

EAST RUTHERFORD BOARD OF EDUCATION

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EAST RUTHERFORD, NEW JERSEY

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

East Rutherford Board of Education

East Rutherford, New Jersey

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-x
Organizational Chart	xi
Roster of Officials	xii
Consultants and Advisors	xiii

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	4-13
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	14
A-2 Statement of Activities	15

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	18
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	19

Proprietary Funds

B-4 Statement of Net Position	20
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	21
B-6 Statement of Cash Flows	22

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	23-62
-----------------------------------	-------

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule – General Fund	63-69
C-2 Budgetary Comparison Schedule – Special Revenue Fund	70

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3 Budgetary Comparison Schedule – Notes to Required Supplementary Information	71
---	----

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

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	72
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	73
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	74
L-4 Notes to Required Supplementary Information – Net Pension Liability	75
M. Schedules Related to Accounting and Reporting for Postemployment Retirement Benefits Other Than Pensions (OPEB) (GASB 75)	
M-1 Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	76
M-2 Notes to Required Supplementary Information – OPEB Liability	77
D. School Level Schedules (Not Applicable)	
E. Special Revenue Fund	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	78-79
E-2 Preschool Education Aid – Schedule of Expenditures – Not Applicable	
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	80
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	81
F-2a Schedule of Project Revenues, Expenditures, Project Balances and Project Status – 2020 Bond Referendum – Various Renovations to all District Schools and Addition to Faust School	82
G. Proprietary Funds	
<i>Enterprise Fund</i>	
G-1 Combining Schedule of Net Position - N/A	83
G-2 Combining Schedule of Revenues, Expenses and Changes in Net Position – N/A	83
G-3 Combining Schedule of Cash Flows – N/A	83
<i>Internal Service Fund – Not Applicable</i>	
H. Fiduciary Funds/Agency Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	84
I-2 Schedule of Financing Agreements and Leases Payable	85
I-3 Debt Service Fund Budgetary Comparison Schedule	86
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements	87

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

	<u>Page</u>
J.	STATISTICAL SECTION (Unaudited)
J-1	Net Position by Component 88
J-2	Changes in Net Position 89-90
J-3	Fund Balances – Governmental Funds 91
J-4	Changes in Fund Balances - Governmental Funds 92
J-5	General Fund Other Local Revenue by Source 93
J-6	Assessed Value and Actual Value of Taxable Property 94
J-7	Property Tax Rates 95
J-8	Principal Property Taxpayers 96
J-9	Property Tax Levies and Collections 97
J-10	Ratios of Outstanding Debt by Type 98
J-11	Ratios of Net General Bonded Debt Outstanding 99
J-12	Computation of Direct and Overlapping Debt 100
J-13	Legal Debt Margin Information 101
J-14	Demographic and Economic Statistics 102
J-15	Principal Employers 103
J-16	Full-Time Equivalent District Employees by Function/Program 104
J-17	Operating Statistics 105
J-18	School Building Information 106
J-19	Schedule of Required Maintenance for School Facilities 107
J-20	Schedule of Insurance 108-109
K.	SINGLE AUDIT SECTION
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards 110-111
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report 112-114
K-3	Schedule of Expenditures of Federal Awards 115-116
K-4	Schedule of Expenditures of State Financial Assistance 117-118
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance 119-120
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results 121-122
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings 123
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs 124-125
K-7	Summary Schedule of Prior Year Audit Findings – Not Applicable

INTRODUCTORY SECTION



EAST RUTHERFORD PUBLIC SCHOOLS

Office of the Board of Education

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

November 12, 2024

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the East Rutherford Board of Education for the fiscal year ended June 30, 2024.

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

The East Rutherford Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public-school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the East Rutherford Board of Education for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the East Rutherford Board of Education's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

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

The district provides a full range of educational services appropriate to grade levels Pre-Kindergarten through Grade 8. These include both regular and special education programs. The district completed the 2023-2024 school year with an enrollment of 764 students. The following details the changes in the student enrollment of the district over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	764	2.41%
2022-2023	746	-12.47%
2021-2022	839	-0.04%
2020-2021	842	8.93%
2019-2020	773	-3.86%
2018-2019	804	-1.71%
2017-2018	818	0.37%
2016-2017	815	0.74%
2015-2016	809	5.34%
2014-2015	768	3.22%

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

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

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

3. MAJOR INITIATIVES:

Mathematics

The District will revise, enhance and/or adjust math curricula based on assessment results that show learning gaps in some areas. During the 2024-2025 school year, to address deficit areas, the district will continue to carry out the following actions steps:

1. Using performance data, teachers will receive specific guidance on key concepts from the last third of the prior year's instructional goals and specific suggestions for which concepts and skills are key to student success in the current course and when and how teachers can effectively incorporate instruction and review of these concepts within the current grade's curriculum.
2. MAP and STAR assessments will be administered at the beginning of September 2024 to further determine gap areas and students' readiness levels.
3. Gaps in learning will be addressed in small groups or individualized instruction.
4. Special education students needing additional instructional support will receive small group instruction via Math labs twice weekly.
5. At-risk students will receive Math intervention after school twice per week.
6. At the middle school level, "cusp" students will receive an extra period of Math.
7. Additionally, students K-4 who meet the criteria will be admitted into our Basic Skills program at the elementary level.

The mathematics curriculum will be revised to reflect the new Math standards for September 2024. The District's Math Coach K-5 and Consultants 6-8 will work with teachers to identify new areas of revision and where they fall in our existing program. Funds are budgeted for curriculum work over the summer of 2024 as needed.

In the meantime, online platforms such as Savaas online learning platform, Star Renaissance Learning, and IXL, will continue to provide targeted online intervention and extended practice for students. One Math education consultant will be assigned at the elementary level (K-5), and a second consultant will be assigned (6-8). These consultants will work closely with teachers to develop interventions and track student progress data throughout the school year. They will conduct lunch and learn sessions centered on a research base and best practices in addressing learning gaps. Departmental/grade-level team meetings will be conducted to allow for the development of rigorous lessons and assessments aligned with the NJSLs and the district's curriculum. Student achievement data and instruction will be analyzed and reviewed continuously. Finally, the district will continue to host parent academies to garner parent involvement and provide useful and meaningful strategies to parents to assist their children at home.

Science

Based on Start Strong Assessment Data, the District needs to shore up Science instruction at the elementary level since most students showed gaps in the mastery of 3rd and 4th grade standards. For the 2024-2025 school year, the East Rutherford School District will revise, enhance, and or adjust Science instruction by implementing the following action steps: At the K-2 level, teachers will receive professional development in the following areas:

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

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

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

- o Digital Notebook
- o Interactive Notebook

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

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

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

Teachers in grades 3-5 will receive professional development to incorporate NGSS into their science instruction more effectively. They will delve deeper into elementary standards and better understand the importance of Science and Engineering Practices. They will learn how to create a more student-centered classroom and develop an understanding of how elementary Science forms the foundation for grade 5 assessment. These grade levels will also learn about the three dimensions and performance expectations.

Teachers will learn to use phenomena as a starting point for their lesson, construct explanations and arguments for the phenomena using CER (claims, evidence, reasoning), and explore the value of student-generated models to represent ideas.

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

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

English Language Arts

To address learning gaps in ELA for the 2024-2025 school year, the following action steps will be implemented:

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

The ELA curriculum will be revised to reflect the new standards. The District's ELA Coaches K-3 and 4th-8th will work with teachers to identify new areas of revision and where they fall in our existing program. Funds are budgeted for curriculum work over the summer of 2024. In the meantime, online platforms such as Freckle, Star Renaissance Learning, and IXL will continue to provide targeted online intervention and extended practice for students.

During the 2024-2025 school year, the district will continue to provide an education consultant in English Language Arts, at the elementary level. The consultant will continue working with elementary teachers to revise the curriculum to reflect the new standards, implement balanced literacy, conduct reading assessments, host lunch and learn sessions, conduct demo lessons as requested by teachers, implement a new Phonics program and shore up Words their Way in 3rd and 4th grade. Departmental/grade-level team meetings will be utilized to track student progress data and develop rigorous benchmark assessments aligned to the NJSLs and cross-content area lessons. Articulation and coaching sessions will be scheduled to promote further dialogue centered around: vocabulary development, reading intervention strategies, implementation of the district's newly revised curriculum, student-centered learning, and co-teaching. Additionally, teachers will receive professional development in using Intervention Lessons, Guided Reading, and Reports and Data to inform instruction.

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

Social Studies

The East Rutherford School District recently developed a five-year curriculum plan which addresses the integration of statutorily required instruction around Amistad, the Holocaust, and Genocide and the contributions of Asian American Pacific Islanders, LGBTQ+ individuals, and persons with disabilities. The district has revised its Social Studies curriculum to reflect the contributions of LGBTQ+ individuals and persons with disabilities in grades 6-8.

Currently, all grade levels participate in Black History Month activities to specifically study the contributions of African Americans throughout our nation. As students move into middle school, there are specific units on slavery and abolition that are addressed in the 6th and 7th-grade social studies curricula. Concerning the Holocaust mandate, elementary students gain exposure to the ideas of good citizenship, which includes preventing prejudice and discrimination. This ties in with our social-emotional learning program and our district-wide stigma-free activities. At the middle school level, students in grade 6 read the *Diary of Anne Frank* and discuss the Holocaust. Students in the 7th grade discuss several sensitive topics, including the Native American removal and genocide. In the 8th grade honors ELA, students read *Night* by Elie Wiesel.

All 8th graders also study the Holocaust in social studies class. AAPI is integrated across the curriculum K-8th grade. The district will continue to work closely with the South Bergen Jointure Commission and our curriculum consultants to revise our curriculum. Revisions are inclusive of but not limited to adding a disciplinary approach to the new requirement to provide instruction and adapt instructional materials to accurately portray political, economic, and social contributions of persons with disabilities, lesbians, gay, bisexual, and transgender people. Departmental/grade-level team meetings will continue to allow for the development of rigorous benchmark assessments aligned to the NJSLs while infusing the ELA standards. Project-based learning addressing the Holocaust, genocide, and the Amistad will be incorporated into the new curriculum.

21st Century Life & Careers

The Career Readiness, Life Literacies, and Key Skills Standards are revised and fully integrated within the ERSD curriculum. Middle school students receive personal finance literacy as a cycle course. The district will be exploring the use of career exploration platforms and web-based financial literacy platforms to meet these mandates further.

Benchmark assessments are administered throughout the course to ensure students meet standard 9.1. Students can work on projects targeting financial literacy at the elementary level within the Math curriculum. Financial literacy is also embedded in science projects wherein students must “purchase” materials to conduct experiments. It is also embedded in behavior management systems where students earn “class dollars/money” to purchase rewards at class stores.

Visual & Performing Arts

The district’s curriculum has been updated. Media Arts has been incorporated into the visual and performing arts programs and our STEM/STEAM program, currently offered as a cycle course to students (Grades 5-8). As the district refines its curriculum, it will work towards offering Media Arts as an integrated course with stand-alone units in VPA for the 24-25 SY. With the continuation of “Innovation Time” at the middle school level, students are encouraged to engage in problem-based learning that promotes generalization and real-world application of skills learned in media arts classes.

