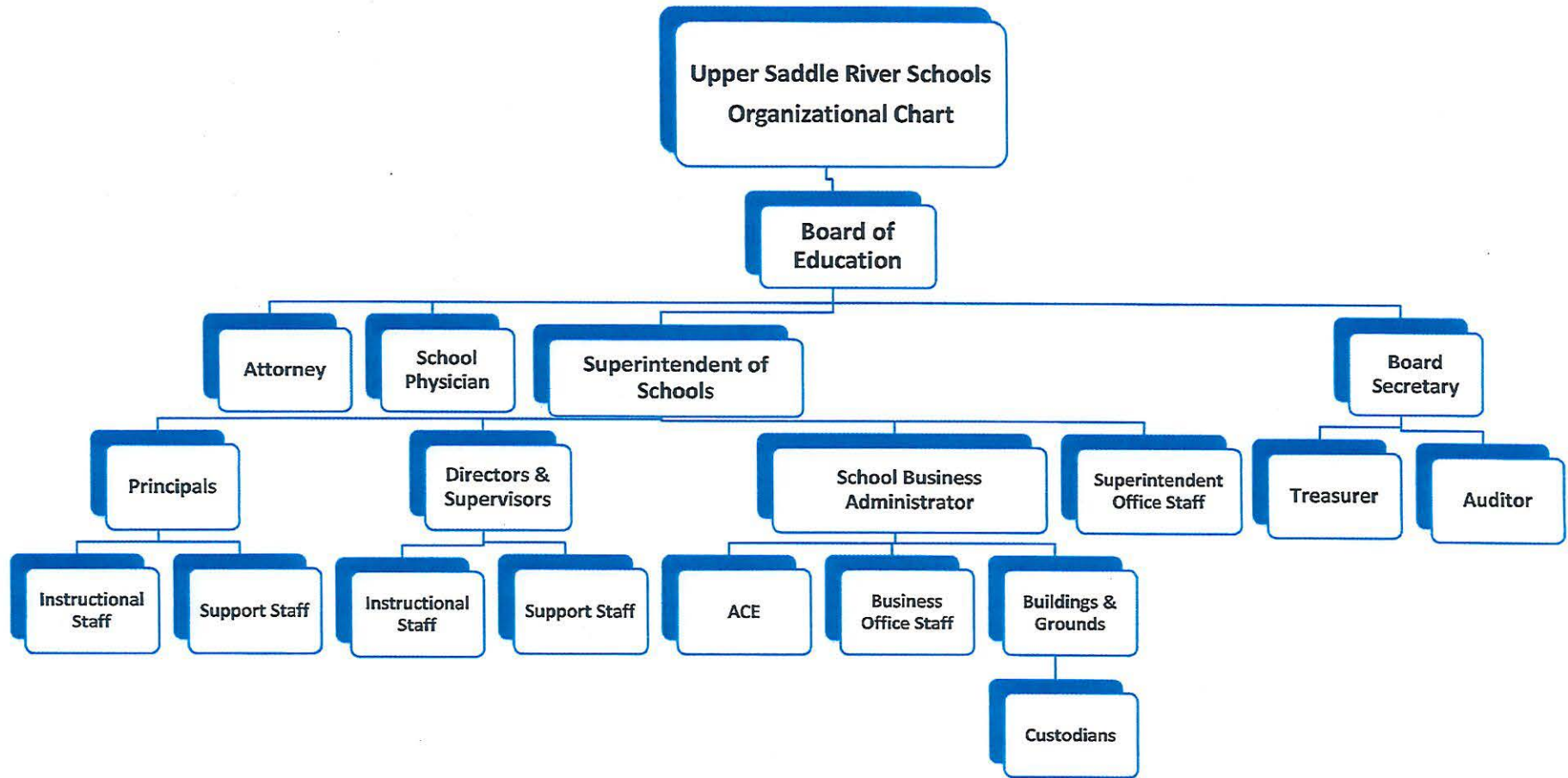
We would like to express our appreciation to the members of the Upper Saddle River Board of Education for the concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,


Brad Siegel
Superintendent of Schools


Dana Imbasciani
Board Secretary/Business Administrator

**Upper Saddle River Schools
Organizational Chart**



Upper Saddle River Board of Education

Roster of Officials

June 30, 2023

Board Members:

Term Expiration:

Susan Gandara, President	2024
MaryAnn Gray, Vice President	2024
Erin Ginsberg	2023
Mark Mehegan	2025
Stephen Quagliani	2024
David Verducci	2025
Joy Wenberg	2023

Other Officials:

Brad Siegel, Superintendent
Dana Imbasciani, Business Administrator/Board Secretary
Jennifer Pfohl, Treasurer

UPPER SADDLE RIVER BOARD OF EDUCATION

CONSULTANTS & ADVISORS

Board Auditor

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

Board Attorneys

Fogarty & Hara
21-00 Route 208 South
Fair Lawn, NJ 07410

Cleary, Giacobbe, Alfieri, Jacobs LLC
955 State Route 23, Suite 200
Matawan, NJ 07747

Official Depository

Capital One Bank
35 Journal Square
Jersey City, NJ 07306

FINANCIAL SECTION

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
395 West Saddle River Road
Upper Saddle River, New Jersey 07458

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 Upper Saddle River Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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


Other Information


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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2023 on our consideration of the Upper Saddle River Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Upper Saddle River Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Upper Saddle River 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
October 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Upper Saddle River Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. 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 Upper Saddle River Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,133,250 (net position).
- Overall District revenues were \$31,768,530. General revenues accounted for \$24,317,588 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,450,942 of total revenues.
- The School District had \$30,020,905 in expenses for governmental activities; only \$7,118,932 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$24,317,588 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 \$9,574,600 an increase of \$901,919 when compared to the ending fund balance at June 30, 2022 of \$8,672,681.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,287,880 which represents a decrease of \$429,216 when compared to the ending unassigned fund balance at June 30, 2022 of \$1,717,096.

UPPER SADDLE RIVER BOARD OF EDUCATION

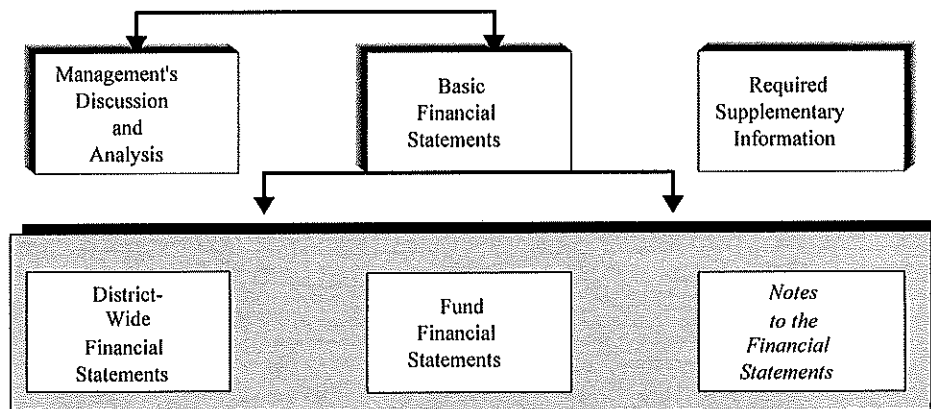
Management's Discussion and Analysis

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.



UPPER SADDLE RIVER 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 there after; 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.

UPPER SADDLE RIVER 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, Learning Enrichment Activities Program (LEAP) Fund and After Care Enterprise (ACE) Program 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).

UPPER SADDLE RIVER 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.

UPPER SADDLE RIVER 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 \$16,787,297 and \$15,371,682 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.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 10,371,192	\$ 9,452,790	\$ 345,953	\$ 231,235	\$ 10,717,145	\$ 9,684,025
Capital Assets	<u>14,059,163</u>	<u>14,653,438</u>	<u>-</u>	<u>-</u>	<u>14,059,163</u>	<u>14,653,438</u>
Total Assets	<u>24,430,355</u>	<u>24,106,228</u>	<u>345,953</u>	<u>231,235</u>	<u>24,776,308</u>	<u>24,337,463</u>
Deferred Outflows of Resources	<u>629,341</u>	<u>382,064</u>	<u>-</u>	<u>-</u>	<u>629,341</u>	<u>382,064</u>
Total Assets and Deferred Outflows of Resources	<u>25,059,696</u>	<u>24,488,292</u>	<u>345,953</u>	<u>231,235</u>	<u>25,405,649</u>	<u>24,719,527</u>
Liabilities						
Long-Term Liabilities	6,478,186	5,560,705			6,478,186	5,560,705
Other Liabilities	<u>798,816</u>	<u>784,671</u>	<u>-</u>	<u>3,740</u>	<u>798,816</u>	<u>788,411</u>
Total Liabilities	<u>7,277,002</u>	<u>6,345,376</u>	<u>-</u>	<u>3,740</u>	<u>7,277,002</u>	<u>6,349,116</u>
Deferred Inflows of Resources	<u>995,397</u>	<u>2,771,234</u>	<u>-</u>	<u>-</u>	<u>995,397</u>	<u>2,771,234</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,272,399</u>	<u>9,116,610</u>	<u>-</u>	<u>3,740</u>	<u>8,272,399</u>	<u>9,120,350</u>
Net Position:						
Net Investment in Capital Assets	13,769,720	14,025,172			13,769,720	14,025,172
Restricted	5,035,140	4,248,827			5,035,140	4,248,827
Unrestricted	<u>(2,017,563)</u>	<u>(2,902,317)</u>	<u>345,953</u>	<u>227,495</u>	<u>(1,671,610)</u>	<u>(2,674,822)</u>
Total Net Position	<u>\$ 16,787,297</u>	<u>\$ 15,371,682</u>	<u>\$ 345,953</u>	<u>\$ 227,495</u>	<u>\$ 17,133,250</u>	<u>\$ 15,599,177</u>

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 647,466	\$ 714,309	\$ 332,010	\$ 307,840	\$ 979,476	\$ 1,022,149
Operating Grants and Contributions	6,471,466	7,769,390			6,471,466	7,769,390
General Revenues						
Property Taxes	24,033,622	23,809,882			24,033,622	23,809,882
State Aid - Formula Grants	69,969	70,061			69,969	70,061
Investment Earnings	193,389	13,368			193,389	13,368
Miscellaneous and Other Items	20,608	23,473	-	-	20,608	23,473
Total Revenues	<u>31,436,520</u>	<u>32,400,483</u>	<u>332,010</u>	<u>307,840</u>	<u>31,768,530</u>	<u>32,708,323</u>
Expenses						
Instruction						
Regular	12,459,920	12,650,652			12,459,920	12,650,652
Special Education	3,938,443	4,065,289			3,938,443	4,065,289
Other Instruction	859,906	602,905			859,906	602,905
School Sponsored Activities and Ath.	213,171	200,274			213,171	200,274
Support Services						
Student and Instruction Related Serv.	4,997,116	4,863,432			4,997,116	4,863,432
General Administrative Services	746,051	768,988			746,051	768,988
School Administrative Services	1,422,564	1,432,148			1,422,564	1,432,148
Plant Operations and Maintenance	4,006,246	3,707,433			4,006,246	3,707,433
Security	88,997				88,997	-
Pupil Transportation	604,937	425,129			604,937	425,129
Business Services	679,153	677,588			679,153	677,588
Food Services			1,834	2,422	1,834	2,422
LEAP Program					-	-
ACE Program			211,718	222,345	211,718	222,345
Interest on Long-Term Debt	4,401	10,640	-	-	4,401	10,640
Total Expenses	<u>30,020,905</u>	<u>29,404,478</u>	<u>213,552</u>	<u>224,767</u>	<u>30,234,457</u>	<u>29,629,245</u>
Change in Net Position	1,415,615	2,996,005	118,458	83,073	1,534,073	3,079,078
Net Position, Beginning of Year	<u>15,371,682</u>	<u>12,375,677</u>	<u>227,495</u>	<u>144,422</u>	<u>15,599,177</u>	<u>12,520,099</u>
Net Position, End of Year	<u>\$ 16,787,297</u>	<u>\$ 15,371,682</u>	<u>\$ 345,953</u>	<u>\$ 227,495</u>	<u>\$ 17,133,250</u>	<u>\$ 15,599,177</u>

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this section, 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.

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.

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

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Governmental Activities				
Instruction				
Regular	\$ 12,459,920	\$ 12,650,652	\$ 9,687,632	\$ 9,155,973
Special Education	3,938,443	4,065,289	1,815,057	1,783,507
Other Instruction	859,906	602,905	480,491	365,995
School Sponsored Activities and Athletics	213,171	200,274	134,689	116,313
Support Services				
Student and Instruction Related Svcs.	4,997,116	4,863,432	4,003,995	3,653,880
General Administrative Services	746,051	768,988	678,667	672,889
School Administrative Services	1,422,564	1,432,148	1,206,052	1,140,586
Plant Operations and Maintenance	4,006,246	3,707,433	3,759,478	3,197,517
Security	88,997	-	85,679	-
Pupil Transportation	604,937	425,129	441,453	264,666
Business Services	679,153	677,588	604,379	558,813
Interest on Long-Term Debt	4,401	10,640	4,401	10,640
	\$ 30,020,905	\$ 29,404,478	\$ 22,901,973	\$ 20,920,779
Total Governmental Activities	\$ 30,020,905	\$ 29,404,478	\$ 22,901,973	\$ 20,920,779

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

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 \$9,574,600, an increase of \$901,919 from last year's fund balance of \$8,672,681.

Revenues for the District's governmental funds were \$33,313,649; total expenditures were \$32,411,730.

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 \$32,300,699 for the fiscal year ended June 30, 2023. State sources amounts to \$7,699,929 and local source revenues were \$24,600,770.