For the 2024-2025 school year, in grades K-4, Dance and Theatre will continue to be infused and taught primarily by homeroom teachers. Music and Art will continue to be taught by subject specialists with media arts infused into the art programs. At the middle school level 5-8, Dance, Theatre, Music, and Art/Media Arts will continue as cycle classes with student choice offered for Dance, Theater, Chorus, and Band.

Comprehensive Health & Physical Education

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

World Languages

For the 2024-2025 school year, Spanish will be offered once weekly for 46 minutes per grade at the elementary level. Spanish will be offered as a year-long cycle class at the middle school level to ensure compliance with the required number of minutes at this grade level.

To ensure the implementation of the 2020 NJSLS, the district has allocated local funds to hire a World Language Coach. This coach has been working with all World Language Teachers K-8. So far, the World Language Coach has conducted lunch and learn sessions to expose teachers to the newly developed units, review sample assessments, ensure the use of age-compatible images for assessment, and focus on other assessment areas such as Language Control, Vocabulary, and Content.

Computer Science & Design Thinking

During the 2024-2025 school year, the District will embed these standards in the STEM/STEAM curriculum units. Additionally, the district has partnered with William Paterson University to participate in its Expanding Access to Computer Science: Professional Learning initiative. William Paterson University will provide multiple inter-related services to support our district's expansion of computer science education. They will work with our teachers to cover the ten disciplinary concepts and core ideas of the NJSLS-CSDT 2020 standards. Administrators will also receive training.

Maintaining Our School System

The 2024-2025 school budget seeks to maintain the current District's overall 10:1 staff to student ratio. No new staff will be added to the 24-25 SY budget. Three F/T WL teachers are budgeted. Funds (11-000-221-320-XXX-03-991) are budgeted for PD and WL Consultant support for staff. One F/T PK-8 Dance teacher (11-130-100-101-040-00-00), and one F/T PK-8 Theatre teacher is budgeted to meet the dance and theatre mandate. The District will continue with the employment of a media specialist (11-000-222-100-040-00-000).

Online library sources through BELS Consort are included within the budget to ensure access to online databases and other district-wide resources (11-000-222-300-XXX-04-000 at \$13,600.00). The District will continue to employ three F/T and thirty-four P/T paras. The District seeks to update its Kindergarten screening tool to meet the State mandate (11-190-100-610-080-03-00). The District budgeted \$40,000.00 to provide Reading Intervention grades K-8 (11-000-219-320-040-03-000) and (11-190-100-320-XXX-03-000). Title I Funds will be utilized to provide After School Academic Intervention Programs, offered to our ESL, I&RS, BSI, SPED, and other students identified as at risk of failing K-8 for the 24-25 SY. (20-231-100-100-XXX-03-000).

This budget supports the implementation of the new ELA and Math standards and previous mandated initiatives such as Amistad, Holocaust, Persons with Disabilities, and LGBTQ+ by allocating \$50,000.00 of local funds to support curriculum revisions and implementation (11-000-221-104-XXX-00-991). Title IIA funds will be allocated for professional development of staff in implementing the new ELA and Math standards (20-271-200-300-XXX-03-000). During the 2024-2025 school year, the budget supports I&RS initiatives, student assessment and learning resources (11-190-100-610-080-03-000) in all 3 District school. Spearheaded by building principals, I&RS teams emphasize collaboration with families and the development of action plans to assist students. Interdisciplinary I&RS teams will engage in collaborative problem-solving, staff professional development, and meetings to address students' behavioral, emotional, and academic needs.

Teachers will receive training in universal screening and progress monitoring to inform student action plans, with ongoing participation in I&RS and MTSS workshops. Tier 3 students will receive targeted reading intervention services through small groups and individualized instruction. Districtwide, teachers will continue to hone in on formative and summative assessments, using student data to drive the development of these assessments. Assessment tools are supported within the budget (11-230-100-610-XXX-03-000;11-190-100-610-XXX-03-000).

Regarding mental health, the retention of an additional school psychologist at the elementary level will bolster the District's ongoing initiatives to both prevent and tackle mental health concerns 11-000-219-104-XXX-00-000. Curriculum revisions also address embedding SEL components within the curriculum. Funds are allocated for outside agencies to address mental health concerns when they arise (11-000-219-320-XXX-03-000). Technology resources will be updated by acquiring new Chromebooks for students as well as updating staff laptops 11-190-100-610-00-000.

Raising Standards & Expanding Opportunities

Currently, the district's data reflects an improvement in attendance across most subgroups. SPED students are showing some lag in attendance, and as such, the District's school counselors, behaviorist, school social workers, school psychologists, and administrators will continue to work in tandem with parents and teachers to develop learning goals/plans as well as behavioral intervention plans to increase student attendance, participation, and performance across subject areas.

Data from the 2022-2023 School Performance Report and 2023-2024 STAR assessments reveal learning gaps in Science among subgroups. To address this and boost performance in Math, ELA, and Science, the district will maintain K-8 after-school interventions, focusing on small group work and tailored support. In the 2024-25 SY, ELA, Math, and Science coaches will support elementary and middle schools, and ELA consultants will enhance literacy and incorporate diversity in the curriculum. The middle school reading intervention teacher will continue to provide one-to-one and SGI as part of our tiered support systems. Reading intervention services will be provided by a certified Reading Specialist, K-8. Specific coaching techniques for ELA, Science, Math & World Language will be implemented. Other steps such as co-planning, auditing classroom materials for diversity, goal setting for the success of underserved, vulnerable populations, & modeling inclusive language, and implementing “ethnic” culture infusion in the arts will be conducted. ESRD will explore blended learning opportunities to integrate into our academic offerings for students who could benefit from this option.

The budget will provide formative assessment tools, teaching materials, and supplies to support the implementation of the NJSLs and NGSS, promote problem-based learning, and acquire more technology to be infused in instruction across all content areas. Current and prior-year assessments will be reviewed to determine strengths and weaknesses. Teachers will be required to develop and integrate cross-content area lessons.

For the 2024-2025 SY, the District will consult with the World Language Coach to develop district wide initiatives to further support multilingual students. PD will be provided to staff in the areas of community cultural wealth, grit and barriers that affect learning of MLs. The District will continue to enhance its library of online tools and platforms that can be utilized to support our ESL program and MLs. ESRD will purchase WIDA Model Kits for each grade level to enhance instruction. ESRD will set aside funds for attendance at the ELL summit, which NJPSA usually offers.

Regarding our homeless population, the District’s homeless liaison attends information sessions and participates in county meetings to stay current in providing timely services for these students. PD is offered to staff and the District sets aside a portion of ESSEA funds to meet the projected needs of homeless students within the District.

The 2024-2025 SY budget supports enhancing computer science and design thinking by continuing with the District’s Chromebook lease agreement for the SY 24-25, 25-26 & 26-27 to foster an inclusive computing culture. Within our curriculum, as early as KDG, students are learning to be responsible digital citizens across subject areas. At the intermediate and middle school levels, stand-alone computer science units are embedded within our curriculum. Revisions of these stand-alone units will be conducted during the 2024-2025 curriculum revision cycle.

Regarding our Library Media Programs, we have budgeted for library resources, including books, digital media, and databases that support current educational goals. Funds are also available for professional development for library media specialists to align library programs with 21st-century learning skills.

Building Professionalism

In regards to professional development, for the 2024-2025 school year, the highest priority will be given to Math and ELA (11-000-221-320-XXX-03-991 and 11-000-221-320-XXX-03-991) as these subject areas are slated for full implementation for September 2024.

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

ERSD will continue to provide professional development to staff in restorative justice practices to reduce exclusionary disciplinary practices. The District has also set aside funds for a behaviorist to provide behavioral intervention services.

Protecting Our Investment (Capital & Maintenance Projects)

During the 2024-2025 school year, the District will continue to move forward with plans for securing maintenance plans to ensure our capital investment of our infrastructure is protected **(12-000-400-450-XXX-XX-XXX)**. The District has also developed its Long-Range Facility Plan so that other capital projects that were not part of the school bond referendum are addressed. The following areas that are addressed in the District's Long-Range Facility Plan are;

- McKenzie School Roof
- Board of Education Office Roof
- Faust Middle School Exterior Door Replacement

Planning for the Future

The District is currently conducting curriculum writing/revisions and monthly curriculum meetings to ensure compliance with New Jersey Student Learning Standards in Math and ELA. The curriculum team will carry out additional curriculum revisions summer of 2024. Professional development will be offered to staff throughout 2024-2025 to implement all new revisions fully. Education Consultants will be utilized to facilitate in-house professional development regarding recent revisions.

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

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

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

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

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

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

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

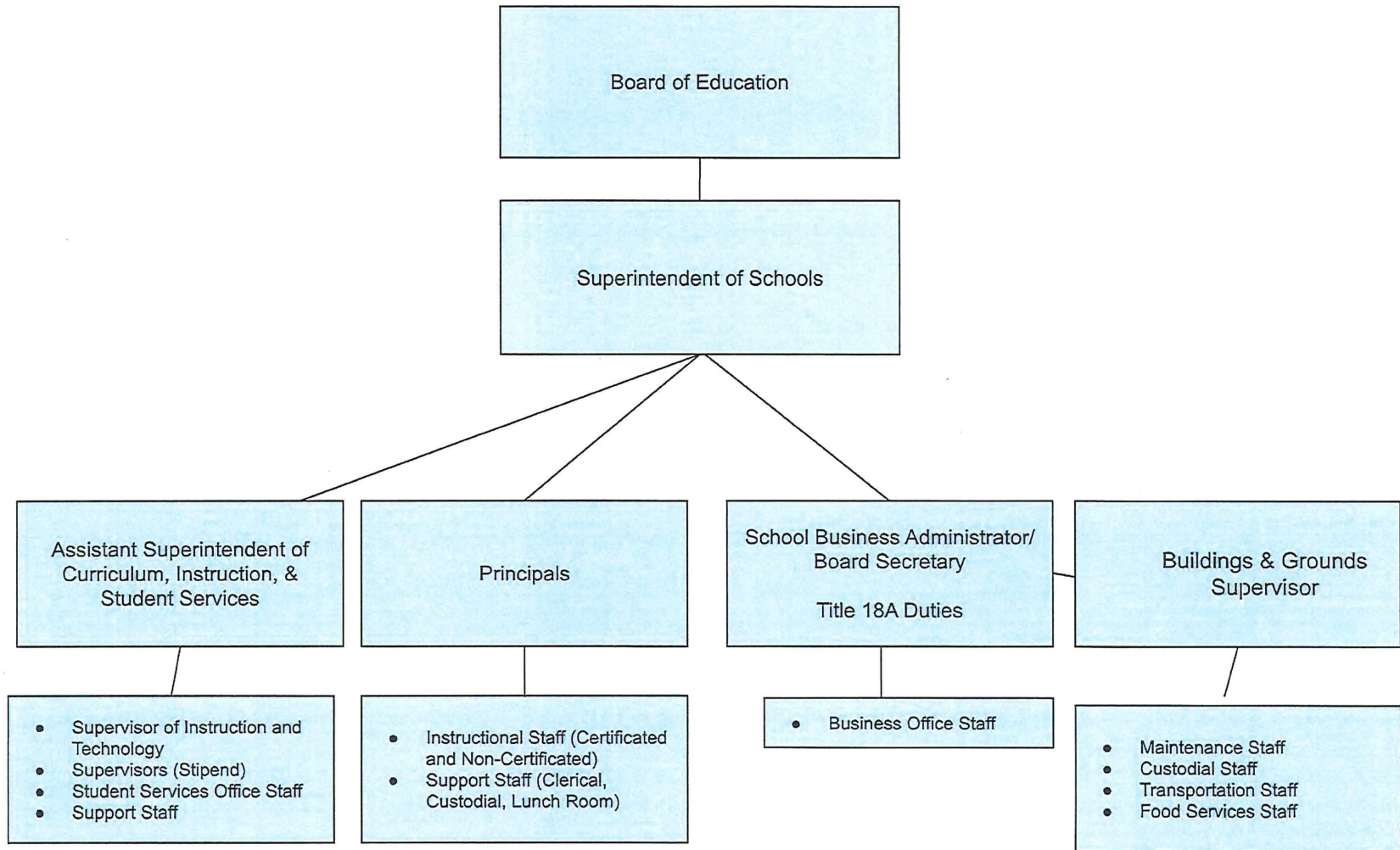
9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Bliss, LLP was selected by the Board of Education. In addition to meeting the requirements set forth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

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

Respectfully Submitted,

 
Giovanni A. Giancaspro, Superintendent of Schools / Alessandro Verace, Business Administrator/Board Secretary

EAST RUTHERFORD BOARD OF EDUCATION
ORGANIZATIONAL CHART
250 GROVE STREET
EAST RUTHERFORD, N.J. 07073



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

**ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Gina Lorusso, President	2026
Thomas Banca, Vice-President	2025
Maria Caruso	2027
Jillian Cawley	2024
Irena Mena	2027
Antonio Segalini	2026
Erin Shemeley	2025

OTHER OFFICIALS

Giovanni A. Giancaspro, Superintendent of Schools

Sharon King-Dobson, Assistant Superintendent of Curriculum, Instruction and Student Services

Alessandro Verace, School Business Administrator/Board Secretary

Diane Chorazy, Treasurer of School Monies

Thomas Kobin, Esq., Solicitor

EAST RUTHERFORD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

Capital One Bank
Essex Street
Lodi, NJ 07644

ARCHITECT OF RECORD

DiCara Rubino Architects
30 Galesi Drive
Wayne, NJ 07470

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education, as of and for the fiscal year ended June 30, 2024 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2024 on our consideration of the East Rutherford Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Rutherford Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the East Rutherford Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The discussion and analysis of the East Rutherford Board of Education's financial performance provides an overall review by management of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$12,951,953. (net position)
- Total School District's net position increased \$567,218, or 5%.
- District-Wide general revenues accounted for \$19,491,266, or 78 percent, of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,510,903, or 22 percent, of total revenues of \$25,002,169.
- The District had \$23,843,461 in expenses related to governmental activities; only \$5,017,059 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$19,491,266 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 \$6,516,343. Of this amount, \$4,224,046 is restricted for capital projects, \$740,082 is restricted for required maintenance of District facilities, \$1,300,000 is restricted for excess surplus, \$10,647 is restricted for other purposes and \$62,237 is assigned for year end encumbrances and subsequent years budget expenditures and the remaining amount is the unassigned fund balance of \$179,331.
- Among governmental funds, the General Fund had \$23,773,710 in revenues and \$23,644,807 in expenditures and other financing uses. The General Fund's fund balance increased \$128,903 from the previous year to \$6,486,706 at June 30, 2024.
- The General Fund unassigned budgetary fund balance decreased \$5,545 from the previous year to \$384,824 at June 30, 2024.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Using the Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2024?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

EAST RUTHERFORD BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Notes to the Financial Statements

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

Other Information

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

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

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

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The District as a Whole

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

The following provides a summary of the District's net position as of June 30, 2024 and 2023.

The District's combined net position was \$12,951,953 and \$12,384,735 at June 30, 2024 and 2023, respectively. This was an increase of \$567,218 or 5 percent, from the prior year.

	Net Position					
	As of June 30, 2024 and 2023					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
ASSETS						
Current Assets	\$ 6,835,376	\$ 8,789,575	\$ 469,464	\$ 523,272	\$ 7,304,840	\$ 9,312,847
Capital Assets	44,257,350	43,570,541	336,075	254,883	44,593,425	43,825,424
Total Assets	<u>51,092,726</u>	<u>52,360,116</u>	<u>805,539</u>	<u>778,155</u>	<u>51,898,265</u>	<u>53,138,271</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	587,619	537,927	-	-	587,619	537,927
Total Deferred Outflows of Resources	<u>587,619</u>	<u>537,927</u>	<u>-</u>	<u>-</u>	<u>587,619</u>	<u>537,927</u>
Total Assets and Deferred Outflows of Resources	<u>51,680,345</u>	<u>52,898,043</u>	<u>805,539</u>	<u>778,155</u>	<u>52,485,884</u>	<u>53,676,198</u>
LIABILITIES						
Other Liabilities	651,672	904,996	143,941	20,673	795,613	925,669
Long-Term Liabilities	38,369,234	39,653,926	-	-	38,369,234	39,653,926
Total Liabilities	<u>39,020,906</u>	<u>40,558,922</u>	<u>143,941</u>	<u>20,673</u>	<u>39,164,847</u>	<u>40,579,595</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	366,636	711,182			366,636	711,182
Deferred Commodities Revenue	-	-	2,448	686	2,448	686
Total Deferred Inflows of Resources	<u>366,636</u>	<u>711,182</u>	<u>2,448</u>	<u>686</u>	<u>369,084</u>	<u>711,868</u>
Total Liabilities and Deferred Inflows of Resources	<u>39,387,542</u>	<u>41,270,104</u>	<u>146,389</u>	<u>21,359</u>	<u>39,533,931</u>	<u>41,291,463</u>
NET POSITION						
Net Investment in Capital Assets	9,042,602	8,289,247	336,075	254,883	9,378,677	8,544,130
Restricted	4,974,775	5,068,385			4,974,775	5,068,385
Unrestricted	(1,724,574)	(1,729,693)	323,075	501,913	(1,401,499)	(1,227,780)
Total Net Position	<u>\$ 12,292,803</u>	<u>\$ 11,627,939</u>	<u>\$ 659,150</u>	<u>\$ 756,796</u>	<u>\$ 12,951,953</u>	<u>\$ 12,384,735</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District used these capital assets to provide services to its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

EAST RUTHERFORD BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

The following schedule shows changes in the District's net position for fiscal years ended June 30, 2024 and 2023.

Change in Net Position for the Fiscal Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 167,517	\$ 161,285	\$ 140,554	\$ 151,977	\$ 308,071	\$ 313,262
Operating Grants and Contributions	4,834,739	5,138,986	353,290	270,972	5,188,029	5,409,958
Capital Grants and Contributions	14,803				14,803	-
General Revenues						
Property Taxes	18,641,217	18,227,376			18,641,217	18,227,376
Unrestricted State Aid and Local Contributions	498,658	95,990			498,658	95,990
Other	351,391	317,637	-	-	351,391	317,637
Total Revenues	<u>24,508,325</u>	<u>23,941,274</u>	<u>493,844</u>	<u>422,949</u>	<u>25,002,169</u>	<u>24,364,223</u>
Expenses						
Instruction						
Regular	9,558,723	9,371,845			9,558,723	9,371,845
Special Education	3,809,772	3,145,903			3,809,772	3,145,903
Other Instruction	916,561	730,454			916,561	730,454
School Sponsored Activities and Athletics	87,645	71,211			87,645	71,211
Support Services						
Student and Instruction Related Services	2,975,582	3,076,710			2,975,582	3,076,710
General Administration Services	804,641	845,750			804,641	845,750
School Administration Services	891,589	903,479			891,589	903,479
Central and Other Support Services	668,870	632,251			668,870	632,251
Plant Operations and Maintenance	2,903,872	2,640,108			2,903,872	2,640,108
Pupil Transportation	497,669	463,457			497,669	463,457
Interest on Long Term Debt	728,537	791,367			728,537	791,367
Food Service	-	-	591,490	481,474	591,490	481,474
Total Expenses	<u>23,843,461</u>	<u>22,672,535</u>	<u>591,490</u>	<u>481,474</u>	<u>24,434,951</u>	<u>23,154,009</u>
Increase (Decrease) in Net Position	664,864	1,268,739	(97,646)	(58,525)	567,218	1,210,214
Beginning of Year, Net Position	<u>\$ 11,627,939</u>	<u>\$ 10,359,200</u>	<u>\$ 756,796</u>	<u>\$ 815,321</u>	<u>\$ 12,384,735</u>	<u>\$ 11,174,521</u>
Ending of Year, Net Position	<u>\$ 12,292,803</u>	<u>\$ 11,627,939</u>	<u>\$ 659,150</u>	<u>\$ 756,796</u>	<u>\$ 12,951,953</u>	<u>\$ 12,384,735</u>

EAST RUTHERFORD BOARD OF EDUCATION

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

Governmental Activities

The District's total revenues were \$24,508,325 for the fiscal year ended June 30, 2024, property taxes of \$18,641,217 made up 76 percent of revenues. Federal, state and local grants and contributions of \$5,348,200 accounted for another 22 percent of revenues for the fiscal years ended June 30, 2024.

The total cost of all programs and services was \$23,843,461 for the fiscal year ended June 30, 2024. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$14,372,701 (60%) of total expenses and support services costs were \$8,742,223 (37%) of total expense for the fiscal year ended June 30, 2024. Interest on long term debt was \$728,537 (3%) of total expenses for the fiscal year ended June 30, 2024.

For fiscal year 2024, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$664,864 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$23,843,461. After applying program revenues, derived from operating and capital grants and contributions of \$4,849,542 and charges for services of \$167,517 the net cost of services of the District is \$18,826,402 for the fiscal year ended June 30, 2024.

**Total and Net Cost of Services
for the Fiscal Years Ended June 30, 2024 and 2023**

	Total Cost of Services		Net Cost of Services	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 9,558,723	\$ 9,371,845	\$ 7,751,191	\$ 7,500,978
Special Education	3,809,772	3,145,903	2,352,689	1,694,948
Other Instruction	916,561	730,454	676,492	556,398
School Sponsored Activities and Athletics	87,645	71,211	65,850	51,824
Support Services				
Student and Instruction Related Services	2,975,582	3,076,710	2,307,277	2,362,681
General Administration Services	804,641	845,750	712,077	781,177
School Administration Services	891,589	903,479	787,578	791,433
Central and Other Support Services	668,870	632,251	625,518	620,767
Plant Operations and Maintenance	2,903,872	2,640,108	2,718,599	2,434,086
Pupil Transportation	497,669	463,457	359,636	324,742
Interest on Long Term Debt	<u>728,537</u>	<u>791,367</u>	<u>469,495</u>	<u>253,230</u>
Total	<u>\$ 23,843,461</u>	<u>\$ 22,672,535</u>	<u>\$ 18,826,402</u>	<u>\$ 17,372,264</u>

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

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$493,844 compared to expenses of \$591,490 for the fiscal year ended June 30, 2024. Of the revenues, 28% were from charges for services paid by patrons for daily food served and 72% were from State and Federal reimbursements for the fiscal year ended June 30, 2024.