Expenditures of the General Fund were \$31,185,093. Instructional expenditures were \$18,719,391 for support services were \$12,252,555 and debt/capital expenditures totaled \$213,147 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 \$722,215 for the fiscal year ended June 30, 2023. Federal sources of \$642,066 were the largest source of revenue.

Expenditures of the Special Revenue Fund were \$723,129. Instructional expenditures were \$310,288 and support services were \$412,841 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$49,773 increasing the fund balance from \$300,227 at June 30, 2022 to \$350,000 at June 30, 2023.

Proprietary Funds

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

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Learning Enrichment Activities Program, After Care Experience and Food Services programs. 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 Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$14,059,163 and \$14,653,438 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$965,367 for governmental activities. The Business-Type activities capital assets are fully depreciated.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Land	\$ 100,820	\$ 100,820
Construction in Progress	85,351	515,397
Buildings	24,484,432	23,709,173
Improvements Other Than Buildings	3,978,404	3,978,404
Machinery and Equipment	<u>2,911,684</u>	<u>2,901,185</u>
Total	31,560,691	31,204,979
Less: Accumulated Depreciation	<u>(17,501,528)</u>	<u>(16,551,541)</u>
Total	<u>\$ 14,059,163</u>	<u>\$ 14,653,438</u>

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

UPPER SADDLE RIVER BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$822,492, serial bonds (including unamortized premium) of \$293,313, and net pension liability of \$5,362,381 totaling \$6,478,186. This is in comparison to long-term liabilities at June 30, 2022 of \$5,560,705 or an increase of \$917,481.

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.

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, Upper Saddle River Board of Education, 395 West Saddle River Road, Upper Saddle River, NJ 07458.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,206,074	\$ 345,953	\$ 10,552,027
Receivables, net	165,118		165,118
Capital Assets			
Not Being Depreciated	186,171		186,171
Being Depreciated, Net	13,872,992	-	13,872,992
Total Assets	24,430,355	345,953	24,776,308
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding Bonds	3,870		3,870
Deferred Amounts on Net Pension Liability	625,471	-	625,471
Total Deferred Outflows of Resources	629,341	-	629,341
Total Assets and Deferred Outflows of Resources	25,059,696	345,953	25,405,649
LIABILITIES			
Accrued Interest Payable	2,224		2,224
Payroll Withholdings and Deductions Payable	177,296		177,296
Teacher Summer Savings Payable	525,146		525,146
Payable to Other Governments	83,707		83,707
Unearned Revenue	10,443		10,443
Noncurrent Liabilities			
Due Within One Year	321,786		321,786
Due Beyond One Year	6,156,400	-	6,156,400
Total Liabilities	7,277,002	-	7,277,002
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	995,397	-	995,397
Total Deferred Inflows of Resources	995,397	-	995,397
Total Liabilities and Deferred Inflows of Resources	8,272,399	-	8,272,399
NET POSITION			
Net Investment in Capital Assets	13,769,720	-	13,769,720
Restricted for:			
Capital Projects	4,002,726		4,002,726
Other Purposes	1,032,414		1,032,414
Unrestricted	(2,017,563)	345,953	(1,671,610)
Total Net Position	\$ 16,787,297	\$ 345,953	\$ 17,133,250

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 12,459,920	\$ 573,917	\$ 2,198,371	\$ (9,687,632)		\$ (9,687,632)
Special Education	3,938,443		2,123,386	(1,815,057)		(1,815,057)
Other Instruction	859,906		379,415	(480,491)		(480,491)
School Sponsored Activities and Athletics	213,171	73,549	4,933	(134,689)		(134,689)
Support Services:						
Student and Instruction Related Services	4,997,116		993,121	(4,003,995)		(4,003,995)
General Administrative Services	746,051		67,384	(678,667)		(678,667)
School Administrative Services	1,422,564		216,512	(1,206,052)		(1,206,052)
Plant Operations and Maintenance	4,006,246		246,768	(3,759,478)		(3,759,478)
Security	88,997		3,318	(85,679)		(85,679)
Pupil Transportation	604,937		163,484	(441,453)		(441,453)
Business and Other Support Services	679,153		74,774	(604,379)		(604,379)
Interest on Long-Term Debt	4,401	-	-	(4,401)	-	(4,401)
Total Governmental Activities	30,020,905	647,466	6,471,466	(22,901,973)	-	(22,901,973)
Business-Type Activities:						
Food Service	1,834	1,650			\$ (184)	(184)
LEAP Program	-	-			-	-
ACE Program	211,718	330,360	-	-	118,642	118,642
Total Business-Type Activities	213,552	332,010	-	-	118,458	118,458
Total Primary Government	\$ 30,234,457	\$ 979,476	\$ 6,471,466	(22,901,973)	118,458	(22,783,515)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				23,812,856		23,812,856
Property Taxes Levied for Debt Service				220,766		220,766
State Aid Restricted for Debt Service				69,969		69,969
Investment Earnings				193,389		193,389
Miscellaneous Income				20,608		20,608
Total General Revenues and Other Items				24,317,588	-	24,317,588
Change in Net Position				1,415,615	118,458	1,534,073
Net Position, Beginning of Year				15,371,682	227,495	15,599,177
Net Position, End of Year				\$ 16,787,297	\$ 345,953	\$ 17,133,250

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 9,773,997	\$ 82,077	\$ 350,000		\$ 10,206,074
Receivables, Net	54,335	110,783			165,118
Due from Other Funds	<u>100,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,340</u>
Total Assets	<u>\$ 9,928,672</u>	<u>\$ 192,860</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 10,471,532</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Payroll Withholdings and Deductions Payable	\$ 177,296				\$ 177,296
Teacher Summer Savings Payable	525,146				525,146
Intergovernmental Accounts Payable	83,707				83,707
Unearned Revenue		\$ 10,443			10,443
Due to Other Funds	<u>-</u>	<u>100,340</u>	<u>-</u>	<u>-</u>	<u>100,340</u>
Total Liabilities	<u>786,149</u>	<u>110,783</u>	<u>-</u>	<u>-</u>	<u>896,932</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	1,841,368				\$ 1,841,368
Excess Surplus - Designated for Subsequent Year's (2023/24) Budget	2,108,679				2,108,679
Capital Reserve	3,652,726				3,652,726
Maintenance Reserve	750,000				750,000
Capital Projects			\$ 350,000		350,000
Unemployment Compensation Reserve	200,337				200,337
Student Activities		48,607			48,607
Scholarships/Awards		33,470			33,470
Assigned Fund Balance					
Encumbrances	170,867				170,867
Unassigned Fund Balance					
General Fund	<u>418,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,546</u>
Total Fund Balances	<u>9,142,523</u>	<u>82,077</u>	<u>350,000</u>	<u>-</u>	<u>9,574,600</u>
Total Liabilities and Fund Balances	<u>\$ 9,928,672</u>	<u>\$ 192,860</u>	<u>\$ 350,000</u>	<u>\$ -</u>	

Total Fund Balances (Exhibit B-1) 9,574,600

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 \$31,560,690 and the accumulated depreciation is \$17,501,527. 14,059,163

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 3,870

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

Deferred Outflows of Resources	\$ 625,471	
Deferred Inflows of Resources	<u>(995,397)</u>	(369,926)

The District has financed capital assets through the issuance of serial bonds and long-term financing obligations. The interest accrual at year end is: (2,224)

Long-term liabilities, including bonds payable, capital financing agreements, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 2). (6,478,186)

Net Position of Governmental Activities \$ 16,787,297

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 23,812,856			\$ 220,766	\$ 24,033,622
Tuition	573,917				573,917
Interest on Deposits	193,389				193,389
Miscellaneous	20,608	\$ 73,549	-	-	94,157
Total Local Sources	24,600,770	73,549	-	220,766	24,895,085
State Sources	7,699,929	6,600		69,969	7,776,498
Federal Sources	-	642,066	-	-	642,066
Total Revenues	32,300,699	722,215	-	290,735	33,313,649
EXPENDITURES					
Current					
Regular Instruction	13,551,213	7,356			13,558,569
Special Education Instruction	4,146,030				4,146,030
Other Instruction	867,774	228,469			1,096,243
School Sponsored Activities and Athletics	154,374	74,463			228,837
Support Services					
Student and Instruction Related Services	5,161,624	276,705			5,438,329
General Administrative Services	795,628				795,628
School Administrative Services	1,538,032	3,221			1,541,253
Plant Operations and Maintenance	3,299,945	132,915			3,432,860
Security	99,534				99,534
Pupil Transportation	604,937				604,937
Business and Other Support Services	752,855				752,855
Debt Service					
Principal	53,739			282,718	336,457
Interest and Other Charges	1,089			8,017	9,106
Capital Outlay	158,319	-	\$ 212,773	-	371,092
Total Expenditures	31,185,093	723,129	212,773	290,735	32,411,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,115,606	(914)	(212,773)	-	901,919
OTHER FINANCING SOURCES (USES)					
Transfer In	87,454		350,000		437,454
Transfer Out	(350,000)	-	(87,454)	-	(437,454)
Total Other Financing Sources and Uses	(262,546)	-	262,546	-	-
Net Change in Fund Balances	853,060	(914)	49,773	-	901,919
Fund Balance, Beginning of Year	8,289,463	82,991	300,227	-	8,672,681
Fund Balance, End of Year	\$ 9,142,523	\$ 82,077	\$ 350,000	\$ -	\$ 9,574,600

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 901,919**

Amounts reported for governmental activities in the statement of activities (A-2) are different because: Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	\$ (965,367)	
Capital Outlay	<u>371,092</u>	(594,275)

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

Principal Repayments		
Capital Financing Agreements	53,739	
General Obligation Bonds	<u>282,718</u>	336,457

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of Deferred Charge on Refunding Bonds	(7,339)	
Amortization of Premium	<u>9,705</u>	2,366

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 2,338

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Net Decrease in Compensated Absences	45,634	
Decrease in Pension Expense	<u>721,176</u>	<u>766,810</u>

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,415,615**

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

	Business-Type Activities <hr/> Other Nonmajor Enterprise Funds <hr/>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ <u>345,953</u>
Capital Assets	
Furniture, Machinery, and Equipment	6,829
Less: Accumulated Depreciation	<u>(6,829)</u>
Total Capital Assets, Net	<u>-</u>
Total Assets	<u>345,953</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>-</u>
Total Current Liabilities	<u>-</u>
NET POSITION	
Unrestricted	<u>345,953</u>
Total Net Position	<u>\$ 345,953</u>

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

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

	Business-Type Activities <hr/> Other Nonmajor Enterprise Funds
OPERATING REVENUES	
Charges for Services	
Program Fees	\$ 332,010
	<hr/>
Total Operating Revenues	332,010
OPERATING EXPENSES	
Salaries and Wages	204,354
Supplies and Materials	9,198
	<hr/>
Total Operating Expenses	213,552
	<hr/>
Operating Income	118,458
	<hr/>
Change in Net Position	118,458
	<hr/>
Net Position, Beginning of Year	227,495
	<hr/>
Net Position, End of Year	\$ 345,953
	<hr/>

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

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

	Business-Type Activities
	Other Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from Customers	\$ 332,010
Payments to Employees	(204,354)
Payments to Suppliers for Goods and Services	(12,938)
Net Cash Provided by Operating Activities	114,718
Net Change in Cash and Cash Equivalents	114,718
Cash and Cash Equivalents, Beginning of Year	231,235
Cash and Cash Equivalents, End of Year	\$ 345,953
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 118,458
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Increase/(Decrease) in Accounts Payable	(3,740)
Total Adjustments	(3,740)
Net Cash Provided by Operating Activities	\$ 114,718

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Upper Saddle River Board of Education this includes general operations, food service, the learning enrichment activities program (LEAP), the aftercare experience (ACE) program 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The *capital projects fund* accounts for the proceeds from the sale of bonds, 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 non-major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides milk to students.

The *learning enrichment activities program (LEAP) fund* accounts for the activities of the District's technology program which provides statements with various enrichment activities offered in the fall and winter.

The *after care experience (ACE) program* accounts for the activities of the District's after care program which provides childcare after the school day has concluded.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$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. 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>
Buildings	20-50
Building Improvements	20
Site Improvements	20
Machinery and Equipment	5-10
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation 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. Proprietary Fund employees cannot accrue unused vacation and sick leave. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations*

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

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

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.

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

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

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3B).

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 3C).

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 5A).

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.

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. The District has no committed fund balances at year end.

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

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 and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, capital financing agreements, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds.” The details are as follows:

Bonds Payable	\$ 287,718
Unamortized Premium	5,595
Compensated Absences	822,492
Net Pension Liability	<u>5,362,381</u>
 Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	 <u>\$ 6,478,186</u>

NOTE 3 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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The 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. 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 \$177,045 and the special revenue fund by \$184,116. The increases were funded by grant awards, student activity revenues and the reappropriation of prior year encumbrances.

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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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

Balance, July 1, 2022		\$ 2,915,272
Increased by		
Cancelled Capital Projects Balances Returned to Capital Reserve	87,454	
Deposits Approved by Board	<u>1,000,000</u>	
		<u>1,087,454</u>
		4,002,726
Withdrawals		
Budgeted Withdrawal		<u>350,000</u>
Balance, June 30, 2023		<u>\$ 3,652,726</u>

The June 30, 2023 LRFPP balance of the total costs of uncompleted capital projects is estimated by management to be \$5,170,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

C. Maintenance Reserve

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

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

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

Balance, July 1, 2022	<u>\$ 750,000</u>
Balance, June 30, 2023	<u>\$ 750,000</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,205,673.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2023 is \$3,950,047. Of this amount, \$2,108,679 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,841,368 will be appropriated in the 2024/2025 original budget certified for taxes.