The School District's Funds

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

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$26,283,952 and expenditures were \$27,998,164 for the fiscal year ended June 30, 2024. Other financing uses amounted to \$200,000 for the fiscal year ended June 30, 2024.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2024 and 2023.

<u>Revenue</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2024</u>	<u>2023</u>		
Local Sources:				
Property Taxes	\$ 18,641,217	\$ 18,227,376	\$ 413,841	2%
Other	993,908	953,922	39,986	4%
State Sources	5,827,703	5,655,337	172,366	3%
Federal Sources	<u>821,124</u>	<u>661,658</u>	<u>159,466</u>	24%
Total	<u>\$ 26,283,952</u>	<u>\$ 25,498,293</u>	<u>\$ 785,659</u>	3%

For fiscal year 2024 total governmental revenues increased \$785,659, or 3%, from the previous year.

EAST RUTHERFORD BOARD OF EDUCATION

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2024 and 2023.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2024</u>	<u>2023</u>		
Current				
Instruction	\$ 15,707,968	\$ 14,650,016	\$ 1,057,952	7%
Support Services	8,101,700	8,036,291	65,409	1%
Debt Service	2,219,407	1,431,514	787,893	55%
Capital Outlay	<u>1,969,089</u>	<u>6,493,007</u>	<u>(4,523,918)</u>	-70%
Total	<u>\$ 27,998,164</u>	<u>\$ 30,610,828</u>	<u>\$ (2,612,664)</u>	-9%

For fiscal year 2024, total governmental funds expenditures decreased \$2,612,664, or 9%.

Of the governmental funds, the General Fund had \$23,773,710 in revenues (predominately property taxes), \$23,444,807 in expenditures and \$200,000 in other financing uses. As a result, the General Fund's fund balance increased \$128,903 from \$6,357,803 at June 30, 2023 to \$6,486,706 at June 30, 2024.

General Fund Budgetary Highlights

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

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

For the fiscal year 2024 General Fund budgetary revenues exceeded budgetary expenditures and other financing uses increasing budgetary fund balance \$125,803. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$5,545 from an unassigned fund balance of \$390,369 at June 30, 2023 to \$384,824 at June 30, 2024. In addition, at June 30, 2024 the District had balances in its capital reserve of \$4,205,056, maintenance reserve of \$740,082, and reserved excess surplus of \$1,300,000.

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

Capital Assets

At the end of fiscal years 2024, the District had \$44,257,350 invested in land, construction in progress, buildings, site improvements, furniture, equipment, vehicles and IT software net of depreciation for governmental activities. For 2023-2024 depreciation expenses for governmental activities was \$1,282,280 and for business-type activities was \$40,994. The following schedule is a comparison of capital assets net of depreciation at June 30, 2024 and 2023.

Capital Assets, Net of Depreciation
As of June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,809,211	\$ 1,809,211		
Construction in Progress		454,082		
Building and Building Improvements	41,266,484	39,895,631		
Site Improvements	42,454	49,205		
Machinery and Equipment	1,083,536	1,277,257	\$ 336,075	\$ 254,883
Right-to-Use Leased Equipment		10,935		
Right-to-Use IT Software	<u>55,665</u>	<u>74,220</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 44,257,350</u>	<u>\$ 43,570,541</u>	<u>\$ 336,075</u>	<u>\$ 254,883</u>

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

Long-Term Liabilities

At June 30, 2024, the District had \$38,369,234 of long-term liabilities. For fiscal year 2024 total outstanding long-term liabilities decreased by \$1,284,692 from the prior year. The following schedule is a comparison of the long-term liabilities at June 30, 2024 and 2023.

Long-Term Liabilities
As of June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Serial Bonds Payable (including premium)	\$ 35,159,000	\$ 36,584,000
Other Financing Agreements		23,292
Leases Payable		10,695
IT Subscription Arrangements	55,748	74,294
Compensated Absences	67,486	66,102
Net Pension Liability	<u>3,087,000</u>	<u>2,895,543</u>
Total	<u>\$ 38,369,234</u>	<u>\$ 39,653,926</u>

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

EAST RUTHERFORD BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

For the Future

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

East Rutherford Board of Education's budget for 2024-2025 was approved by the Board in April of 2024. Budgeted expenditures in the General Fund increased 12% to \$22,094,773 for fiscal year 2024-2025. The increase was the direct result of the increase of budgeted facility maintenance costs and construction service costs in the 2024-2025 budget.

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

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,599,426	\$ 432,390	\$ 7,031,816
Receivables	235,950	34,626	270,576
Inventory		2,448	2,448
Capital Assets Not Being Depreciated	1,809,211		1,809,211
Capital Assets Being Depreciated, Net	42,448,139	336,075	42,784,214
Total Assets	51,092,726	805,539	51,898,265
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	587,619		587,619
Total Deferred Outflows of Resources	587,619		587,619
Total Assets and Deferred Outflows of Resources	51,680,345	805,539	52,485,884
LIABILITIES			
Accounts Payable and Other Current Liabilities	302,018	138,579	440,597
Accrued Interest Payable	332,639		332,639
Unearned Revenue	17,015	5,362	22,377
Noncurrent Liabilities			
Due Within One Year	1,523,564		1,523,564
Due Beyond One Year	36,845,670		36,845,670
Total Liabilities	39,020,906	143,941	39,164,847
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		2,448	2,448
Deferred Amount on Net Pension Liability	366,636		366,636
Total Deferred Inflows of Resources	366,636	2,448	369,084
Total Liabilities and Deferred Inflows of Resources	39,387,542	146,389	39,533,931
NET POSITION			
Net Investment in Capital Assets	9,042,602	336,075	9,378,677
Restricted for:			
Capital Projects	4,224,046		4,224,046
Plant Maintenance	740,082		740,082
Student Activities	10,647		10,647
Unrestricted	(1,724,574)	323,075	(1,401,499)
Total Net Position	\$ 12,292,803	\$ 659,150	\$ 12,951,953

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

**EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 9,558,723	\$ 123,226	\$ 1,684,306		\$ (7,751,191)		\$ (7,751,191)
Special Education	3,809,772		1,457,083		(2,352,689)		(2,352,689)
Other Instruction	916,561		240,069		(676,492)		(676,492)
School Sponsored Activities and Athletics	87,645	20,745	1,050		(65,850)		(65,850)
Support Services							
Student and Instruction Related Svcs.	2,975,582		668,305		(2,307,277)		(2,307,277)
General Administrative Services	804,641		92,564		(712,077)		(712,077)
School Administrative Services	891,589		104,011		(787,578)		(787,578)
Central and Other Support Services	668,870		43,352		(625,518)		(625,518)
Plant Operations and Maintenance	2,903,872	23,546	146,924	\$ 14,803	(2,718,599)		(2,718,599)
Pupil Transportation	497,669		138,033		(359,636)		(359,636)
Interest on Long-Term Debt	728,537		259,042		(469,495)		(469,495)
Total Governmental Activities	23,843,461	167,517	4,834,739	14,803	(18,826,402)	-	(18,826,402)
Business-Type Activities							
Food Service	591,490	140,554	353,290			\$ (97,646)	(97,646)
Total Business-Type Activities	591,490	140,554	353,290	-	-	(97,646)	(97,646)
Total Primary Government	\$ 24,434,951	\$ 308,071	\$ 5,188,029	\$ 14,803	\$ (18,826,402)	\$ (97,646)	\$ (18,924,048)
General Revenues:							
Property Taxes, Levied for General Purposes, Net					17,708,660		17,708,660
Property Taxes, Levied for Debt Service, Net					932,557		932,557
State Aid for Debt Principal					186,051		186,051
Local Contribution for Debt Principal					312,607		312,607
Miscellaneous Income					351,391		351,391
Total General Revenues					19,491,266	-	19,491,266
Change in Net Position					664,864	(97,646)	567,218
Net Position, Beginning of Year					11,627,939	756,796	12,384,735
Net Position, End of Year					\$ 12,292,803	\$ 659,150	\$ 12,951,953

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

FUND FINANCIAL STATEMENTS

**EAST RUTHERFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024**

	<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	\$ 6,562,054	\$ 10,647	\$ 26,725		\$ 6,599,426
Receivables:					
Receivables from Other Governments	33,582	200,441			234,023
Other		1,927			1,927
Due from Other Funds	149,880				149,880
Total Assets	<u>\$ 6,745,516</u>	<u>\$ 213,015</u>	<u>\$ 26,725</u>	<u>\$ -</u>	<u>\$ 6,985,256</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 205,012	\$ 43,423	\$ 7,735		\$ 256,170
Accrued Salaries and Wages	2,550				2,550
Payroll Deductions and Withholdings Payable	43,298				43,298
Due to Other Funds		149,880			149,880
Unearned Revenue	7,950	9,065			17,015
Total Liabilities	<u>258,810</u>	<u>202,368</u>	<u>7,735</u>	<u>-</u>	<u>468,913</u>
Fund Balances					
Restricted					
Capital Reserve	3,199,736				3,199,736
Capital Reserve - Designated for Subsequent Year's Expenditures	1,005,320				1,005,320
Maintenance Reserve	574,684				574,684
Maintenance Reserve - Designated for Subsequent Year's Expenditures	165,398				165,398
Excess Surplus	700,000				700,000
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000				600,000
Student Activities		10,647			10,647
Capital Projects			18,990		18,990
Assigned					
Year-End Encumbrances	45,720				45,720
Designated for Subsequent Year's Expenditures	16,517				16,517
Unassigned	179,331				179,331
Total Fund Balances	<u>6,486,706</u>	<u>10,647</u>	<u>18,990</u>	<u>-</u>	<u>6,516,343</u>
Total Liabilities and Fund Balances	<u>\$ 6,745,516</u>	<u>\$ 213,015</u>	<u>\$ 26,725</u>	<u>\$ -</u>	<u>\$ 6,985,256</u>

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

**EAST RUTHERFORD BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024**

Total Fund Balances (Exhibit B-1) **\$ 6,516,343**

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 \$52,799,111 and the accumulated depreciation is \$8,541,761.

44,257,350

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	\$	587,619
Deferred Inflows of Resources		<u>(366,636)</u>

220,983

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

(332,639)

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

Bonds Payable, Net	(35,159,000)
IT Subscriptions Arrangements	(55,748)
Compensated Absences Payable	(67,486)
Net Pension Liability	<u>(3,087,000)</u>

(38,369,234)

Net position of governmental activities (Exhibit A-1) **\$ 12,292,803**

EAST RUTHERFORD BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	\$ 17,708,660			\$ 932,557	\$ 18,641,217
Tuition	123,226				123,226
Interest Earned	248,167				248,167
Rents	23,546				23,546
Miscellaneous	103,224	\$ 20,745		475,000	598,969
Total - Local Sources	18,206,823	20,745	-	1,407,557	19,635,125
State Sources	5,530,200	14,803		282,700	5,827,703
Federal Sources	36,687	784,437			821,124
Total Revenues	23,773,710	819,985	-	1,690,257	26,283,952
EXPENDITURES					
Current					
Instruction					
Regular Instruction	\$ 10,257,739	\$ 216,103			10,473,842
Special Education Instruction	3,895,593	228,212			4,123,805
Other Instruction	926,365	93,518			1,019,883
School Sponsored Activities and Athletics	70,284	20,154			90,438
Support Services					
Student and Instruction Related Services	2,962,431	246,604			3,209,035
General Administrative Services	857,269				857,269
School Administrative Services	940,451				940,451
Central and Other Support Services	697,196				697,196
Plant Operations and Maintenance	1,914,230				1,914,230
Pupil Transportation	483,519				483,519
Debt Service					
Principal	52,533			\$ 1,425,000	1,477,533
Interest	1,616			740,258	741,874
Capital Outlay	385,581	14,803	\$ 1,568,705		1,969,089
Total Expenditures	23,444,807	819,394	1,568,705	2,165,258	27,998,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,903	591	(1,568,705)	(475,001)	(1,714,212)
Other Financing Sources (Uses)					
Transfers In			200,000		200,000
Transfers Out	(200,000)		-		(200,000)
Total Other Financing Sources (Uses)	(200,000)	-	200,000	-	-
Net Change in Fund Balance	128,903	591	(1,368,705)	(475,001)	(1,714,212)
Fund Balance, Beginning of Year	6,357,803	10,056	1,387,695	475,001	8,230,555
Fund Balance, End of Year	\$ 6,486,706	\$ 10,647	\$ 18,990	\$ -	\$ 6,516,343

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

**EAST RUTHERFORD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (1,714,212)**

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

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

Capital Outlay	\$ 1,969,089	
Depreciation Expense	<u>(1,282,280)</u>	
		686,809

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

Increase in Compensated Absences	(1,384)	
Decrease in Pension Expense	<u>202,781</u>	
		201,397

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

Principal Repayments		
Bonds Paid	1,425,000	
Other Financing Agreements Paid	23,292	
Right-to-Use IT Software	18,546	
Leases Paid	<u>10,695</u>	
		1,477,533

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

Decrease in accrued interest		<u>13,337</u>
------------------------------	--	---------------

Change in net position of governmental activities (Exhibit A-2) **\$ 664,864**

**EAST RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Business-Type Activities Enterprise Funds Food Service
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 432,390
Intergovernmental Receivable	17,872
Other Accounts Receivable	16,754
Inventories	2,448
Total Current Assets	469,464
Capital Assets	
Machinery and Equipment	429,612
Less: Accumulated Depreciation	(93,537)
Total Capital Assets, Net of Accumulated Depreciation	336,075
Total Assets	805,539
LIABILITIES	
Current Liabilities	
Accounts Payable	138,579
Unearned Revenue	5,362
Total Current Liabilities	143,941
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	2,448
Total Deferred Inflows of Resources	2,448
Total Liabilities and Deferred Inflows of Resources	146,389
NET POSITION	
Investment in Capital Assets	336,075
Unrestricted	323,075
Total Net Position	\$ 659,150

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

**EAST RUTHERFORD BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund Food Service
Operating Revenues	
Daily Sales - Reimbursable Programs	\$ 82,227
Daily Sales - Non-Reimbursable Programs	58,327
Total Operating Revenues	140,554
Operating Expenses	
Cost of Sales - Reimbursable Programs	207,956
Cost of Sales - Non-Reimbursable Programs	28,358
Salaries and Benefits	170,549
Other Purchased Services	23,115
Management Fee	25,000
Repairs and Maintenance	3,649
Supplies and Materials	73,462
Miscellaneous Expenditures	5,056
Depreciation	40,994
Total Operating Expenses	578,139
Operating Loss	(437,585)
Nonoperating Revenues (Expenses)	
State Sources	
School Lunch Program	12,048
School Breakfast Program	3,086
Federal Sources	
National School Breakfast Program	64,162
National School Lunch Program	179,567
Supply Chain Assistance Program	21,592
Food Distribution Program	72,835
Loss on Disposal of Capital Assets	(13,351)
Total Nonoperating Revenues	339,939
Change in Net Position	(97,646)
Net Position, Beginning of Year	756,796
Net Position, End of Year	\$ 659,150

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

**EAST RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Funds Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 152,711
Cash Payments for Employees Salaries and Benefits	(170,549)
Cash Payments to Suppliers	(254,495)
Net Cash Used for Operating Activities	(272,333)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash Received from State and Federal Reimbursements	284,443
Net Cash Provided By Non-Capital Financing Activities	284,443
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(48,821)
Net Cash Used for Capital and Related Financing Activities	(48,821)
Net Decrease in Cash and Cash Equivalents	(36,711)
Cash and Cash Equivalents—Beginning of Year	469,101
Cash and Cash Equivalents—End of Year	\$ 432,390
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (437,585)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities	
Depreciation	40,994
Non-Cash Federal Assistance - Food Distribution Program	72,835
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) Decrease in Other Accounts Receivable	10,290
(Increase) Decrease in Inventories	2,819
Increase (Decrease) in Accounts Payable	34,685
Increase (Decrease) in Unearned Revenue	1,867
Increase (Decrease) in Deferred Commodities Revenue	1,762
Total Adjustments	165,252
Net Cash Used For Operating Activities	\$ (272,333)
Non-Cash Financing Activities	
Value Received - Food Distribution Program	\$ 74,597
Purchase of Capital Assets on Account	86,716

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

NOTES TO THE FINANCIAL STATEMENTS

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2024, the District adopted the following GASB statements:

- 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.

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

- 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.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20-30
Buildings and Building Improvements	10-50
Machinery and Equipment	5-20
Right-to-use Leased Equipment	5
Right-to-use IT Software	6

5. *Deferred Outflows/Inflows of Resources*

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Compensated Absences

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

7. Pensions

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

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

8. Leases

Leases Payable

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

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Subscription Bases Information Technology Arrangements (SBITAs)

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

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

10. Financing Agreements

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

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

11. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt issuance costs (other than for prepaid insurance) are treated as an expense.

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 original budget certified for taxes.

Excess Surplus - Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. Net Position/Fund Balance (Continued)

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

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

13. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. 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, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid and miscellaneous revenues.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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 2022/2023 and 2023/2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget by \$598,697 in the general fund and \$246,229 in the special revenue fund. The increase was funded by additional appropriation of capital reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$200,000 from the general fund.

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

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

B. Capital Reserve

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

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

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 3,843,246
Increased by:	
Deposits Approved by Board Resolution	<u>561,810</u>
	4,405,056
Decreased by:	
Approved by Board Resolution	<u>200,000</u>
Balance, June 30, 2024	<u>\$ 4,205,056</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$6,910,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District’s Long Range Facilities Plan. \$1,005,320 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

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, 2024 is as follows:

Balance, July 1, 2023	\$ <u>740,082</u>
Balance, June 30, 2024	<u>\$ 740,082</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$740,082. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$165,398 of the maintenance reserve balances was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$1,300,000. Of this amount \$600,000 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining \$700,000 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$7,031,816 and bank and brokerage firm balances of the Board’s deposits amounted to \$7,223,831. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 7,003,439
Uninsured and Collateralized	<u>220,392</u>
	<u>\$ 7,223,831</u>

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balances of \$220,392 were exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in
the Board's name

\$ 220,392

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, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2024 for the district's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 200,441	\$ 16,771	\$ 217,212
State	\$ 33,582	-	1,101	34,683
Accounts	-	1,927	16,754	18,681
Gross Receivables	33,582	202,368	34,626	270,576
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 33,582</u>	<u>\$ 202,368</u>	<u>\$ 34,626</u>	<u>\$ 270,576</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition	\$ 7,950
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>9,065</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 17,015</u>

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, June 30, 2023	Increases	Decreases	Balance, June 30, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,809,211			\$ 1,809,211
Construction in Progress	454,082	-	(454,082)	-
Total Capital Assets, Not Being Depreciated	2,263,293	-	(454,082)	1,809,211
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	46,336,555	2,388,210		48,724,765
Site Improvements	245,322			245,322
Machinery and equipment	1,873,522	34,961		1,908,483
Right-to-Use Leased Equipment	72,900		(72,900)	-
Right-to-Use IT Software	111,330	-	-	111,330
Total Capital Assets Being Depreciated	48,639,629	2,423,171	(72,900)	50,989,900
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(6,440,924)	(1,017,357)		(7,458,281)
Site Improvements	(196,117)	(6,751)		(202,868)
Machinery and Equipment	(596,265)	(228,682)		(824,947)
Right-to-Use Leased Equipment	(61,965)	(10,935)	72,900	-
Right-to-Use IT Software	(37,110)	(18,555)	-	(55,665)
Total Accumulated Depreciation	(7,332,381)	(1,282,280)	72,900	(8,541,761)
Total Capital Assets, Being Depreciated, Net	41,307,248	1,140,891	-	42,448,139
Governmental Activities Capital Assets, Net	\$ 43,570,541	\$ 1,140,891	\$ (454,082)	\$ 44,257,350
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 327,849	\$ 135,537	(33,774)	\$ 429,612
Total Capital Assets Being Depreciated	327,849	135,537	(33,774)	429,612
Less Accumulated Depreciation for:				
Machinery and Equipment	(72,966)	(40,994)	20,423	(93,537)
Total Accumulated Depreciation	(72,966)	(40,994)	20,423	(93,537)
Total Capital Assets, Being Depreciated, Net	254,883	94,543	(13,351)	336,075
Business-Type Activities Capital Assets, Net	\$ 254,883	\$ 94,543	\$ (13,351)	\$ 336,075

**EAST RUTHERFORD BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:		
Instruction		
Regular		\$ 120,016
Total Instruction		<u>120,016</u>
Support Services		
Student and Instruction Related Services		45,189
General Administration		12,633
School Administration		33,456
Central and Other Support Services		10,935
Plant Operations And Maintenance		1,035,084
Pupil Transportation		<u>24,967</u>
Total Support Services		<u>1,162,264</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,282,280</u>
Business-Type Activities:		
Food Service Fund		<u>\$ 40,994</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, 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>\$ 149,880</u>

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Subscription – Based Information Technology Arrangements (SBITAs)

During fiscal year 2022, the District entered into a SBITA for the use of instructional learning software. An initial subscription liability was recorded in the amount of \$111,330. The SBITA has an interest rate of .10%. The District is required to make annual payments of \$18,620. At the conclusion of the initial SBITA term the District has the option to renew the SBITA for an additional five (5) one (1) year terms. The District intends to renew the SBITA for all 5 year options. As of June 30, 2024 the value of the subscription liability was \$55,748. The instructional learning software has a six year estimated useful life. The value of the right-to-use IT subscription asset as of June 30, 2024 is \$111,330 and had accumulated depreciation of \$55,665.