NOTE 4 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 was \$10,552,027 and bank and brokerage firm balances of the Board's deposits amounted to \$11,173,430. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 10,391,376
Uninsured and Collateralized	<u>782,054</u>
	<u>\$ 11,173,430</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board’s bank balance of \$782,054 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ 782,054
	<u>\$ 782,054</u>

Investments

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

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

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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

B. Receivables

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Receivables:		
Intergovernmental		
State	\$ 54,335	
Federal	-	\$ 110,783
Gross Receivables	<u>54,335</u>	<u>110,783</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 54,335</u>	<u>\$ 110,783</u>

C. Unearned Revenue

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

Special Revenue Fund	
Grant Draw Downs Encumbrances	\$ <u>10,443</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 10,443</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 100,820				\$ 100,820
Construction In Progress	515,397	\$ 85,351	-	\$ (515,397)	85,351
Total Capital Assets, Not Being Depreciated	<u>616,217</u>	<u>85,351</u>	<u>-</u>	<u>(515,397)</u>	<u>186,171</u>
Capital Assets, Being Depreciated:					
Buildings	23,709,173	259,862		515,397	24,484,432
Improvements Other Than Buildings	3,978,404				3,978,404
Machinery and Equipment	2,901,184	25,879	\$ (15,380)	-	2,911,683
Total Capital Assets Being Depreciated	<u>30,588,761</u>	<u>285,741</u>	<u>(15,380)</u>	<u>515,397</u>	<u>31,374,519</u>
Less Accumulated Depreciation for:					
Buildings	(10,993,805)	(708,842)			(11,702,647)
Improvements Other Than Buildings	(3,228,304)	(30,789)			(3,259,093)
Machinery and Equipment	(2,329,431)	(225,736)	15,380	-	(2,539,787)
Total Accumulated Depreciation	<u>(16,551,540)</u>	<u>(965,367)</u>	<u>15,380</u>	<u>-</u>	<u>(17,501,527)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,037,221</u>	<u>(679,626)</u>	<u>-</u>	<u>515,397</u>	<u>13,872,992</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,653,438</u>	<u>\$ (594,275)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,059,163</u>
Business-Type Activities:					
Food Service Enterprise Fund					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 6,829	-	-	\$ 6,829	
Total Capital Assets, Being Depreciated	<u>6,829</u>	<u>-</u>	<u>-</u>	<u>6,829</u>	
Less Accumulated Depreciation for:					
Machinery and Equipment	(6,829)	\$ -	-		(6,829)
Total Accumulated Depreciation	<u>(6,829)</u>	<u>-</u>	<u>-</u>		<u>(6,829)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 134,074
Support Services	
Student and Instruction Related Services	39,985
School Administration	27,397
Operations and Maintenance of Plant	<u>763,911</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 965,367</u>

Business-Type Activities

Food Service Fund	<u>\$ -</u>
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Construction and Other Significant Commitments

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

<u>Project</u>	<u>Remaining Commitment</u>
Bogert and Reynolds Schools Split Systems Replacement Project	\$ 61,649
Bogert School Roof Replacement Project	123,300
Bogert School Septic Replacement Project	<u>350,000</u>
	<u>\$ 286,602</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>\$ 100,340</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	<u>Transfer In:</u>
	Capital
	<u>Projects Fund</u>
<u>Transfer Out:</u>	
General Fund	<u>\$ 350,000</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Long-Term Debt

General Obligation Bonds

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

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

\$715,775, 2009 School Bonds, due in an annual installment of \$47,718 through December, 2023, interest at 1.21%	\$47,718
\$3,225,000, 2012 Refunding Bonds, due in an annual installment of \$240,000 through July, 2023, interest at 2.00%	<u>240,000</u>
Total	<u>\$287,718</u>

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

Governmental Activities:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	<u>\$ 287,718</u>	<u>2,689</u>	<u>290,407</u>
	<u>\$ 287,718</u>	<u>\$ 2,689</u>	<u>\$ 290,407</u>

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 84,715,940
Less: Net Debt Issued	<u>287,718</u>
Remaining Borrowing Power	<u>\$ 84,428,222</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	<u>Balance</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>
Governmental Activities:					
Serial Bonds Payable	\$ 570,436		\$ 282,718	\$ 287,718	\$ 287,718
Add:					
Unamortized Premium	15,300	-	9,705	5,595	5,595
	585,736	-	292,423	293,313	293,313
Capital Financing Agreements	53,739		53,739		
Compensated Absences	868,126	\$ 10,226	55,860	822,492	28,473
Net Pension Liability	4,053,104	1,309,277	-	5,362,381	-
Governmental Activity Long-Term Liabilities	<u>\$ 5,560,705</u>	<u>\$ 1,319,503</u>	<u>\$ 402,022</u>	<u>\$ 6,478,186</u>	<u>\$ 321,786</u>

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds 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, interest earnings, 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 for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 29,022	\$ 29,022	\$ 200,337
2022	36,953	36,953	200,337
2021	37,411	37,411	200,337

B. Contingent Liabilities

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

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

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, the District had no estimated arbitrage earnings due to the IRS.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 5 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	\$ 448,085	\$ 3,958,099	\$ 2,118
2022	400,680	3,856,789	3,140
2021	366,463	2,752,793	2,610

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$1,814, \$1,746 and \$2,061, 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 \$836,363 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 \$5,362,381 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 0.03553 percent, which was an increase of 0.00132 percent from its proportionate share measured as of June 30, 2021 of 0.03421 percent.

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

NOTE 5 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 \$273,091 for PERS. The pension contribution made by the District during the current 2022/2023 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 38,703	\$ 34,131
Changes of Assumptions	16,614	802,961
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	221,944	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>348,210</u>	<u>158,305</u>
Total	<u>\$ 625,471</u>	<u>\$ 995,397</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	\$ (397,126)
2024	(213,142)
2025	(51,205)
2026	290,243
2027	1,304
Thereafter	<u>-</u>
	<u>\$ (369,926)</u>

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

NOTE 5 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.

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

NOTE 5 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%

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.

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

NOTE 5 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)

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,889,089</u>	\$ <u>5,362,381</u>	\$ <u>4,063,091</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.

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.

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

NOTE 5 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)

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,282,798 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 \$47,664,997. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.09238 percent, which was a decrease of 0.00055 percent from its proportionate share measured as of June 30, 2021 of 0.09293 percent.

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.

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

NOTE 5 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.

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 55,888,222</u>	<u>\$ 47,664,997</u>	<u>\$ 40,737,963</u>

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit 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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,039,783, \$901,102 and \$862,682, 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.

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

NOTE 5 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)

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,827,955. 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 \$45,305,922. 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 .0895 percent, which was an increase of .0005 percent from its proportionate share measured as of June 30, 2021 of .0890 percent.

Actuarial Assumptions

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

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

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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

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

Discount Rate

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>53,378,161</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,682,637
Interest on the Total OPEB Liability	1,200,657
Differences Between Expected and Actual Experience	1,349,320
Changes of Assumptions	(12,153,720)
Gross Benefit Payments	(1,189,286)
Contributions from the Member	38,153
Net Changes	\$ <u>(8,072,239)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>45,305,922</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.

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	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	\$ 53,252,346	\$ 45,305,922	\$ 38,937,261

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 37,448,114	\$ 45,305,922	\$ 55,627,630

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.

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

NOTE 6 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$1,182,330 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 23,812,856		\$ 23,812,856	\$ 23,812,856	
Tuition from Individuals	255,000		255,000	398,533	\$ 143,533
Tuition from LEA's				175,384	175,384
Interest on Deposits				193,389	193,389
Miscellaneous	115,000	-	115,000	20,608	(94,392)
Total Local Sources	24,182,856	-	24,182,856	24,600,770	417,914
State Sources					
Special Education Aid	959,897		959,897	959,897	-
Security Aid	53,937		53,937	53,937	-
Transportation Aid	150,581		150,581	150,581	-
Nonpublic School Transportation				13,104	13,104
Extraordinary Aid				760,795	760,795
On-Behalf TPAF (Non-Budget)					
Pension Contribution				3,903,936	3,903,936
NCGI Premium				54,163	54,163
Post Retirement Medical Benefits				1,039,783	1,039,783
Long Term Disability Insurance				1,814	1,814
Social Security Contribution	-	-	-	836,363	836,363
Total State Sources	1,164,415	-	1,164,415	7,774,373	6,609,958
Total Revenues	25,347,271	-	25,347,271	32,375,143	7,027,872
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	652,400	-	652,400	620,263	32,137
Grades 1-5	3,846,400	\$ (110,112)	3,736,288	3,588,532	147,756
Grades 6-8	2,930,000	-	2,930,000	2,899,368	30,632
Regular Programs - Home Instruction					
Other Salaries for Instruction	5,000	-	5,000	-	5,000
Purchased Prof. - Ed. Services	6,450	-	6,450	6,450	6,450
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	181,000	-	181,000	179,175	1,825
Other Purchased Services	500	-	500	500	500
General Supplies	880,225	(36,083)	844,142	749,451	94,691
Textbooks	3,000	933	3,933	933	3,000
Total Instruction Regular Programs	8,504,975	(145,262)	8,359,713	8,037,722	321,991
Learning and/or Language Disabilities					
Salaries of Teachers	232,000	-	232,000	231,955	45
General Supplies	6,300	-	6,300	3,132	3,168
Total Learning and/or Language Disabilities	238,300	-	238,300	235,087	3,213
Resource Room					
Salaries of Teachers	951,900	(20,781)	931,119	886,382	44,737
Other Salaries for Instruction	824,000	-	824,000	735,101	88,899
General Supplies	15,600	147	15,747	14,996	751
Total Resource Room	1,791,500	(20,634)	1,770,866	1,636,479	134,387
Autism					
Salaries of Teachers	152,800	(45)	152,755	152,755	-
General Supplies	8,500	52	8,552	8,552	-
Total Autism	161,300	7	161,307	161,307	-
Preschool Disabilities - Part-Time					
Salaries of Teachers	144,705	235	144,940	144,940	-
General Supplies	4,000	(55)	3,945	3,945	-
Total Preschool Disabilities - Part-Time	148,705	180	148,885	148,885	-

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 10,000	\$ 6,400	\$ 16,400	\$ 16,400	\$ -
Purchased Professional - Educational Services	30,000	(13,379)	16,621	8,150	8,471
Total Home Instruction	40,000	(6,979)	33,021	24,550	8,471
Total Special Education	2,379,805	(27,426)	2,352,379	2,206,308	146,071
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	352,100	52,800	404,900	399,784	5,116
General Supplies	2,350	-	2,350	1,008	1,342
Total Basic Skills/Remedial	354,450	52,800	407,250	400,792	6,458
Bilingual Education					
Salaries of Teachers	121,900	(28,900)	93,000	91,952	1,048
General Supplies	1,600	-	1,600	-	1,600
Total Bilingual Education	123,500	(28,900)	94,600	91,952	2,648
School Sponsored Co/Extra Curricular Activities					
Salaries	64,200	-	64,200	54,084	10,116
Supplies and Materials	2,400	-	2,400	1,532	868
Total School Sponsored Co/Extra Curricular Activities	66,600	-	66,600	55,616	10,984
School Sponsored Athletics - Instruction					
Salaries	65,000	(335)	64,665	43,500	21,165
Purchased Services	8,410	-	8,410	-	8,410
Conference/Travel	-	500	500	500	-
Supplies and Materials	14,350	(165)	14,185	4,465	9,720
Total School Sponsored Athletics	87,760	-	87,760	48,465	39,295
Total - Instruction	11,517,090	(148,788)	11,368,302	10,840,855	527,447
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State-Special	101,900	-	101,900	74,869	27,031
Tuition to CSSD and Regional Day Schools	166,980	1,283	168,263	168,263	-
Tuition to APSSD Within the State	507,276	(78,055)	429,221	225,262	203,959
Total Undistributed Expenditures - Instruction	776,156	(76,772)	699,384	468,394	230,990
Health Services					
Salaries	229,700	1,500	231,200	224,688	6,512
Purchased Professional and Technical Services	5,000	11,040	16,040	8,878	7,162
Supplies and Materials	16,615	(3,850)	12,765	10,857	1,908
Total Health Services	251,315	8,690	260,005	244,423	15,582
Speech, OT, PT & Related Services					
Salaries	512,100	-	512,100	507,559	4,541
Purchased Professional - Educational Services	32,700	25,520	58,220	16,291	41,929
Supplies and Materials	1,000	-	1,000	804	196
Total Speech, OT, PT & Related Services	545,800	25,520	571,320	524,654	46,666
Other Support Services - Students - Extraordinary Svcs					
Salaries	45,000	65,752	110,752	110,752	-
Total Other Support Services - Students - Extraordinary Services	45,000	65,752	110,752	110,752	-

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 369,600	-	\$ 369,600	\$ 364,723	\$ 4,877
Salaries of Secretarial and Clerical Assistants	138,500	-	138,500	135,305	3,195
Supplies and Materials	13,950	-	13,950	8,461	5,489
Total Guidance	522,050	-	522,050	508,489	13,561
Child Study Team					
Salaries of Other Professional Staff	741,700	\$ 11,407	753,107	753,107	-
Salaries of Secretarial and Clerical Assistants	58,800	(474)	58,326	58,105	221
Purchased Professional - Educational Services	18,000	(4,107)	13,893	13,893	-
Other Purchased Prof. and Technical Services	30,000	890	30,890	29,219	1,671
Other Purchased Services	1,000	35	1,035	1,035	-
Supplies and Materials	39,970	(1,078)	38,892	38,240	652
Other Objects	3,750	(1,258)	2,492	2,190	302
Total Child Study Team	893,220	5,415	898,635	895,789	2,846
Improvement of Instructional Services					
Salaries of Other Professional Staff	247,600	351	247,951	247,951	-
Purchased Prof. - Ed. Services	25,000	(351)	24,649	12,447	12,202
Total Improvement of Instructional Services	272,600	-	272,600	260,398	12,202
Educational Media Services/School Library					
Salaries	295,900	(11,040)	284,860	264,475	20,385
Salaries of Technology Coordinators	198,000	-	198,000	197,884	116
Supplies and Materials	47,450	867	48,317	39,629	8,688
Total Educational Media Services/School Library	541,350	(10,173)	531,177	501,988	29,189
Instructional Staff Training Services					
Salaries of Other Professional Staff	27,600	-	27,600	10,211	17,389
Purchased Prof. - Ed. Services	66,700	(5,390)	61,310	37,499	23,811
Other Purchased Professional and Tech Services	22,500	3,419	25,919	18,172	7,747
Other Purchased Services	9,000	1,971	10,971	5,508	5,463
Supplies and Materials	33,000	-	33,000	10,014	22,986
Other Objects	2,345	-	2,345	1,364	981
Total Instructional Staff Training Services	161,145	-	161,145	82,768	78,377
Support Services General Administration					
Salaries	298,900	-	298,900	297,579	1,321
Legal Services	60,000	-	60,000	42,208	17,792
Audit Fees	30,000	29,500	59,500	27,925	31,575
Architectural/Engineering Services	20,000	(5,521)	14,479	923	13,556
Other Purchased Professional Service	15,000	-	15,000	9,310	5,690
Purchased Technical Services	54,000	62,361	116,361	113,117	3,244
Communications/Telephone	95,800	(28,795)	67,005	48,099	18,906
Miscellaneous Purchased Services	35,000	(470)	34,530	8,630	25,900
General Supplies	22,500	(3,512)	18,988	13,540	5,448
Miscellaneous Expenditures	26,950	3,982	30,932	30,452	480
Total Support Services General Administration	658,150	57,545	715,695	591,783	123,912
Support Services School Administration					
Salaries of Principals/Asst. Principals	659,800	-	659,800	659,590	210
Salaries of Secretarial and Clerical Assistants	217,600	538	218,138	214,064	4,074
Other Purchased Services	69,900	(537)	69,363	58,851	10,512
Supplies and Materials	51,050	-	51,050	42,792	8,258
Other Objects	5,500	(1)	5,499	4,191	1,308
Total Support Services School Administration	1,003,850	-	1,003,850	979,488	24,362

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 443,000	\$ 4,898	\$ 447,898	\$ 447,898	-
Purchased Technical Services	11,500	2,897	14,397	14,322	\$ 75
Miscellaneous Purchased Services	1,500	-	1,500	829	671
General Supplies	11,000	(3,500)	7,500	7,457	43
Miscellaneous Expenditures	5,550	(4,295)	1,255	1,232	23
Total Central Services	472,550	-	472,550	471,738	812
Required Maintenance for School Facilities					
Salaries	114,000	(953)	113,047	113,047	-
Other Purchased Professional Service	11,900	(8,670)	3,230	3,230	-
Cleaning, Repair, and Maint. Services	629,300	119,152	748,452	733,692	14,760
General Supplies	15,200	6,863	22,063	22,063	-
Total Required Maintenance of School Facilities	770,400	116,392	886,792	872,032	14,760
Custodial Services					
Salaries	1,162,600	(22,775)	1,139,825	1,073,717	66,108
Cleaning, Repair, and Maintenance Services	57,000	(22,991)	34,009	29,482	4,527
Other Purchase Property Services	1,000	-	1,000	844	156
Insurance	215,500	7,189	222,689	222,689	-
Miscellaneous Purchased Services	1,200	(575)	625	298	327
General Supplies	201,000	(49,005)	151,995	151,978	17
Energy (Natural Gas)	135,000	-	135,000	121,051	13,949
Energy (Electricity)	240,000	(25,595)	214,405	203,648	10,757
Energy (Oil)	4,000	-	4,000	-	4,000
Other Objects	10,500	2,063	12,563	12,562	1
Total Custodial Services	2,027,800	(111,689)	1,916,111	1,816,269	99,842
Security Services					
Salaries	-	65,633	65,633	65,633	-
Miscellaneous Expenditures	-	75	75	75	-
Total Security Services	-	65,708	65,708	65,708	-
Student Transportation Services					
Contracted Services - Aid in Lieu Payments - Non Public Schools	50,000	-	50,000	41,809	8,191
Contracted Services (Between Home & School) - Vendors	145,000	96,800	241,800	239,550	2,250
Contracted Services (Other Than Between Home & School) - Vendors	40,000	-	40,000	15,875	24,125
Contracted Services (Special Education) - Joint Agreement	355,000	(43,000)	312,000	307,703	4,297
Total Student Transportation Services	590,000	53,800	643,800	604,937	38,863
Unallocated Benefits - Employee Benefits					
Social Security Contributions	360,000	(3,953)	356,047	344,313	11,734
Other Retirement Contributions	448,500	11,969	460,469	459,183	1,286
Unemployment Compensation	75,000	(20,676)	54,324	10,747	43,577
Workmen's Compensation	105,000	(38,658)	66,342	66,342	-
Health Benefits	4,322,602	81,587	4,404,189	4,398,298	5,891
Tuition Reimbursement	65,000	6,367	71,367	71,367	-
Total Unallocated Benefits-Employee Benefits	5,376,102	36,636	5,412,738	5,350,250	62,488
On-Behalf TPAF (Non-Budget)					
Pension Contribution - Normal Cost	-	-	-	3,903,936	(3,903,936)
NCGI Premium	-	-	-	54,163	(54,163)
Post Retirement Medical Benefits	-	-	-	1,039,783	(1,039,783)
Long Term Disability Insurance	-	-	-	1,814	(1,814)
Social Security Contr.	-	-	-	836,363	(836,363)
Total TPAF - On-Behalf	-	-	-	5,836,059	(5,836,059)
Total Undistributed Expenditures	14,907,488	236,824	15,144,312	20,185,919	(5,041,607)
Total Current Expenditures	26,424,578	88,036	26,512,614	31,026,774	(4,514,160)

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Undistributed Expenditures					
Instruction	\$ 15,219	\$ 6,430	\$ 21,649	\$ 21,649	-
Custodial Services	101,000	(90,520)	10,480	10,480	-
Student Support	-	7,658	7,658	-	\$ 7,658
Total Undistributed Expenditures	<u>116,219</u>	<u>(76,432)</u>	<u>39,787</u>	<u>32,129</u>	<u>7,658</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000	125,641	155,641	86,390	69,251
Land and Improvements	-	39,800	39,800	39,800	-
Total Facilities Acquisition and Construction Services	<u>30,000</u>	<u>165,441</u>	<u>195,441</u>	<u>126,190</u>	<u>69,251</u>
Total Capital Outlay	<u>146,219</u>	<u>89,009</u>	<u>235,228</u>	<u>158,319</u>	<u>76,909</u>
Total General Fund Expenditures	<u>26,570,797</u>	<u>177,045</u>	<u>26,747,842</u>	<u>31,185,093</u>	<u>(4,437,251)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(1,223,526)</u>	<u>(177,045)</u>	<u>(1,400,571)</u>	<u>1,190,050</u>	<u>2,590,621</u>
Other Financing Sources and (Uses)					
Transfers In				87,454	87,454
Transfers Out	(350,000)	-	(350,000)	(350,000)	-
Total Other Financing Sources	<u>(350,000)</u>	<u>-</u>	<u>(350,000)</u>	<u>(262,546)</u>	<u>87,454</u>
Net Change in Fund Balance	<u>(1,573,526)</u>	<u>(177,045)</u>	<u>(1,750,571)</u>	<u>927,504</u>	<u>2,678,075</u>
Fund Balances, Beginning of Year	<u>9,084,353</u>	<u>-</u>	<u>9,084,353</u>	<u>9,084,353</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 7,510,827</u>	<u>\$ (177,045)</u>	<u>\$ 7,333,782</u>	<u>\$ 10,011,857</u>	<u>\$ 2,678,075</u>
Recapitulation					
Restricted Fund Balance:					
Excess Surplus				\$ 1,841,368	
Excess Surplus - Designated for Subsequent Year's (2023/24) Budget				2,108,679	
Capital Reserve				3,652,726	
Maintenance Reserve				750,000	
Unemployment Compensation Reserve				200,337	
Assigned Fund Balance:					
Encumbrances				170,867	
Unassigned Fund Balance				<u>1,287,880</u>	
				10,011,857	
Reconciliation to Governmental Fund Statements (GAAP)					
2022/2023 State Aid Payments Not Recognized on a GAAP Basis				<u>869,334</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,142,523</u>	

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources		\$ 73,549	\$ 73,549	\$ 73,549	
Intergovernmental					
State				6,600	\$ 6,600
Federal	\$ 680,710	-	680,710	642,509	(38,201)
Total Revenues	<u>680,710</u>	<u>73,549</u>	<u>754,259</u>	<u>722,658</u>	<u>(31,601)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	255,610	(37,610)	218,000	196,848	21,152
Purchased Prof. and Educational Services	6,500	4,600	11,100	6,720	4,380
School-Sponsored/Cocurricular Activities		74,463	74,463	74,463	-
General Supplies	35,000	10,000	45,000	31,547	13,453
Miscellaneous	-	750	750	710	40
Total Instruction	<u>297,110</u>	<u>52,203</u>	<u>349,313</u>	<u>310,288</u>	<u>39,025</u>
Support Services					
Salaries of Teachers	3,200	76,700	79,900	62,215	17,685
Other Salaries for Instruction	274,500	(13,925)	260,575	257,575	3,000
Purchased Prof. and Technical Services	2,600	(600)	2,000	44,699	(42,699)
Employee Benefits	78,300	-	78,300	12,633	65,667
Purchased Prof. and Educational Services	25,000	57,069	82,069	21,872	60,197
Other Purchased Services		-		2,000	(2,000)
Travel		3,600	3,600	3,221	379
General Supplies	-	9,069	9,069	9,069	-
Total Support Services	<u>383,600</u>	<u>131,913</u>	<u>515,513</u>	<u>413,284</u>	<u>102,229</u>
Total Expenditures	<u>680,710</u>	<u>184,116</u>	<u>864,826</u>	<u>723,572</u>	<u>141,254</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(110,567)	(110,567)	(914)	109,653
Fund Balance, Beginning of Year	82,991	-	82,991	82,991	-
Fund Balance, End of Year	<u>\$ 82,991</u>	<u>\$ (110,567)</u>	<u>\$ (27,576)</u>	<u>\$ 82,077</u>	<u>\$ 109,653</u>
Recapitulation					
Restricted Fund Balance					
Student Activities				\$ 48,607	
Scholarships				33,470	
				<u>\$ 82,077</u>	

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
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. 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 Funds 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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Revenues (budgetary basis)	\$ 32,375,143	\$ 722,658
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Add: June 30, 2022 Encumbrances		10,000
Less: June 30, 2023 Encumbrances		(10,443)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	(869,334)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes - Prior Year	<u>794,890</u>	<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 32,300,699</u>	<u>\$ 722,215</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis)	\$ 31,185,093	\$ 723,572
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Add: June 30, 2022 Encumbrances		10,000
Less: June 30, 2023 Encumbrances	<u>-</u>	<u>(10,443)</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 31,185,093</u>	<u>\$ 723,129</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM
 Last Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03553 %	0.03421 %	0.03349 %	0.03517 %	0.03457 %	0.03377 %	0.03115 %	0.02883 %	0.03150 %	0.02806 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,362,381	\$ 4,053,104	\$ 5,462,823	\$ 6,338,684	\$ 6,807,535	\$ 7,861,996	\$ 9,226,932	\$ 6,472,288	\$ 5,899,218	\$ 5,362,966
District's Covered-Employee Payroll	\$ 2,592,530	\$ 2,569,990	\$ 2,419,274	\$ 2,575,135	\$ 2,466,257	\$ 2,412,391	\$ 2,292,382	\$ 2,029,156	\$ 2,026,624	\$ 1,990,254
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	207%	158%	226%	246%	276%	326%	403%	319%	291%	269%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

UPPER SADDLE RIVER 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	\$ 448,085	\$ 400,680	\$ 366,463	\$ 342,188	\$ 343,904	\$ 312,878	\$ 276,768	\$ 247,881	\$ 248,869	\$ 222,312
Contributions in Relation to the Contractually Required Contributions	<u>448,085</u>	<u>400,680</u>	<u>366,463</u>	<u>342,188</u>	<u>343,904</u>	<u>312,878</u>	<u>276,768</u>	<u>247,881</u>	<u>248,869</u>	<u>222,312</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	\$ 2,833,976	\$ 2,592,530	\$ 2,569,990	\$ 2,419,274	\$ 2,575,135	\$ 2,466,257	\$ 2,412,391	\$ 2,292,382	\$ 2,029,156	\$ 2,026,624
Contributions as a Percentage of Covered-Employee Payroll	15.81%	15.46%	14.26%	14.14%	13.35%	12.69%	11.47%	10.81%	12.26%	10.97%

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

TEACHERS PENSION AND ANNUITY FUND
 Last 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)	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
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>\$ 47,664,997</u>	<u>\$ 44,676,811</u>	<u>\$ 62,000,695</u>	<u>\$ 56,405,001</u>	<u>\$ 59,190,992</u>	<u>\$ 62,553,271</u>	<u>\$ 69,693,481</u>	<u>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
Total	<u>\$ 47,664,997</u>	<u>\$ 44,676,811</u>	<u>\$ 62,000,695</u>	<u>\$ 56,405,001</u>	<u>\$ 59,190,992</u>	<u>\$ 62,553,271</u>	<u>\$ 69,693,481</u>	<u>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
District's Covered-Employee Payroll	\$ 10,954,025	\$ 11,070,149	\$ 10,222,684	\$ 10,070,350	\$ 9,863,366	\$ 9,782,167	\$ 9,659,577	\$ 9,185,713	\$ 9,006,986	\$ 9,071,340
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.

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

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contributions are presented in Note 5d.