The future principal and interest SBITA payments as of June 30, 2024 are as follows:

Governmental Activities:

Fiscal Year Ending

June 30,

Principal

Interest

Total

2025

\$

18,564

\$

56

\$

18,620

2026

18,583

37

18,620

2027

18,601

19

18,620

Total

\$

55,748

\$

112

\$

55,860

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. 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, 2024 are comprised of the following issues:

\$2,491,000, 2012 School Bonds, due in annual

installments of \$205,000 to \$210,000

through July 15, 2027 interest at 2.50% to 2.75%

\$ 831,000

\$35,553,000, 2021 School Bonds, due in annual

installments of \$1,300,000 to \$2,350,000

through July 15, 2041 interest at 2.00% to 2.25%

34,328,000

\$ 35,159,000

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,505,000	\$ 710,195	\$ 2,215,195
2026	1,535,000	678,758	2,213,758
2027	1,585,000	646,245	2,231,245
2028	1,631,000	612,525	2,243,525
2029	1,725,000	578,193	2,303,193
2030-2034	9,450,000	2,343,713	11,793,713
2035-2039	10,750,000	1,330,806	12,080,806
2040-2043	<u>6,978,000</u>	<u>234,700</u>	<u>7,212,700</u>
	<u>\$ 35,159,000</u>	<u>\$ 7,135,134</u>	<u>\$ 42,294,134</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 82,621,868
Less: Net Debt Issued and Authorized But Not Issued	<u>35,159,000</u>
Remaining Borrowing Power	<u>\$ 47,462,868</u>

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 36,584,000		\$ 1,425,000	\$ 35,159,000	\$ 1,505,000
Other Financing Agreements	23,292		23,292		
Leases Payable	10,695		10,695		
IT Subscription Arrangements	74,294		18,546	55,748	18,564
Compensated Absences	66,102	\$ 1,384		67,486	
Net Pension Liability	2,895,543	191,457	-	3,087,000	-
Governmental Activity Long-Term Liabilities	<u>\$ 39,653,926</u>	<u>\$ 192,841</u>	<u>\$ 1,477,533</u>	<u>\$ 38,369,234</u>	<u>\$ 1,523,564</u>

For the governmental activities, the liabilities for other financing agreements, leases payable, IT subscription arrangements, compensated absences and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Tort Claim Notice – Tort claim notices were received by the District on January 18, 2024. The claimants allege they suffered abuse and neglect during class resulting in the claimants suffering mental distress leading to a change in behavior. The claimants are seeking \$10,000,000 in damages. The initial claims submitted to the District's insurance carrier have been denied, however, the District is pursuing coverage under other policies in effect at the time. As of the date of audit the Board Attorney has advised no lawsuits have been filed and therefore no discovery conducted as to the merits of the claims.

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, 2024, 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, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching 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, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represent the membership tiers for TPAF:

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching 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 age for their 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.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) 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.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2024	\$ 284,850	\$ 2,962,421	\$ 16,732
2023	241,954	2,941,613	25,718
2022	204,412	3,014,764	23,789

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,196, \$1,151 and \$1,177, 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 \$656,485 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$3,087,000 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was .02131 percent, which was an increase of .00212 percent from its proportionate share measured as of June 30, 2022 of .01919 percent.

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$82,069 for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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	\$ 29,516	\$ 12,619
Changes of Assumptions	6,782	187,085
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,216	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>537,105</u>	<u>166,932</u>
Total	<u>\$ 587,619</u>	<u>\$ 366,636</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2024	\$ (44,247)
2025	(9,632)
2026	218,482
2027	50,611
2028	5,769
Thereafter	<u>-</u>
	<u>\$ 220,983</u>

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, 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>4,018,617</u>	\$ <u>3,087,000</u>	\$ <u>2,294,071</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, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 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.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$889,787 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$36,218,677. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .07097 percent, which was a decrease of .00124 percent from its proportionate share measured as of June 30, 2022 of .07221 percent.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 42,708,393	\$ 36,218,677	\$ 30,752,794

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. 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.

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$806,262, \$772,755 and \$704,371, 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,103,269. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$30,612,811. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .05846 percent, which was an increase of .00101 percent from its proportionate share measured as of June 30, 2022 of .05745 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 29,095,226
Changes Recognized for the Fiscal Year:	
Service Cost	1,278,477
Interest on the Total OPEB Liability	1,078,146
Differences Between Expected and Actual Experience	(87,938)
Changes of Assumptions	61,703
Gross Benefit Payments	(840,432)
Contributions from the Member	27,629
Net Changes	\$ 1,517,585
Balance, June 30, 2023 Measurement Date	\$ 30,612,811

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 35,888,265	\$ 30,612,811	\$ 26,377,234

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 <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 25,413,353	\$ 30,612,811	\$ 37,416,315

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

F. Tax Abatements

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$2,033,254 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 17,708,660		\$ 17,708,660	\$ 17,708,660	
Tuition - Individuals	158,000		158,000	123,226	\$ (34,774)
Interest on Investments				248,167	248,167
Interest Earned on Capital Reserve Funds	500		500		(500)
Interest Earned on Maintenance Reserve Funds	500		500		(500)
Building Rentals	26,000		26,000	23,546	(2,454)
Unrestricted Miscellaneous Revenues	63,000	-	63,000	103,224	40,224
Total Local Sources	17,956,660	-	17,956,660	18,206,823	250,163
State Sources					
Special Education Aid	725,945		725,945	725,945	
Security Aid	129,901		129,901	129,901	
Transportation Aid	133,577		133,577	133,577	
Extraordinary Aid	175,000		175,000	110,858	(64,142)
Nonpublic Transportation Reimbursement				455	455
TPAF Pension Contribution (Non-Budget)					
Normal Cost / Accrued Liability				2,929,017	2,929,017
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				33,404	33,404
TPAF Contribution (Non-Budget)					
LTDI Premium				1,196	1,196
TPAF Contribution (Non-Budget)					
Post - Retirement Medical Benefits				806,262	806,262
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	656,485	656,485
Total State Sources	1,164,423	-	1,164,423	5,527,100	4,362,677
Federal Sources					
Medicaid Reimbursement	28,503	-	28,503	36,687	8,184
Total Federal Sources	28,503	-	28,503	36,687	8,184
Total Revenues	19,149,586	-	19,149,586	23,770,610	4,621,024
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	\$ 239,651	\$ (5,926)	\$ 233,725	\$ 233,725	-
Kindergarten	497,075	(31,636)	465,439	465,439	-
Grades 1-5	3,163,029	(192,026)	2,971,003	2,971,003	-
Grades 6-8	1,876,614	32,730	1,909,344	1,909,344	-
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	967	5,967	5,967	-
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	160,000	218,686	378,686	378,686	-
Purchased Technical Services	194,130	(22,406)	171,724	171,724	-
Other Purchased Services	47,669	(5,766)	41,903	41,903	-
General Supplies	166,100	23,318	189,418	152,538	\$ 36,880
Textbooks	100,000	(46,205)	53,795	53,795	-
Other Objects	38,254	(1,934)	36,320	34,871	1,449
Total Regular Programs	6,487,522	(30,198)	6,457,324	6,418,995	38,329
Learning and/or Language Disabilities					
Salaries of Teachers	108,676	-	108,676	52,793	55,883
General Supplies	1,800	979	2,779	2,682	97
Total Learning and/or Language Disabilities	110,476	979	111,455	55,475	55,980

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Special Education Instruction - Multiple Disabilities					
Salaries of Teachers	\$ 363,502	\$ 22,941	\$ 386,443	\$ 349,492	\$ 36,951
Other Salaries for Instruction	317,739	8,407	326,146	253,567	72,579
General Supplies	3,600	1,216	4,816	4,731	85
Total Special Education - Multiple Disabilities	684,841	32,564	717,405	607,790	109,615
Special Education Instruction - Resource Room/Center					
Salaries of Teachers	910,307	(26,072)	884,235	848,351	35,884
Other Salaries for Instruction	374,842	2,298	377,140	353,996	23,144
General Supplies	15,000	(5,353)	9,647	8,728	919
Total Resource Room/Resource Center	1,300,149	(29,127)	1,271,022	1,211,075	59,947
Preschool Disabilities - Full Time					
Salaries of Teachers	161,602	(9,501)	152,101	150,969	1,132
Other Salaries for Instruction	225,107	1,586	226,693	226,355	338
General Supplies	3,000	-	3,000	1,105	1,895
Total Preschool Disabilities - Full Time	389,709	(7,915)	381,794	378,429	3,365
Home Instruction					
Purchased Professional-Educational Services	-	35,000	35,000	31,069	3,931
Total Home Instruction	-	35,000	35,000	31,069	3,931
Total Special Education	2,485,175	31,501	2,516,676	2,283,838	232,838
Basic Skills/Remedial					
Salaries of Teachers	342,749	-	342,749	288,042	54,707
General Supplies	12,900	(8,668)	4,232	3,552	680
Total Basic Skills/Remedial	355,649	(8,668)	346,981	291,594	55,387
Bilingual Education					
Salaries of Teachers	269,472	1,000	270,472	269,478	994
General Supplies	10,650	(6,163)	4,487	2,908	1,579
Total Bilingual Education	280,122	(5,163)	274,959	272,386	2,573
School Sponsored Co-Curricular Activities					
Salaries	24,250	12,199	36,449	36,274	175
Purchased Services	6,525	(744)	5,781	5,781	-
Supplies and Materials	2,000	(253)	1,747	1,747	-
Total School Sponsored Co-Curricular Activities	32,775	11,202	43,977	43,802	175
School Sponsored Athletics - Instruction					
Salaries	10,500	-	10,500	6,635	3,865
Purchased Services	1,700	(1,022)	678	678	-
Supplies and Materials	1,500	(1,500)	-	-	-
Total School Sponsored Athletics - Instruction	13,700	(2,522)	11,178	7,313	3,865
Summer School - Instruction					
Salaries	30,000	(4,640)	25,360	-	25,360
Other Salaries for Instruction	10,000	(5,000)	5,000	-	5,000
Total Summer School - Instruction	40,000	(9,640)	30,360	-	30,360
Total Instruction	9,694,943	(13,488)	9,681,455	9,317,928	363,527