**UPPER SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OTHER POSTEMPLOYMENT BENEFIT 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	\$ 2,682,637	\$ 3,124,020	\$ 1,753,735	\$ 1,681,668	\$ 1,907,619	\$ 2,299,381
Interest on the Total OPEB Liability	1,200,657	1,384,686	1,320,710	1,592,518	1,705,127	1,467,544
Changes in Benefit Terms		(56,815)				
Differences Between Expected and Actual Experience	1,349,320	(10,406,198)	10,772,376	(6,252,588)	(4,215,519)	
Changes of Assumptions	(12,153,720)	52,662	11,021,159	544,005	(4,590,994)	(6,108,112)
Gross Benefit Payments	(1,189,286)	(1,090,745)	(1,050,385)	(1,120,003)	(1,069,771)	(1,417,888)
Contributions from the Member	38,153	35,400	31,837	33,200	36,973	52,210
Net Change in Total OPEB Liability	(8,072,239)	(6,956,990)	23,849,432	(3,521,200)	(6,226,565)	(3,706,865)
Total OPEB Liability - Beginning of Year	<u>53,378,161</u>	<u>60,335,151</u>	<u>36,485,719</u>	<u>40,006,919</u>	<u>46,233,484</u>	<u>49,940,349</u>
Total OPEB Liability - End of Year	<u>45,305,922</u>	<u>53,378,161</u>	<u>60,335,151</u>	<u>36,485,719</u>	<u>40,006,919</u>	<u>46,233,484</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>\$ 45,305,922</u>	<u>\$ 53,378,161</u>	<u>\$ 60,335,151</u>	<u>\$ 36,485,719</u>	<u>\$ 40,006,919</u>	<u>\$ 46,233,484</u>
Total OPEB Liability - Ending	<u>\$ 45,305,922</u>	<u>\$ 53,378,161</u>	<u>\$ 60,335,151</u>	<u>\$ 36,485,719</u>	<u>\$ 40,006,919</u>	<u>\$ 46,233,484</u>
District's Covered-Employee Payroll	<u>\$ 13,546,555</u>	<u>\$ 13,640,139</u>	<u>\$ 12,641,958</u>	<u>\$ 12,645,485</u>	<u>\$ 12,329,623</u>	<u>\$ 12,194,558</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SPECIAL REVENUE FUND

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

	E.S.E.A.		I.D.E.A. Part B		ESSER I	ESSER II	Local		To
	Title I Part A	Title II Part A	Basic	Preschool	C.A.R.E.S. Emergency Relief Grant	Mental Health	Student Activities	Scholarship Account	Exhibit E-1A
REVENUES									
Local Sources							\$ 73,549		\$ 73,549
Intergovernmental									
Federal	\$ 18,414	\$ 11,555	\$ 243,656	\$ 13,919	\$ 29	\$ 17,010	-	-	304,583
Total Revenues	18,414	11,555	243,656	13,919	29	17,010	73,549	-	378,132
EXPENDITURES									
Instruction									
Salaries of Teachers									-
School-Sponsored/Cocurricular Activities							74,463		74,463
General Supplies	7,356	-	-	-	-	-	-	-	7,356
Total Instruction Services	7,356	-	-	-	-	-	74,463	-	81,819
Support Services									
Salaries of Teachers	3,636	696							4,332
Other Salaries for Instruction			243,656	13,919					257,575
Purchased Prof. and Technical Services						17,010			17,010
Purchased Prof. and Educational Services	5,991				29				6,020
Other Purchased Services									-
Travel		3,221							3,221
General Supplies	1,431	7,638	-	-	-	-	-	-	9,069
Total Support Services	11,058	11,555	243,656	13,919	29	17,010	-	-	297,227
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	-
Total Expenditures	18,414	11,555	243,656	13,919	29	17,010	74,463	-	379,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	(914)	-	(914)
Fund Balance, Beginning of Year	-	-	-	-	-	-	49,521	\$ 33,470	82,991
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,607	\$ 33,470	\$ 82,077

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

American Rescue Plan - ESSER III

	Exhibit E-1 Subtotal	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	NJTSS	Climate Awareness Grant	Grand Total
REVENUES								
Local Sources	\$ 73,549							\$ 73,549
Intergovernmental								
State							\$ 6,600	6,600
Federal	304,583	\$ 196,946	\$ 42,984	\$ 30,463	40,000	\$ 27,533	-	642,509
Total Revenues	378,132	196,946	42,984	30,463	40,000	27,533	6,600	722,658
EXPENDITURES								
Instruction								
Salaries of Teachers	-	156,783	15,295	24,770				196,848
Purchased Prof. and Educational Services	-			2,120			4,600	6,720
School-Sponsored/Cocurricular Activities	74,463							74,463
General Supplies	7,356	22,618	-	1,573			-	31,547
Other Objects	-	-	-	-	-	-	710	710
Total Instruction Services	81,819	179,401	15,295	28,463	-	-	5,310	310,288
Support Services								
Salaries of Teachers	4,332	4,912		2,000	40,000	10,971		62,215
Other Salaries for Instruction	257,575							257,575
Purchased Prof. and Technical Services	17,010		27,689					44,699
Employee Benefits	-	12,633						12,633
Purchased Prof. and Educational Services	6,020					14,562	1,290	21,872
Cleaning, Repairs and Maintenance	-							-
Other Purchased Services	-					2,000		2,000
Travel	3,221							3,221
General Supplies	9,069							9,069
Miscellaneous	-							-
Total Support Services	297,227	17,545	27,689	2,000	40,000	27,533	1,290	413,284
Facilities Acquisition and Construction Services								
Buildings	-							-
Non-Instructional Equipment	-							-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Expenditures	379,046	196,946	42,984	30,463	40,000	27,533	6,600	723,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	(914)	-	-	-	-	-	-	(914)
Fund Balance, Beginning of Year	82,991	-	-	-	-	-	-	82,991
Fund Balance, End of Year	\$ 82,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,077

UPPER SADDLE RIVER BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 SCHEDULE OF PRESCHOOL EDUCATION AID
 BUDGET VS. ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

SPECIAL REVENUE FUND
 SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>School</u>	<u>Balance, July 1, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2023</u>
Bogert	\$ 16,878	\$ 39,214	\$ 32,895	\$ 23,197
Reynolds	21,064	13,541	13,918	20,687
Cavallini	<u>11,579</u>	<u>20,794</u>	<u>27,650</u>	<u>4,723</u>
Total	<u>\$ 49,521</u>	<u>\$ 73,549</u>	<u>\$ 74,463</u>	<u>\$ 48,607</u>

CAPITAL PROJECTS FUND

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

<u>Project Title</u>	<u>Appropriation</u>	<u>Cancelled</u>	<u>Expended</u>		<u>Balance, June 30, 2022</u>
			<u>Prior Year</u>	<u>Current Year</u>	
Partial Window Replacement at Reynolds Elementary School - Phase II	\$ 558,000	\$ (13,625)	\$ 544,375		
Partial Window Replacement at Reynolds Elementary School - Phase III	802,000	(73,829)	515,398	\$ 212,773	\$ -
Septic Replacement at Bogert	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
	<u>\$ 1,710,000</u>	<u>\$ (87,454)</u>	<u>\$ 1,059,773</u>	<u>\$ 212,773</u>	<u>\$ 350,000</u>

Recapitulation of Project Balances to Fund Balance

Project Fund Balance	<u>\$ 350,000</u>
Total Fund Balance, GAAP Basis	<u>\$ 350,000</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Available for Capital Projects	<u>350,000</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 350,000</u>

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

Revenues and Other Financing Sources

Other Financing Sources	
Transfer from Capital Reserve	\$ <u>350,000</u>
Total Revenues and Other Financing Sources	<u>350,000</u>

Expenditures

Architect/Engineering Fees	18,844
Construction Services	193,929
Transfer to General Fund - Cancelled Project Balances	<u>87,454</u>
Total Expenditures	<u>300,227</u>

Excess of Revenues Over Expenditures	49,773
Fund Balance, Beginning of Year	<u>300,227</u>
Fund Balance, End of Year	<u>\$ 350,000</u>

UPPER SADDLE RIVER BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 PARTIAL WINDOW REPLACEMENT AT REYNOLDS ELEMENTARY SCHOOL - PHASE II
 FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Outlay	\$ 558,000	-	-	\$ 558,000	\$ 558,000
Total Revenues	<u>558,000</u>	<u>-</u>	<u>-</u>	<u>558,000</u>	<u>558,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES					
Construction Services	<u>544,375</u>	<u>-</u>	<u>\$ 13,625</u>	<u>558,000</u>	<u>558,000</u>
Total Expenditures and Other Financing Uses	<u>544,375</u>	<u>-</u>	<u>13,625</u>	<u>558,000</u>	<u>558,000</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 13,625</u>	<u>\$ -</u>	<u>\$ (13,625)</u>	<u>\$ -</u>	<u>\$ -</u>
Original Authorized Cost	\$ 600,000				
Increase/(Decrease)	(42,000)				
Revised Authorized Cost	\$ 558,000				
Percentage Increase Over Original Authorized Cost	-7.00%				
Percentage Completion	100.00%				
Original Target Completion Date	June 30, 2022				
Revised Completion Date	June 30, 2022				

UPPER SADDLE RIVER BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 PARTIAL WINDOW REPLACEMENT AT REYNOLDS ELEMENTARY SCHOOL - PHASE III
 FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Outlay	\$ 200,000			\$ 200,000	\$ 200,000
Transfer from Capital Reserve	<u>602,000</u>	<u>-</u>	<u>-</u>	<u>602,000</u>	<u>602,000</u>
 Total Revenues	 <u>802,000</u>	 <u>-</u>	 <u>-</u>	 <u>802,000</u>	 <u>802,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES					
Architect and Engineering Fees	74,398	\$ 18,844		93,242	82,000
Construction Services	<u>441,000</u>	<u>193,929</u>	<u>\$ 73,829</u>	<u>708,758</u>	<u>720,000</u>
 Total Expenditures and Other Financing Uses	 <u>515,398</u>	 <u>212,773</u>	 <u>73,829</u>	 <u>802,000</u>	 <u>802,000</u>
 Excess (Deficiency) of Revenues over (under) Expenditures	 <u>\$ 286,602</u>	 <u>\$ (212,773)</u>	 <u>\$ (73,829)</u>	 <u>\$ -</u>	 <u>\$ -</u>
 Original Authorized Cost	 \$ 802,000				
Increase/(Decrease)	-				
Revised Authorized Cost	\$ 802,000				
 Percentage Increase Over Original Authorized Cost	 0.00%				
Percentage Completion	100.00%				
Original Target Completion Date	December 31, 2022				
Revised Completion Date	December 31, 2022				

UPPER SADDLE RIVER BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
 SEPTIC REPLACEMENT AT BOGERT
 FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Reserve	-	\$ 350,000	-	\$ 350,000	\$ 350,000
Total Revenues	-	350,000	-	350,000	350,000
EXPENDITURES AND OTHER FINANCING SOURCES					
Construction Services	-	-	-	-	-
Total Expenditures and Other Financing Uses	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	\$ -	\$ 350,000	\$ -	\$ 350,000	\$ 350,000
Original Authorized Cost	\$ 350,000				
Increase/(Decrease)	-				
Revised Authorized Cost	\$ 350,000				
Percentage Increase Over Original Authorized Cost	0.00%				
Percentage Completion	0.00%				
Original Target Completion Date	June 30, 2024				
Revised Completion Date	June 30, 2024				

ENTERPRISE FUNDS

**UPPER SADDLE RIVER BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>A.C.E. Program</u>	<u>Total Non-Major Enterprise Funds</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 120	\$ 137,326	\$ 208,507	\$ 345,953
Capital Assets				
Furniture, Machinery, and Equipment	6,829			6,829
Less: Accumulated Depreciation	<u>(6,829)</u>	<u>-</u>	<u>-</u>	<u>(6,829)</u>
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>120</u>	<u>137,326</u>	<u>208,507</u>	<u>345,953</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Unrestricted	<u>120</u>	<u>137,326</u>	<u>208,507</u>	<u>345,953</u>
Total Net Position	<u>\$ 120</u>	<u>\$ 137,326</u>	<u>\$ 208,507</u>	<u>\$ 345,953</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>A.C.E. Program</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES				
Charges for Services				
Program Fees	\$ 1,650	-	\$ 330,360	\$ 332,010
Total Operating Revenues	<u>1,650</u>	<u>-</u>	<u>330,360</u>	<u>332,010</u>
OPERATING EXPENSES				
Salaries and Wages			204,354	204,354
Supplies and Materials	1,834	-	7,364	9,198
Total Operating Expenses	<u>1,834</u>	<u>-</u>	<u>211,718</u>	<u>213,552</u>
Operating Income (Loss)	<u>(184)</u>	<u>-</u>	<u>118,642</u>	<u>118,458</u>
Change in Net Position	(184)	-	118,642	118,458
Net Position, Beginning of Year	<u>304</u>	<u>\$ 137,326</u>	<u>89,865</u>	<u>227,495</u>
Net Position, End of Year	<u>\$ 120</u>	<u>\$ 137,326</u>	<u>\$ 208,507</u>	<u>\$ 345,953</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>A.C.E. Program</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from Customers	\$ 1,650		\$ 330,360	\$ 332,010
Payments for Employees Salaries			(204,354)	(204,354)
Payments to Suppliers for Goods and Services	<u>(1,834)</u>	<u>-</u>	<u>(11,104)</u>	<u>(12,938)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(184)</u>	<u>-</u>	<u>114,902</u>	<u>114,718</u>
Net Change in Cash and Cash Equivalents	(184)	-	114,902	114,718
Cash and Cash Equivalents, Beginning of Year	<u>304</u>	<u>\$ 137,326</u>	<u>93,605</u>	<u>231,235</u>
Cash and Cash Equivalents, End of Year	<u>\$ 120</u>	<u>\$ 137,326</u>	<u>\$ 208,507</u>	<u>\$ 345,953</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ (184)</u>	<u>-</u>	<u>\$ 118,642</u>	<u>\$ 118,458</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Change in Assets and Liabilities				
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>-</u>	<u>(3,740)</u>	<u>(3,740)</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>(3,740)</u>	<u>(3,740)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (184)</u>	<u>\$ -</u>	<u>\$ 114,902</u>	<u>\$ 114,718</u>

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF SERIAL 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</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
School Bonds (BCIA)	7/7/2009	\$ 715,775	12/15/2023	\$ 47,718	1.21 %	\$ 95,436		\$ 47,718	\$ 47,718
Refunding Bonds	11/29/2012	3,255,000	7/15/2023	240,000	2.00	475,000	-	235,000	240,000
						<u>\$ 570,436</u>	<u>\$ -</u>	<u>\$ 282,718</u>	<u>\$ 287,718</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Retirements/ Cancellations</u>	<u>Balance, June 30, 2023</u>
2018 - Copiers	1.699%	\$ 274,140	\$ <u>53,739</u>	<u>-</u>	\$ <u>53,739</u>	<u>-</u>
			<u>\$ 53,739</u>	<u>\$ -</u>	<u>\$ 53,739</u>	<u>\$ -</u>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 220,766		\$ 220,766	\$ 220,766	
State Sources					
Debt Service Aid	69,969	-	69,969	69,969	-
Total Revenues	<u>290,735</u>	<u>-</u>	<u>290,735</u>	<u>290,735</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	282,718		282,718	282,718	
Interest	8,017	-	8,017	8,017	-
Total Expenditures	<u>290,735</u>	<u>-</u>	<u>290,735</u>	<u>290,735</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Upper Saddle River Board of Education's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the 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 government'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.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 7,438,818	\$ 8,157,043	\$ 8,984,318	\$ 10,222,682	\$ 11,015,775	\$ 11,802,104	\$ 12,994,416	\$ 13,065,120	\$ 14,025,172	\$ 13,769,720
Restricted	1,500,463	1,701,918	2,084,052	1,977,677	1,965,250	2,388,056	2,608,160	3,279,932	4,248,827	5,035,140
Unrestricted	2,105,866	(3,374,913)	(3,519,853)	(4,753,813)	(5,108,674)	(5,059,104)	(4,470,551)	(3,969,375)	(2,902,317)	(2,017,563)
Total Governmental Activities Net Position	\$ 11,045,147	\$ 6,484,048	\$ 7,548,517	\$ 7,446,546	\$ 7,872,351	\$ 9,131,056	\$ 11,132,025	\$ 12,375,677	\$ 15,371,682	\$ 16,787,297
Business-Type Activities										
Investment in Capital Assets	\$ 1,653	\$ 723		\$ 2,179	\$ 1,743	\$ 1,307	\$ 871	\$ 435		
Unrestricted	82,453	87,886	\$ 124,284	128,803	137,808	150,944	137,869	143,987	\$ 227,495	\$ 345,953
Total Business-Type Activities Net Assets	\$ 84,106	\$ 88,609	\$ 124,284	\$ 130,982	\$ 139,551	\$ 152,251	\$ 138,740	\$ 144,422	\$ 227,495	\$ 345,953
District-Wide										
Net Investment in Capital Assets	\$ 7,440,471	\$ 8,157,766	\$ 8,984,318	\$ 10,224,861	\$ 11,017,518	\$ 11,803,411	\$ 12,995,287	\$ 13,065,555	\$ 14,025,172	\$ 13,769,720
Restricted	1,500,463	1,701,918	2,084,052	1,977,677	1,965,250	2,388,056	2,608,160	3,279,932	4,248,827	5,035,140
Unrestricted	2,188,319	(3,287,027)	(3,395,569)	(4,625,010)	(4,970,866)	(4,908,160)	(4,332,682)	(3,825,388)	(2,674,822)	(1,671,610)
Total District Net Position	\$ 11,129,253	\$ 6,572,657	\$ 7,672,801	\$ 7,577,528	\$ 8,011,902	\$ 9,283,307	\$ 11,270,765	\$ 12,520,099	\$ 15,599,177	\$ 17,133,250

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

Note 2 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,113,325	\$ 11,680,775	\$ 12,492,130	\$ 14,352,425	\$ 14,685,297	\$ 13,440,824	\$ 12,833,887	\$ 14,678,346	\$ 12,650,652	\$ 12,459,920
Special Education	3,201,829	3,665,144	3,647,796	3,757,293	4,085,024	4,012,488	3,513,879	4,033,770	4,065,289	3,938,443
Other Instruction	168,694	187,415	432,817	560,623	703,424	649,497	834,733	769,127	602,905	859,906
School Sponsored Activities And Athletics	140,718	158,503	144,582	184,771	189,182	171,290	149,015	147,315	200,274	213,171
Support Services:										
Student And Instruction Related Services	3,646,526	4,117,637	4,344,731	4,997,725	4,914,789	4,813,372	4,846,129	5,618,749	4,863,432	4,997,116
General Administration	704,781	713,830	670,222	717,077	881,978	728,878	762,954	856,593	768,988	746,051
School Administrative Services	1,166,331	1,341,332	1,389,737	1,564,850	1,689,849	1,494,200	1,456,477	1,606,265	1,432,148	1,422,564
Plant Operations And Maintenance	2,948,702	3,116,097	3,279,385	3,513,763	3,906,330	3,557,953	3,570,956	3,843,591	3,707,433	4,006,246
Security										88,997
Pupil Transportation	387,319	450,242	451,862	449,611	489,729	527,268	434,941	312,629	425,129	604,937
Business And Other Support Services	544,643	582,981	614,330	698,737	747,585	724,284	706,991	764,424	677,588	679,153
Interest On Long-Term Debt	412,023	253,353	216,137	185,226	144,777	104,189	67,909	17,015	10,640	4,401
Total Governmental Activities Expenses	23,434,891	26,267,309	27,683,729	30,982,101	32,437,964	30,224,243	29,177,871	32,647,824	29,404,478	30,020,905
Business-Type Activities:										
Food Service	10,099	14,531	9,058	4,169	5,119	3,992	3,674	436	2,422	1,834
LEAP Program	37,253	43,000	47,275	55,755	55,423	49,680	31,759	102	-	-
ACE Program								96,574	222,345	211,718
QUAD Tech Program		249,687	346,570	361,339	378,302	393,005				
Total Business-Type Activities Expense	47,352	307,218	402,903	421,263	438,844	446,677	35,433	97,112	224,767	213,552
Total District Expenses	\$ 23,482,243	\$ 26,574,527	\$ 28,086,632	\$ 31,403,364	\$ 32,876,808	\$ 30,670,920	\$ 29,213,304	\$ 32,744,936	\$ 29,629,245	\$ 30,234,457
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Education	\$ 174,405	\$ 135,475	\$ 196,405	\$ 260,305	\$ 301,280	\$ 269,700	\$ 277,367	\$ 514,529	\$ 645,974	\$ 573,917
Special Education	37,500	32,813								
School Sponsored Activities and Athletics								9,982	68,335	73,549
Operating Grants And Contributions	2,734,848	5,148,326	6,329,004	8,068,634	9,440,951	7,641,979	6,650,610	9,804,401	7,769,390	6,471,466
Capital Grants And Contributions	-	98,156		12,713		75,000				
Total Governmental Activities Program Revenues	2,946,753	5,414,770	6,525,409	8,341,652	9,742,231	7,986,679	6,927,977	10,328,912	8,483,699	7,118,932
Business-Type Activities:										
Charges For Services										
Food Service	11,079	10,155	7,738	6,510	4,625	3,115	2,930		1,850	1,650
LEAP Program	49,615	51,536	60,639	67,400	64,486	63,745	34,350			-
ACE Program								102,794	305,990	330,360
QUAD Tech Program		249,687	369,808	353,947	378,302	392,517				
Total Business Type Activities Program Revenues	60,694	311,378	438,185	427,857	447,413	459,377	37,280	102,794	307,840	332,010
Total District Program Revenues	\$ 3,007,447	\$ 5,726,148	\$ 6,963,594	\$ 8,769,509	\$ 10,189,644	\$ 8,446,056	\$ 6,965,257	\$ 10,431,706	\$ 8,791,539	\$ 7,450,942

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (20,488,138)	\$ (20,852,539)	\$ (21,158,320)	\$ (22,640,449)	\$ (22,695,733)	\$ (22,237,564)	\$ (22,249,894)	\$ (22,318,912)	\$ (20,920,779)	\$ (22,901,973)
Business-Type Activities	13,342	4,160	35,282	6,594	8,569	12,700	1,847	5,682	83,073	118,458
Total District-Wide Net Expense	<u>\$ (20,474,796)</u>	<u>\$ (20,848,379)</u>	<u>\$ (21,123,038)</u>	<u>\$ (22,633,855)</u>	<u>\$ (22,687,164)</u>	<u>\$ (22,224,864)</u>	<u>\$ (22,248,047)</u>	<u>\$ (22,313,230)</u>	<u>\$ (20,837,706)</u>	<u>\$ (22,783,515)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes										
Levied For General Purposes	\$ 20,082,298	\$ 20,483,944	\$ 20,893,623	\$ 21,311,495	\$ 21,798,681	\$ 22,228,242	\$ 22,672,992	\$ 23,126,452	\$ 23,588,981	\$ 23,812,856
Levied For Debt Service	915,295	898,438	912,440	910,656	900,822	891,571	869,811	221,827	220,901	220,766
Unrestricted Grants And Contributions	32	22,986	25,540	36,273	37,189	3,731				
State Aid Restricted For Debt Service	321,062	283,587	305,387	304,425	301,268	298,047	290,856	70,387	70,061	69,969
Donations Of Capital Assets	10,000									
Investment Earnings	13,995	10,154	12,792	15,517	21,245	52,674	48,516	9,302	13,368	193,389
Miscellaneous Income	165,629	22,503	73,007	22,594	16,283	22,004	70,142	134,596	23,473	20,608
Other Items				34,347	46,050					
Transfers							15,358			
Loss on Disposal of Capital Assets		(67,206)		(96,829)	-	-				
Total Governmental Activities	<u>21,508,311</u>	<u>21,654,406</u>	<u>22,222,789</u>	<u>22,538,478</u>	<u>23,121,538</u>	<u>23,496,269</u>	<u>23,967,675</u>	<u>23,562,564</u>	<u>23,916,784</u>	<u>24,317,588</u>
Business-Type Activities:										
Investment Earnings	452	343	393	104						
Transfers							(15,358)			
Total Business-Type Activities	<u>452</u>	<u>343</u>	<u>393</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>(15,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 21,508,763</u>	<u>\$ 21,654,749</u>	<u>\$ 22,223,182</u>	<u>\$ 22,538,582</u>	<u>\$ 23,121,538</u>	<u>\$ 23,496,269</u>	<u>\$ 23,952,317</u>	<u>\$ 23,562,564</u>	<u>\$ 23,916,784</u>	<u>\$ 24,317,588</u>
Change In Net Position										
Governmental Activities	\$ 1,020,173	\$ 801,867	\$ 1,064,469	\$ (101,971)	\$ 425,805	\$ 1,258,705	\$ 1,717,781	\$ 1,243,652	\$ 2,996,005	\$ 1,415,615
Business-Type Activities	13,794	4,503	35,675	6,698	8,569	12,700	(13,511)	5,682	83,073	118,458
Total District	<u>\$ 1,033,967</u>	<u>\$ 806,370</u>	<u>\$ 1,100,144</u>	<u>\$ (95,273)</u>	<u>\$ 434,374</u>	<u>\$ 1,271,405</u>	<u>\$ 1,704,270</u>	<u>\$ 1,249,334</u>	<u>\$ 3,079,078</u>	<u>\$ 1,534,073</u>

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 3,229,617	\$ 3,337,281	\$ 3,413,883	\$ 3,636,153	\$ 4,100,919	\$ 4,628,310	\$ 5,666,721	\$ 6,006,398	\$ 7,197,814	\$ 8,553,110
Committed	98,877									
Assigned	294,684	331,706	495,005	347,683	321,130	260,017	328,472	277,898	169,443	170,867
Unassigned	376,056	385,827	391,695	402,387	413,689	415,920	389,692	916,086	922,206	418,546
Total General Fund	\$ 3,999,234	\$ 4,054,814	\$ 4,300,583	\$ 4,386,223	\$ 4,835,738	\$ 5,304,247	\$ 6,384,885	\$ 7,200,382	\$ 8,289,463	\$ 9,142,523
All Other Governmental Funds										
Restricted	\$ 401,950	\$ 533,405	\$ 765,540	\$ 459,164	\$ 246,138	\$ 309,000	\$ 82,851	\$ 354,323	\$ 383,218	\$ 432,077
Assigned										
Total All Other Governmental Funds	\$ 401,950	\$ 533,405	\$ 765,540	\$ 459,164	\$ 246,138	\$ 309,000	\$ 82,851	\$ 354,323	\$ 383,218	\$ 432,077

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes	\$ 20,997,593	\$ 21,382,382	\$ 21,806,063	\$ 22,222,151	\$ 22,699,503	\$ 23,119,813	\$ 23,542,803	\$ 23,348,279	\$ 23,809,882	\$ 24,033,622
Tuition Charges	211,905	168,288	196,405	260,305	301,280	269,700	277,367	514,529	645,974	573,917
Interest Earnings	13,995	10,154	12,792	15,517	21,245	52,674	48,516	9,302	13,368	193,389
Miscellaneous	165,629	22,503	196,347	125,808	85,494	152,936	184,939	144,578	91,808	94,157
State Sources	2,759,351	3,150,544	3,444,092	3,772,728	4,212,747	4,634,236	4,922,768	5,920,283	7,451,525	7,776,498
Federal Sources	296,591	282,573	358,517	353,161	347,278	424,783	334,480	412,379	647,515	642,066
Total Revenue	24,445,064	25,016,444	26,014,216	26,749,670	27,667,547	28,654,142	29,310,873	30,349,350	32,660,072	33,313,649
Expenditures										
Instruction										
Regular Instruction	10,034,942	10,367,659	10,702,372	11,580,935	11,619,074	11,793,990	11,866,545	12,731,830	13,017,372	13,558,569
Special Education Instruction	3,192,598	3,417,671	3,348,691	3,255,330	3,532,434	3,701,840	3,354,961	3,627,325	4,073,439	4,146,030
Other Instruction	167,472	179,429	379,216	459,508	514,019	540,391	738,415	689,963	773,110	1,096,243
School Sponsored Activities And Athletics	140,718	153,320	138,358	161,207	158,243	155,354	140,822	136,499	207,277	228,837
Support Services:										
Student And Inst. Related Services	3,620,140	3,719,730	3,809,181	4,150,912	3,985,948	4,249,528	4,493,525	4,928,472	5,010,746	5,438,329
General Administration	712,047	665,072	622,242	630,194	757,988	670,937	730,533	787,752	788,263	795,628
School Administrative Services	1,158,298	1,156,880	1,164,936	1,236,982	1,264,477	1,282,512	1,316,782	1,377,733	1,461,238	1,541,253
Plant Operations And Maintenance	2,401,832	2,506,379	2,619,002	2,633,033	2,919,694	2,716,082	2,789,515	3,023,357	3,074,037	3,432,860
Security										99,534
Pupil Transportation	387,319	450,242	451,862	449,611	489,729	527,268	434,941	312,629	425,129	604,937
Business And Other Support Services	534,016	532,550	553,977	578,696	601,819	642,010	660,334	682,450	708,659	752,855
Capital Outlay	109,674	549,421	477,290	966,918	467,774	466,334	883,084	617,129	1,657,036	371,092
Debt Service:										
Principal	1,051,032	1,042,500	1,067,720	1,218,021	1,239,365	1,281,743	1,293,565	322,611	329,519	336,457
Interest And Other Charges	401,265	240,858	201,465	162,557	128,224	94,782	51,908	24,431	16,271	9,106
Total Expenditures	23,911,353	24,981,711	25,536,312	27,483,904	27,678,788	28,122,771	28,754,930	29,262,381	31,542,096	32,411,730
Excess (Deficiency) Of Revenues Over (Under) Expenditures	533,711	34,733	477,904	(734,234)	(11,241)	531,371	555,943	1,086,969	1,117,976	901,919
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)		152,302		513,500	247,728					
Transfers In	380,639	328,687	619,170	300,000	617,332	498,643	420,974	640,000	720,000	437,454
Transfers Out	(380,639)	(328,687)	(619,170)	(300,000)	(617,332)	(498,643)	(405,616)	(640,000)	(720,000)	(437,454)
Total Other Financing Sources (Uses)	-	152,302	-	513,500	247,728	-	15,358	-	-	-
Net Change In Fund Balances	\$ 533,711	\$ 187,035	\$ 477,904	\$ (220,734)	\$ 236,487	\$ 531,371	\$ 571,301	\$ 1,086,969	\$ 1,117,976	\$ 901,919
Debt Service As A Percentage Of Noncapital Expenditures	6.10%	5.25%	5.06%	5.21%	5.03%	4.98%	4.83%	1.21%	1.16%	1.08%

* Noncapital expenditures are total expenditures less capital outlay.

**UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Refund of Prior Year Revenue</u>	<u>Energy Rebate</u>	<u>Rental</u>	<u>Misc.</u>	<u>Total</u>
2014	211,905	13,995		23,100		142,529	391,529
2015	168,288	10,154			465	22,038	200,945
2016	196,405	12,792			1,140	71,867	282,204
2017	260,305	15,517			830	21,764	298,416
2018	301,280	21,245			950	15,333	338,808
2019	269,700	52,674			3,000	19,004	344,378
2020	277,367	48,516			3,450	66,692	396,025
2021	514,529	9,302	\$ 64,708	62,775		7,113	658,427
2022	645,974	13,368	22,680			793	682,815
2023	573,917	193,389				20,608	787,914

**UPPER SADDLE RIVER BOARD OF EDUCATION
 ASSESSED VALUATION AND ESTIMATED ACTUAL VALUATION 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) Valuation	Total Direct School Tax Rate ^a
2014	\$ 15,437,400	\$ 1,996,173,700	\$ 171,223,500	\$ 6,217,700	\$ 18,551,000	\$ 2,207,603,300	\$ 100,000	\$ 2,207,703,300	\$ 2,794,042,727	\$ 0.960
2015	15,472,600	2,002,788,500	171,123,500	6,217,700	18,551,000	2,214,153,300	100,000	2,214,253,300	2,757,653,408	0.975
2016	16,007,400	2,013,563,300	170,132,500	6,217,700	18,551,000	2,224,471,900	100,000	2,224,571,900	2,767,210,718	0.990
2017	24,891,200	2,030,685,200	127,765,000	6,217,700	18,551,000	2,208,110,100	100,000	2,208,210,100	2,776,753,610	1.018
2018	50,492,000	2,049,711,200	123,393,600	6,217,700	18,551,000	2,248,365,500	100,000	2,248,465,500	2,807,482,955	1.019
2019	58,683,300	2,047,410,900	121,693,600	6,217,700	18,551,000	2,252,556,500	100,000	2,252,656,500	2,747,346,459	1.036
2020	58,683,300	2,040,321,600	121,693,600	6,217,700	18,551,000	2,245,467,200	100,000	2,245,567,200	2,725,978,730	1.044
2021	17,735,100	2,090,811,900	121,693,600	6,217,700	18,551,000	2,255,009,300	100,000	2,255,109,300	2,718,011,799	1.046
2022	18,501,502	2,113,274,000	121,093,600	6,217,700	18,551,000	2,277,637,802	100,000	2,277,737,802	2,806,155,373	1.050
2023	15,680,502	2,181,977,700	121,651,100	6,217,700	18,551,000	2,344,078,002	100,000	2,344,178,002	3,088,226,121	1.043

Source: County Abstract of Ratables

^a Tax rates are per \$100

UPPER SADDLE RIVER BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	Regional High School	Municipality	County	
2014	\$ 0.960	\$ 0.567	\$ 0.375	\$ 0.296	\$ 2.198
2015	0.975	0.590	0.374	0.299	2.238
2016	0.990	0.600	0.375	0.306	2.271
2017	1.018	0.624	0.385	0.315	2.342
2018	1.019	0.625	0.411	0.306	2.361
2019	1.036	0.626	0.420	0.296	2.378
2020	1.044	0.635	0.454	0.301	2.434
2021	1.046	0.642	0.476	0.304	2.468
2022	1.050	0.647	0.470	0.304	2.471
2023	1.043	0.644	0.478	0.315	2.480

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
Toll Brothers (NJ X11 LP NJ)	33,344,000	1.42%
Viewstar LLC NJ	14,500,000	0.62%
Toll Brothers (NJ IV LLC)	12,232,700	0.52%
Upper Saddle River Developers, LLC	10,600,600	0.45%
Whitney Associates	8,353,800	0.36%
U.S.R Developers, LLC %Pinnacle	7,950,400	0.34%
Pentak Management Corp	7,000,000	0.30%
Porven Real Estate, Inc	6,421,500	0.27%
Upper Saddle River Project LLC	6,071,000	0.26%
Birdie Investments, LLC	5,580,300	0.24%
	\$ 112,054,300	4.78%

Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty, LP	\$ 42,367,500	1.92%
Mountainview Realty, LLC	16,000,000	0.72%
Upper Saddle River Developers, LLC	10,600,600	0.48%
Whitney Associates	8,353,800	0.38%
USR Developers, LLC %Pinnacle	7,950,400	0.36%
Pentek Management Corp.	7,500,000	0.34%
Porven Real Estate, Inc	6,421,500	0.29%
Upper Saddle River Project LLC	6,071,000	0.27%
Birdie Investments, LLC	5,580,300	0.25%
2 Park Way Assoc., LLC	4,200,000	0.19%
	\$ 115,045,100	5.21%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	20,997,593	20,997,593	100.00%	N/A
2015	21,382,382	21,382,382	100.00%	N/A
2016	21,806,063	21,806,063	100.00%	N/A
2017	22,222,151	22,222,151	100.00%	N/A
2018	22,699,503	22,699,503	100.00%	N/A
2019	23,119,813	23,119,813	100.00%	N/A
2020	23,542,803	23,542,803	100.00%	N/A
2021	23,348,279	23,348,279	100.00%	N/A
2022	23,809,882	23,809,882	100.00%	N/A
2023	24,033,622	24,033,622	100.00%	N/A

Source: Board's financial statements

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total School District	Population	Per Capita
	General Obligation Bonds	Capital Financing Agreements	Loans			
2014	\$ 7,507,185	\$ 145,024		\$ 7,652,209	8,248	\$ 928
2015	6,509,467	186,422		6,695,889	8,209	816
2016	5,486,749	141,420		5,628,169	8,225	684
2017	4,429,031	460,270		4,889,301	8,228	594
2018	3,346,312	505,302		3,851,614	8,269	466
2019	2,238,593	331,278		2,569,871	8,237	312
2020	1,120,874	155,432		1,276,306	8,205	156
2021	848,155	105,539		953,694	8,155	117
2022	570,436	53,739		624,175	8,295	75
2023	287,718	-		287,718	8,266	35

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

<u>General Bonded Debt Outstanding</u>						
Fiscal Year Ended June 30,	General Obligation Bonds	Intergovernmental Loan	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2014	\$ 7,507,185			\$ 7,507,185	0.34%	\$ 915
2015	6,509,467			6,509,467	0.29%	791
2016	5,486,749			5,486,749	0.25%	667
2017	4,429,031			4,429,031	0.20%	536
2018	3,346,312			3,346,312	0.15%	406
2019	2,238,593			2,238,593	0.10%	273
2020	1,120,874			1,120,874	0.05%	137
2021	848,155			848,155	0.04%	102
2022	570,436			570,436	0.03%	69
2023	287,718			287,718	0.01%	35

**UPPER SADDLE RIVER BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
(Unaudited)**

	<u>Gross Debt</u>
Municipal Debt:	
Upper Saddle River Board of Education	\$ 287,718
Northern Highlands Regional High School - Upper Saddle River's Share (1)	5,678,686
Borough of Upper Saddle River (1)	<u>27,686,966</u>
	33,653,370
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2)	<u>21,750,773</u>
 Total Direct and Overlapping Debt	 <u>\$ 55,404,143</u>

Source:

- (1) Borough of Upper Saddle River's 2022 Annual Debt Statement
(2) Bergen County's 2022 Annual Debt Statement

UPPER SADDLE RIVER BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 85,012,947	\$ 83,375,789	\$ 82,713,770	\$ 82,853,110	\$ 82,934,673	\$ 82,815,681	\$ 82,191,843	\$ 81,687,471	\$ 82,052,004	\$ 84,715,940
Total Net Debt Applicable to Limit	7,507,185	6,509,467	5,486,749	4,429,031	3,346,312	2,238,593	1,120,874	848,155	570,436	287,718
Legal Debt Margin	<u>\$ 77,505,762</u>	<u>\$ 76,866,322</u>	<u>\$ 77,227,021</u>	<u>\$ 78,424,079</u>	<u>\$ 79,588,361</u>	<u>\$ 80,577,088</u>	<u>\$ 81,070,969</u>	<u>\$ 80,839,316</u>	<u>\$ 81,481,568</u>	<u>\$ 84,428,222</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.83%	7.81%	6.63%	5.35%	4.03%	2.70%	1.36%	1.04%	0.70%	0.34%

Legal Debt Margin Calculation June 30, 2023

Equalized Valuation Basis	
2022	\$ 2,996,103,396
2021	2,773,689,176
2020	<u>2,701,801,468</u>
	<u>\$ 8,471,594,040</u>
Average Equalized Valuation of Taxable Property	\$ 2,823,864,680
Debt Limit (3 % of average equalization value)	84,715,940
Total Net Debt Applicable to Limit	<u>287,718</u>
Legal Debt Margin	<u>\$ 84,428,222</u>

Source: Municipal Annual Debt Statements

UPPER SADDLE RIVER BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>	
2014	8,248	71,286	4.1%	
2015	8,209	73,883	3.3%	
2016	8,225	77,323	3.2%	
2017	8,228	78,836	3.2%	
2018	8,269	81,024	3.0%	
2019	8,237	85,191	2.4%	
2020	8,205	88,241	2.2%	
2021	8,155	91,972	4.5%	
2022	8,295	91,972 (E)	4.5%	(E)
2023	8,266	91,972 (E)	4.5%	(E)

(E) - Estimate

Source: New Jersey State Department of Education

UPPER SADDLE RIVER 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

UPPER SADDLE RIVER 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	89	89	89	89	89	87.5	88.5	88.5	90	94
Special Education	45	45	46	46	46	46	47	47	47	47
Other Special Education	4	4	4	4	4	4	4	4	4	4
Support Services:										
Student & Instruction Related Services	33	34	35	38	38	40	40	40	40	41
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services	9	9	9	9	9	9	9	9	8	8
Other Administrative Services										
Central Services	4	4	4	4	4	4	4	4	4	4
Plant Operations And Maintenance	22	22	22	22	22	21.5	22	22	22	23
Total	<u>208</u>	<u>209</u>	<u>211</u>	<u>214</u>	<u>213</u>	<u>214</u>	<u>217</u>	<u>217</u>	<u>217</u>	<u>223</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	1,308	\$ 23,359,724	\$ 17,859	8.06%	139.5	19/1	24.6/1	1,298	1,244	-3.71%	95.84%
2015	1,248	23,148,932	18,549	3.86%	140.5	18/1	24/1	1,249	1,201	-3.78%	96.16%
2016	1,223	23,789,837	19,452	4.87%	141.5	17.7/1	23.6/1	1,224	1,177	-2.00%	96.16%
2017	1,191	25,136,408	21,105	8.50%	141.0	17.5/1	24.7/1	1,191	1,144	-2.70%	96.05%
2018	1,164	25,843,425	22,202	5.20%	140.0	18.42/1	22.9/1	1,165	1,115	-2.18%	95.71%
2019	1,117	26,279,912	23,527	5.97%	141.0	18.26/1	22.77/1	1,127	1,082	-3.26%	96.01%
2020	1,099	26,526,373	24,137	2.59%	142.0	17.62/1	22.39/1	1,103	1,071	-2.13%	97.10%
2021	1,102	28,298,210	25,679	6.39%	142.0	13.62/1	22.83/1	1,107	1,079	0.36%	97.47%
2022	1,118	29,539,270	26,422	2.89%	142.0	16.1/1	22.39/1	1,124	1,071	1.54%	95.28%
2023	1,073	31,695,075	29,539	11.80%	145.0	17.4/1	8.1/1	1,117	1,059	-0.62%	94.81%

Sources: District records

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
<u>Elementary</u>										
Robert Reynolds Elementary (1960)										
Square Feet	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503
Capacity (students)	421	421	421	421	421	421	421	421	421	421
Enrollment	369	369	370	355	348	344	350	325	367	363
Edith Bogert Elementary (1950)										
Square Feet	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	453	426	391	380	388	380	346	356	361	381
<u>Middle School</u>										
Square Feet	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704
Capacity (students)	452	452	452	452	452	452	452	452	452	452
Enrollment	468	479	472	470	435	410	403	429	405	378
<u>Other</u>										
Administration Building										
Square Feet	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372
Science Center										
Square Feet	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Number of Schools at June 30, 2022										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District Office

Note: Year of original construction is shown in parenthesis. Enrollment is based on the annual October district count.

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

	<u>Fiscal Year Ended June 30,</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>
School Facilities										
Cavallini School	\$ 192,558	\$ 214,002	\$ 199,098	\$ 218,490	\$ 203,107	\$ 153,491	\$ 302,031	\$ 296,507	\$ 240,869	\$ 300,497
Bogert School	131,216	139,909	149,140	130,500	281,084	287,956	209,844	259,585	269,052	290,568
Reynolds School	117,091	117,756	160,886	185,024	318,305	323,577	236,270	197,845	203,151	223,467
Administration	<u>19,685</u>	<u>28,742</u>	<u>28,047</u>	<u>20,327</u>	<u>40,047</u>	<u>19,653</u>	<u>30,619</u>	<u>26,809</u>	<u>36,920</u>	<u>57,500</u>
Grand Total	<u>\$ 460,550</u>	<u>\$ 500,409</u>	<u>\$ 537,171</u>	<u>\$ 554,341</u>	<u>\$ 842,543</u>	<u>\$ 784,677</u>	<u>\$ 778,764</u>	<u>\$ 780,746</u>	<u>\$ 749,992</u>	<u>\$ 872,032</u>

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
<u>School Package Policy - Selective Insurance Group</u>		
Property Blanket Building & Contents	\$ 60,590,298	\$ 5,000
Comprehensive General Liability		
General Aggregate	1,000,000	
Products Completed Operations	1,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Fire Legal Liability	1,000,000	
Medical Expense	5,000	
<u>Commercial Automobile Policy - National Union Fire Insurance Co.</u>	1,000,000	\$1,000 (Comp/Collision)
<u>Umbrella Liability Policy - National Union</u>	9,000,000	
Excess Umbrella Liability Policy - Allied World/Hudson/Evanston	30,000,000	
Excess Umbrella Liability Policy - Firemen's Fund	25,000,000	
	(Shared limit among all Boards)	
<u>Boiler & Machinery - National Union Fire Insurance Company</u>	60,590,298	5,000
<u>Bonds - RLI Surety:</u>		
Public Official Bond - Bus. Admin	50,000	
Public Official Bond - Treasurer of School Monies	250,000	
Environmental Impairment Liability - Evanston Insurance Company	20,000,000	
	(Group Aggregate)	
Each Impairment:	2,000,000	25,000
Aggregate Per Impairment:	4,000,000	
Mold Ded:		50,000
School Board Legal Liability - Greenwich Insurance Company	1,000,000	5,000
Employment Related Practices Liability included		15,000
<u>Crime - National Union Fire Insurance Company</u>		
Employee Dishonesty	500,000	5,000
Forgery & Alteration	250,000	5,000
Computer & Funds Transfer Fraud	250,000	5,000
<u>Workers' Compensation - Safety National</u>		
Each Accident	1,000,000	
Each Employee (Disease)	1,000,000	
Policy Limit (Disease)	1,000,000	
Employers Liability Retained Limit	500,000	
<u>Cyber Liability Policy Aggregate Limit - Coalition Insurance Solutions</u>	1,000,000	25,000
Per Occurrence Media/Privacy	1,000,000	25,000
Privacy Regulatory, Defense, Awards, Fines	1,000,000	25,000
Business Interruption	1,000,000	8 hrs
Data Recovery	1,000,000	25,000
Cyber Extortion	1,000,000	25,000
<u>Police Professional Liability - Greenwich Insurance Company</u>		
Per Occurrence/Aggregate	2,000,000	10,000

*Note: : GL Deductible \$10,000 - NESBIG pays \$7,500 BOE pays \$2,500.
Property/Boiler Ded. \$25,000 - NESBIG pays \$20,000 BOE pays \$5,000
Auto Liability Deductible \$10,000 - NESBIG pays \$7,500 BOE pays \$2,500

Source: School Insurance Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
395 West Saddle River Road
Upper Saddle River, New Jersey 07458

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 Upper Saddle River Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Upper Saddle River Board of Education's basic financial statements and have issued our report thereon dated October 23, 2023.

Report on Internal Control Over Financial Reporting

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

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

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


Report on Compliance and Other Matters


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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Upper Saddle River Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 23, 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 Upper Saddle River Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Upper Saddle River Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
October 23, 2023



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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
395 West Saddle River Road
Upper Saddle River, New Jersey 07458

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards 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 Upper Saddle River Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Upper Saddle River Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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


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


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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Saddle River Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated October 23, 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 state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is 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
October 23, 2023

UPPER SADDLE RIVER 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 at July 1, 2022			Budgetary Expenditures	Balance at June 30, 2023		Memo GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Cash Received		(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education											
Passed-Through State Department of Education											
Special Revenue Fund											
ESEA Title I	84.010A	S010A200030	7/1/22-9/30/23	\$ 27,981	\$ -	\$ -	\$ 16,341	\$ 18,414	\$ (11,640)	\$ 9,567	\$ (2,073)
					-	-	16,341	18,414	(11,640)	9,567	(2,073)
ESEA Title II-A	84.367A	S367A180029	7/1/22-9/30/23	16,438			9,238	11,555	(7,200)	4,883	(2,317)
ESEA Title II-A	84.367A	S367A200029	7/1/21-9/30/22	13,517	(3,154)	-	3,154	-	-	-	-
					(3,154)	-	12,392	11,555	(7,200)	4,883	(2,317)
ESEA Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000	(10,000)	-	-	-	(10,000)	-	(10,000)
					(10,000)	-	-	-	(10,000)	-	(10,000)
IDEA Part B, Basic	84.027A	H027A200100	7/1/22-9/30/23	243,656			199,252	243,656	(44,404)	-	(44,404)
IDEA Part B, Basic	84.027A	H027A200100	7/1/21-9/30/22	235,962	(29,156)	-	29,156	-	-	-	-
IDEA Part B, Preschool	84.173A	H173A200114	7/1/22-9/30/23	13,919			12,453	13,919	(1,466)	-	(1,466)
IDEA Part B, Preschool	84.173A	H173A200114	7/1/21-9/30/22	12,890	(1,425)	-	1,425	-	-	-	-
American Rescue Plan (ARP) - IDEA Part B, Basic	84.027X	H027X210100	7/1/21-9/30/22	46,627	(8,683)	-	8,683	-	-	-	-
American Rescue Plan (ARP) - IDEA Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,983	(767)	-	767	-	-	-	-
					(40,031)	-	251,736	257,575	(45,870)	-	(45,870)
CARES Emergency Relief Grant	84.425	S425D200027	3/13/20-9/30/22	59,357	(29)	29	29	29	-	-	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(19,724)	17,010	19,724	17,010	-	-	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U200027	3/13/20-9/30/24	546,830	(546,830)	512,947	195,719	196,946	(351,111)	316,001	(35,110)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U200027	3/13/20-9/30/24	87,220	(87,220)	80,220	40,485	42,984	(46,735)	37,236	(9,499)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U200027	3/13/20-9/30/24	40,000	(40,000)	38,500	30,914	30,463	(9,086)	8,037	(1,049)
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U200027	3/13/20-9/30/24	40,000	(40,000)	40,000	35,834	40,000	(4,166)	-	(4,166)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U200027	3/13/20-9/30/24	45,000	(45,000)	40,900	30,934	27,533	(14,066)	13,367	(699)
					(778,803)	729,606	353,639	354,965	(425,164)	374,641	(50,523)
Total Special Revenue Fund					(831,988)	729,606	634,108	642,509	(499,874)	389,091	(110,783)
Total Federal Financial Assistance					\$ (831,988)	\$ 729,606	\$ 634,108	\$ 642,509	\$ (499,874)	\$ 389,091	\$ (110,783)

This schedule was not subject to Single Audit in accordance with U.S. Uniform Guidance

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Received	Balance, July 1, 2022			Balance, June 30, 2023			MEMO		
				(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education												
General Fund												
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 959,897			\$ 870,422	\$ 959,897	\$ (89,475)	*		\$ 959,897	
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	764,028	\$ (70,198)		70,198		-	*		-	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	53,937			48,909	53,937	(5,028)	*		53,937	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	53,937	(4,956)	-	4,956	-	-	*		-	
Total State Aid Public				(75,154)	-	994,485	1,013,834	(94,503)	*		1,013,834	
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	760,795				760,795	(760,795)	*		760,795	
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	705,901	(705,901)		705,901		-	*		-	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	150,581			136,545	150,581	(14,036)	*		150,581	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	150,581	(13,835)		13,835		-	*		-	
Nonpublic Transportation Reimb.	23-495-034-5120-014	7/1/22-6/30/23	13,104				13,104	(13,104)	*	\$ (13,104)	13,104	
Nonpublic Transportation Reimb.	22-495-034-5120-014	7/1/21-6/30/22	10,440	(10,440)		10,440		-	*		-	
TPAF Pension												
Normal Cost	23-495-034-5094-002	7/1/22-6/30/23	3,903,936			3,903,936	3,903,936		*		3,903,936	
NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	54,163			54,163	54,163		*		54,163	
Post Retirement Medical Benefits	23-495-034-5094-001	7/1/22-6/30/23	1,039,783			1,039,783	1,039,783		*		1,039,783	
Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	1,814			1,814	1,814		*		1,814	
TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	836,363	-	-	795,132	836,363	(41,231)	*	(41,231)	836,363	
Total General Fund				(805,330)	-	7,656,034	7,774,373	(923,669)	*	(54,335)	7,774,373	
Debt Service Fund												
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	69,969	-	-	69,969	69,969	-	*	-	69,969	
Total Debt Service Fund				-	-	69,969	69,969	-	*	-	69,969	
Special Revenue Fund												
Climate Awareness Education Grant	N/A	4/1/23-6/30/23	6,600	-	-	6,600	6,600	-	*	-	6,600	
Total Special Revenue Fund				-	-	6,600	6,600	-	*	-	6,600	
Total State Financial Assistance Subject to Single Audit Determination												
				(805,330)	-	7,732,603	7,850,942	(923,669)	*	(54,335)	7,850,942	
State Financial Assistance Not Subject to Major Program Determination												
TPAF Pension												
Normal Cost	23-495-034-5094-004	7/1/22-6/30/23	3,903,936			(3,903,936)	(3,903,936)		*		(3,903,936)	
NCGI Premiums	23-495-034-5094-001	7/1/22-6/30/23	54,163			(54,163)	(54,163)		*		(54,163)	
Post Retirement Medical Benefits	23-495-034-5094-004	7/1/22-6/30/23	1,039,783			(1,039,783)	(1,039,783)		*		(1,039,783)	
Long Term Disability Insurance	23-495-034-5094-003	7/1/22-6/30/23	1,814	-	-	(1,814)	(1,814)	-	*	-	(1,814)	
Total State Financial Assistance for Major Program Determination				\$ (805,330)	\$ -	\$ 2,732,907	\$ 2,851,246	\$ (923,669)	\$ -	*	\$ (54,335)	\$ 2,851,246

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost 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 \$74,444 for the general fund and a decrease of \$443 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		\$ 7,699,929	\$ 7,699,929
Special Revenue Fund	\$ 642,066	6,600	648,666
Debt Service Fund	-	69,969	69,969
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 642,066</u>	<u>\$ 7,776,498</u>	<u>\$ 8,418,564</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$836,363 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 \$3,958,099, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,039,783 and TPAF Long-Term Disability Insurance in the amount of \$1,814 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 elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section Not Applicable

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

Part I – Summary of Auditor’s Results

State Awards Section

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>GMIS Number(s):</u>	<u>Name of State Program:</u>
<u>23-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
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**UPPER SADDLE RIVER 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, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards* .

There are none.

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

Part 3 - Schedule of State Award Findings and Questioned Costs

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none

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

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

STATUS OF PRIOR YEAR FINDINGS

There were none