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to CSSD and Regional Day Schools	\$ 57,000	\$ 80,739	\$ 137,739	\$ 100,752	\$ 36,987
Tuition to Private School for Disabled W/I State	410,097	(138,389)	271,708	171,881	99,827
Total Undistributed Expenditures - Instruction	467,097	(57,650)	409,447	272,633	136,814
Attendance & Social Work					
Salaries	69,569	(9,056)	60,513	60,513	-
Total Attendance & Social Work	69,569	(9,056)	60,513	60,513	-
Health Services					
Salaries	216,553	1,722	218,275	218,275	-
Purchased Professional and Technical Services	9,000	(2,938)	6,062	5,208	854
Other Purchased Services	2,600	(1,000)	1,600	358	1,242
Supplies and Materials	12,560	(840)	11,720	7,620	4,100
Total Health Services	240,713	(3,056)	237,657	231,461	6,196
Speech, OT, PT, and Related Services					
Salaries	321,679	(31)	321,648	297,977	23,671
Purchased Prof. Ed. Services	77,598	5,031	82,629	68,381	14,248
Supplies and Materials	1,000	-	1,000	249	751
Other Objects	435	-	435	-	435
Total Speech, OT, PT, and Related Services	400,712	5,000	405,712	366,607	39,105
Other Support Services - Students - Extraordinary					
Salaries	92,525	-	92,525	78,303	14,222
Purchased Prof. Ed. Services	210,440	(23,862)	186,578	184,118	2,460
Total Other Supp.Serv. Student - Extraordinary	302,965	(23,862)	279,103	262,421	16,682
Guidance					
Salaries of Other Professional Staff	139,313	(1,000)	138,313	126,973	11,340
Supplies and Materials	12,560	440	13,000	7,581	5,419
Total Guidance	151,873	(560)	151,313	134,554	16,759
Child Study Teams					
Salaries of Other Professional Staff	473,093	(5,704)	467,389	467,389	-
Salaries of Secretarial & Clerical Assistants	74,899	1,000	75,899	72,100	3,799
Purchased Prof. Ed. Services	92,140	(33,839)	58,301	21,610	36,691
Other Purchased Professional and Technical Services	5,200	-	5,200	576	4,624
Miscellaneous Purchased Services	1,008	-	1,008		1,008
Supplies and Materials	14,500	309	14,809	10,215	4,594
Total Child Study Teams	660,840	(38,234)	622,606	571,890	50,716

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	\$ 246,166	-	\$ 246,166	\$ 213,575	\$ 32,591
Salaries of Other Professional Staff	50,000	-	50,000	12,500	37,500
Purchased Prof. Ed. Services	20,500	\$ (6,160)	14,340	5,444	8,896
Total Improvement of Instructional Services	316,666	(6,160)	310,506	231,519	78,987
Educational Media/School Library					
Salaries	48,638	4,863	53,501	53,501	-
Purchased Professional and Technical Services	43,560	(5,000)	38,560	35,220	3,340
Total Educational Media/School Library	92,198	(137)	92,061	88,721	3,340
Instructional Staff Training Services					
Other Purchased Services	3,000	350	3,350	2,841	509
Total Instructional Staff Training Services	3,000	350	3,350	2,841	509
Support Services General Administration					
Salaries	300,189	46,951	347,140	347,140	-
General Admin Salaries-Governance Staff	5,000	-	5,000	5,000	-
Legal Services	46,451	43,634	90,085	90,085	-
Audit Fees	35,000	6,834	41,834	41,834	-
Other Purchased Professional Services	8,910	25,913	34,823	24,823	10,000
Purchased Technical Services	8,405	(575)	7,830	7,830	-
Communications/Telephone	40,400	7,141	47,541	47,541	-
Miscellaneous Purchased Services	15,350	(4,503)	10,847	8,226	2,621
BOE Other Purchased Services	8,301	(867)	7,434	7,434	-
General Supplies	2,425	1,147	3,572	3,572	-
Miscellaneous Expenditures	3,600	2,699	6,299	4,368	1,931
BOE Membership Dues and Fees	7,000	1,448	8,448	8,448	-
Total Support Services General Administration	481,031	129,822	610,853	596,301	14,552
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	377,775	425	378,200	378,200	-
Salaries of Other Professional Staff	2,000	(464)	1,536	1,536	-
Salaries of Secretarial and Clerical Assistants	173,269	15,229	188,498	186,314	2,184
Purchased Professional and Technical Services	12,300	-	12,300	12,300	-
Other Purchased Services	900	807	1,707	1,372	335
Supplies and Materials	17,270	1,677	18,947	16,936	2,011
Other Objects	10,284	5,204	15,488	14,047	1,441
Total Support Services School Administration	593,798	22,878	616,676	610,705	5,971
Central Services					
Salaries	359,648	(517)	359,131	325,197	33,934
Purchased Technical Services	24,549	32,034	56,583	52,764	3,819
Miscellaneous Purchased Services	5,396	(3,099)	2,297	1,638	659
Supplies and Materials	2,900	2,783	5,683	5,650	33
Miscellaneous Expenditures	1,600	260	1,860	1,860	-
Total Central Services	394,093	31,461	425,554	387,109	38,445
Administration Information Technology					
Salaries	13,000	-	13,000	4,600	8,400
Purchased Technical Services	131,895	(1,099)	130,796	128,074	2,722
Total Administration Information Technology	144,895	(1,099)	143,796	132,674	11,122

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 143,086	\$ 32,871	\$ 175,957	\$ 175,957	-
Cleaning, Repair and Maintenance Services	304,400	(75,856)	228,544	224,530	\$ 4,014
General Supplies	18,000	18,051	36,051	35,738	313
Other Objects	-	595	595	595	-
Total Required Maintenance for School Facilities	<u>465,486</u>	<u>(24,339)</u>	<u>441,147</u>	<u>436,820</u>	<u>4,327</u>
Custodial Services					
Salaries	509,985	12,194	522,179	522,179	-
Salaries of Non-Instructional Aides	6,000	(6,000)	-	-	-
Purchased Professional and Technical Services	40,400	(14,400)	26,000	16,000	10,000
Cleaning, Repair and Maintenance Services	16,800	(6,278)	10,522	10,522	-
Other Purchased Property Services	15,000	14,057	29,057	29,057	-
Insurance	205,517	40,165	245,682	245,682	-
General Supplies	69,000	7,241	76,241	74,938	1,303
Energy (Natural Gas)	110,000	(29,600)	80,400	57,276	23,124
Energy (Electricity)	210,000	27,651	237,651	234,955	2,696
Other Objects	1,000	5,992	6,992	6,845	147
Total Custodial Services	<u>1,183,702</u>	<u>51,022</u>	<u>1,234,724</u>	<u>1,197,454</u>	<u>37,270</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	2,000	-	2,000	450	1,550
General Supplies	1,000	-	1,000	42	958
Total Care and Upkeep of Grounds	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>492</u>	<u>2,508</u>
Security					
Purchased Professional and Technical Services	5,300	(203)	5,097	3,115	1,982
General Supplies	1,600	-	1,600	-	1,600
Total Security	<u>6,900</u>	<u>(203)</u>	<u>6,697</u>	<u>3,115</u>	<u>3,582</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	80,000	(2,000)	78,000	67,659	10,341
Salaries for Pupil Trans. (Bet Home & Sch)-Reg	105,000	(43,748)	61,252	52,734	8,518
Salaries for Pupil Trans. (Bet Home & Sch)-Sp Ed	48,200	(450)	47,750	42,775	4,975
Salaries for Pupil Trans. (Other than Bet Home & Sch)	4,250	(1,233)	3,017	3,017	-
Other Employee Benefits	1,800	(540)	1,260	396	864
Other Purchased Professional and Technical Services	2,000	1,750	3,750	1,602	2,148
Cleaning, Repair & Maintenance Service	22,500	34,999	57,499	57,499	-
Contr Serv - Aid in Lieu Pymts - Charter School	2,000	4,990	6,990	6,990	-
Contr Serv (Special Ed Students)-Joint Agreements	199,000	(3,627)	195,373	149,555	45,818
General Supplies	1,000	(1,000)	-	-	-
Transportation Supplies	30,000	(7,849)	22,151	22,151	-
Other Objects	1,300	3,707	5,007	4,901	106
Total Student Transportation Services	<u>497,050</u>	<u>(15,001)</u>	<u>482,049</u>	<u>409,279</u>	<u>72,770</u>

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
Unallocated Benefits - Employee Benefits					
Group Insurance	\$ 4,800	-	\$ 4,800		\$ 4,800
Social Security Contributions	275,000	-	275,000	\$ 248,334	26,666
TPAF/PERS - Special Assessments	1,000	-	1,000	471	529
Other Retirement Contributions - PERS	255,000	\$ 30,700	285,700	285,656	44
Other Retirement Contributions - DCRP	28,600	-	28,600	16,732	11,868
Unemployment Compensation	45,000	(40,404)	4,596		4,596
Worker's Compensation	162,492	(40,165)	122,327	114,082	8,245
Health Benefits	2,632,606	(13,296)	2,619,310	2,531,064	88,246
Tuition Reimbursement	41,000	-	41,000	14,010	26,990
Other Employee Benefits	34,000	-	34,000	19,847	14,153
Unused Sick Payment to Terminated/Retired Staff	30,000	(6,000)	24,000	-	24,000
Total Unallocated Benefits	<u>3,509,498</u>	<u>(69,165)</u>	<u>3,440,333</u>	<u>3,230,196</u>	<u>210,137</u>
Transfers to Cover Deficit (Enterprise Fund)	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
On - Behalf Payments					
TPAF Pension Contribution (Non-Budget)					
Normal Cost/Accrued Liability				2,929,017	(2,929,017)
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				33,404	(33,404)
TPAF Contribution (Non-Budget)					
LTDI Premium				1,196	(1,196)
TPAF Contribution (Non-Budget)					
Post - Retirement Medical Benefits				806,262	(806,262)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>656,485</u>	<u>(656,485)</u>
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,426,364</u>	<u>(4,426,364)</u>
Total Undistributed Expenditures	<u>9,988,086</u>	<u>(7,989)</u>	<u>9,980,097</u>	<u>13,653,669</u>	<u>(3,673,572)</u>
Interest Deposit to Maintenance Reserve	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Current Expenditures	<u>19,683,529</u>	<u>(21,477)</u>	<u>19,662,052</u>	<u>22,971,597</u>	<u>(3,309,545)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Admin. Info. Tech. Svs		24,357	24,357	24,357	-
Undistributed Expenditures - Custodial Serv. - Non-Instr. Equip.	<u>-</u>	<u>9,324</u>	<u>9,324</u>	<u>9,324</u>	<u>-</u>
Total Equipment	<u>-</u>	<u>33,681</u>	<u>33,681</u>	<u>33,681</u>	<u>-</u>
Facilities Acq. and Construction Services					
Architectural/Engineering Services		10,866	10,866	6,994	3,872
Construction Services		353,553	353,553	344,906	8,647
Assessment for Debt Service on SDA Funding	<u>32,079</u>	<u>-</u>	<u>32,079</u>	<u>32,079</u>	<u>-</u>
Total Facilities Acq. and Construction Services	<u>32,079</u>	<u>364,419</u>	<u>396,498</u>	<u>383,979</u>	<u>12,519</u>
Interest Deposit to Capital Reserve	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Capital Outlay	<u>32,579</u>	<u>398,100</u>	<u>430,679</u>	<u>417,660</u>	<u>13,019</u>

**EAST RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
Transfer of Funds to Charter Schools	\$ 33,478	\$ 22,074	\$ 55,552	\$ 55,550	\$ 2
Total General Fund	19,749,586	398,697	20,148,283	23,444,807	(3,296,524)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(600,000)	(398,697)	(998,697)	325,803	1,324,500
Other Financing Sources(Uses) Transfer Out - Capital Projects Fund	-	(200,000)	(200,000)	(200,000)	-
Total Other Financing Sources(Uses)	-	(200,000)	(200,000)	(200,000)	-
Net Change in Fund Balance	(600,000)	(598,697)	(1,198,697)	125,803	1,324,500
Fund Balance, Beginning of Year	6,566,396	-	6,566,396	6,566,396	-
Fund Balance, End of Year	\$ 5,966,396	\$ (598,697)	\$ 5,367,699	\$ 6,692,199	\$ 1,324,500
Restricted Fund Balances					
Capital Reserve				\$ 3,199,736	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,005,320	
Maintenance Reserve				574,684	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				165,398	
Excess Surplus				700,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				600,000	
Assigned Fund Balance					
Year-End Encumbrances				45,720	
Designated for Subsequent Year's Expenditures				16,517	
Unassigned Fund Balance				384,824	
				6,692,199	
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue Not Recognized on a GAAP Basis				(205,493)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,486,706	

EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
State Sources	\$ -	\$ 16,628	\$ 16,628	\$ 14,803	\$ (1,825)
Federal Sources	746,000	220,208	966,208	784,437	(181,771)
Local Sources	10,000	9,393	19,393	20,745	1,352
Total Revenues	756,000	246,229	1,002,229	819,985	(182,244)
EXPENDITURES					
Instruction					
Salaries	255,000	(183,255)	71,745	71,745	-
Other Salaries	178,000	(16,197)	161,803	93,518	68,285
Tuition	170,000	50,537	220,537	220,512	25
General Supplies	5,000	125,900	130,900	113,065	17,835
Co-Curricular/Extra-Curricular Activities	10,761	9,393	20,154	20,154	-
Total Instruction	618,761	(13,622)	605,139	518,994	86,145
Support Services					
Salaries		12,432	12,432	3,950	8,482
Other Salaries		26,052	26,052	15,187	10,865
Personal Services-Employee Benefits		73,553	73,553	38,993	34,560
Purchased Prof. and Tech. Services	138,000	87,014	225,014	195,664	29,350
Other Purchased Services		3,580	3,580	3,266	314
General Supplies	-	40,992	40,992	28,537	12,455
Total Support Services	138,000	243,623	381,623	285,597	96,026
Facilities Acquisition and Construction					
Non-Instructional Equipment	-	16,228	16,228	14,803	1,425
Total Facilities Acquisition and Construction	-	16,228	16,228	14,803	1,425
Total Expenditures	756,761	246,229	1,002,990	819,394	183,596
Net Change in Fund Balances	(761)	-	(761)	591	1,352
Fund Balances, Beginning of Year	10,056	-	10,056	10,056	-
Fund Balances, End of Year	\$ 9,295	\$ -	\$ 9,295	\$ 10,647	\$ 1,352
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 10,647	
				\$ 10,647	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 23,770,610	\$ 819,985
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		
June 30, 2024 Encumbrances		
June 30, 2023 Encumbrances, Net		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2022-2023)	208,593	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements. (2023-2024)	<u>(205,493)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,773,710</u>	<u>\$ 819,985</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 23,444,807	\$ 819,394
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 accounting purposes.		
June 30, 2024 Encumbrances		
June 30, 2023 Encumbrances	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,444,807</u>	<u>\$ 819,394</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.02131%	0.01919%	0.01745%	0.01926%	0.01820%	0.01855%	0.01761%	0.01979%	0.01955%	0.01914%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,087,000	\$ 2,895,543	\$ 2,067,742	\$ 3,141,165	\$ 3,279,264	\$ 3,653,064	\$ 4,098,175	\$ 5,861,246	\$ 4,389,482	\$ 3,583,999
District's Covered Payroll	\$ 1,597,257	\$ 1,418,767	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984	\$ 1,344,847
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	193.27%	204.09%	157.20%	240.58%	242.43%	276.71%	326.23%	486.24%	322.29%	266.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 284,850	\$ 241,954	\$ 204,412	\$ 210,719	\$ 177,027	\$ 184,546	\$ 163,092	\$ 175,812	\$ 168,185	\$ 159,102
Contributions in Relation to the Contractually Required Contribution	<u>284,850</u>	<u>241,954</u>	<u>204,412</u>	<u>210,719</u>	<u>177,027</u>	<u>184,546</u>	<u>163,092</u>	<u>175,812</u>	<u>168,185</u>	<u>159,102</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,715,474	\$ 1,597,257	\$ 1,418,767	\$ 1,315,343	\$ 1,305,687	\$ 1,352,680	\$ 1,320,174	\$ 1,256,236	\$ 1,205,427	\$ 1,361,984
Contributions as a Percentage of Covered Payroll	16.60%	15.15%	14.41%	16.02%	13.56%	13.64%	12.35%	14.00%	13.95%	11.68%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>36,218,677</u>	<u>37,258,638</u>	<u>33,173,856</u>	<u>45,506,062</u>	<u>43,138,324</u>	<u>44,518,479</u>	<u>45,023,783</u>	<u>52,120,602</u>	<u>42,664,437</u>	<u>35,785,741</u>
Total	<u>\$ 36,218,677</u>	<u>\$ 37,258,638</u>	<u>\$ 33,173,856</u>	<u>\$ 45,506,062</u>	<u>\$ 43,138,324</u>	<u>\$ 44,518,479</u>	<u>\$ 45,023,783</u>	<u>\$ 52,120,602</u>	<u>\$ 42,664,437</u>	<u>\$ 35,785,741</u>
District's Covered Payroll	\$ 8,617,185	\$ 8,010,465	\$ 8,041,767	\$ 8,093,452	\$ 7,376,698	\$ 7,347,005	\$ 7,480,593	\$ 6,811,104	\$ 6,766,187	\$ 6,599,168
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None.

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

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

POST-EMPLOYMENT HEALTH BENEFIT PLAN

Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 1,278,477	\$ 1,627,960	\$ 1,844,140	\$ 996,664	\$ 991,269	\$ 1,057,898	\$ 1,275,197
Interest on the Total OPEB Liability	1,078,146	771,056	898,036	826,933	1,019,828	1,068,144	922,504
Changes in Benefit Terms			(36,847)				
Differences Between Expected and Actual Experience	(87,938)	622,179	(6,649,378)	7,930,101	(4,410,957)	(1,921,243)	
Changes of Assumptions	61,703	(7,805,055)	34,154	7,162,808	342,308	(2,949,151)	(3,845,501)
Gross Benefit Payments	(840,432)	(763,753)	(707,401)	(682,660)	(704,746)	(687,197)	(661,908)
Contribution from the Member	27,629	24,502	22,958	20,691	20,891	23,751	24,373
Net Change in Total OPEB Liability	<u>1,517,585</u>	<u>(5,523,111)</u>	<u>(4,594,338)</u>	<u>16,254,537</u>	<u>(2,741,407)</u>	<u>(3,407,798)</u>	<u>(2,285,335)</u>
Total OPEB Liability - Beginning	<u>29,095,226</u>	<u>34,618,337</u>	<u>39,212,675</u>	<u>22,958,138</u>	<u>25,699,545</u>	<u>29,107,343</u>	<u>31,392,678</u>
Total OPEB Liability - Ending	<u>\$ 30,612,811</u>	<u>\$ 29,095,226</u>	<u>\$ 34,618,337</u>	<u>\$ 39,212,675</u>	<u>\$ 22,958,138</u>	<u>\$ 25,699,545</u>	<u>\$ 29,107,343</u>
 District's Proportionate Share	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share	<u>30,612,811</u>	<u>29,095,226</u>	<u>34,618,337</u>	<u>39,212,675</u>	<u>22,958,138</u>	<u>25,699,545</u>	<u>29,107,343</u>
Total OPEB Liability - Ending	<u>\$ 30,612,811</u>	<u>\$ 29,095,226</u>	<u>\$ 34,618,337</u>	<u>\$ 39,212,675</u>	<u>\$ 22,958,138</u>	<u>\$ 25,699,545</u>	<u>\$ 29,107,343</u>
 Covered Payroll	 \$ 10,214,442	 \$ 9,429,232	 \$ 9,357,110	 \$ 9,399,139	 \$ 8,729,378	 \$ 8,667,179	 \$ 8,736,829
Total OPEB Liability as a Percentage of Covered Payroll:							
District's Proportionate Share	-	-	-	-	-	-	-
State's Proportionate Share	299.70%	308.56%	369.97%	417.19%	263.00%	296.52%	333.16%

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

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

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

**EAST RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

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

NOT APPLICABLE

SPECIAL REVENUE FUND

EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>ESEA Title I</u>	<u>ESEA Title II A</u>	<u>ESEA Title III</u>	<u>ESEA Title IV</u>	<u>School Security</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Preschool</u>	<u>Student Activities</u>	<u>Total to Exhibit E-1A</u>
REVENUES									
Intergovernmental									
State									\$ -
Federal	\$ 173,944	\$ 22,272	\$ 7,412			\$ 220,512	\$ 7,700		431,840
Local	-	-	-	-	-	-	-	\$ 20,745	20,745
Total Revenues	<u>\$ 173,944</u>	<u>\$ 22,272</u>	<u>\$ 7,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,512</u>	<u>\$ 7,700</u>	<u>\$ 20,745</u>	<u>\$ 452,585</u>
EXPENDITURES									
Instruction									
Salaries	\$ 71,745								\$ 71,745
Tuition						\$ 220,512			220,512
General Supplies			\$ 4,146				\$ 7,700		11,846
Co-Curricular/Extra-Curricular Activities	-	-	-	-	-	-	-	\$ 20,154	20,154
Total Instruction	<u>71,745</u>	<u>-</u>	<u>4,146</u>	<u>-</u>	<u>-</u>	<u>220,512</u>	<u>7,700</u>	<u>20,154</u>	<u>324,257</u>
Support Services									
Personal Services-Employee Benefits	38,993								38,993
Purchased Prof. and Tech. Services	63,206	\$ 22,272							85,478
Other Purchased Services	-	-	3,266	-	-	-	-	-	3,266
Total Support Services	<u>102,199</u>	<u>22,272</u>	<u>3,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,737</u>
Total Expenditures	<u>\$ 173,944</u>	<u>\$ 22,272</u>	<u>\$ 7,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,512</u>	<u>\$ 7,700</u>	<u>\$ 20,154</u>	<u>\$ 451,994</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	591	591
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	10,056	10,056
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,647</u>	<u>\$ 10,647</u>

**EAST RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Exhibit E-1 Total</u>	<u>SDA Emergent & Capital Maint. Needs</u>	<u>ESSER II</u>			<u>American Rescue Plan - ESSER III</u>					<u>Grand Total</u>
			<u>CRRSA Act</u>	<u>Learning Acceleration</u>	<u>Mental Health</u>	<u>ESSER III</u>	<u>Accelerated Learning Coach and Educator Support</u>	<u>Evidence-Based Summer Learning and Enrichment</u>	<u>Evidence-Based Comprehensive Beyond the School Day</u>	<u>NJTSS</u>	
REVENUES											
Intergovernmental											
State	\$ -	\$ 14,803									\$ 14,803
Federal	431,840		\$ 81,720	\$ 4,075	\$ 15,187	\$ 139,091	\$ 69,661	\$ 5,923	\$ 9,800	\$ 27,140	784,437
Local	20,745	-	-	-	-	-	-	-	-	-	20,745
Total Revenues	\$ 452,585	\$ 14,803	\$ 81,720	\$ 4,075	\$ 15,187	\$ 139,091	\$ 69,661	\$ 5,923	\$ 9,800	\$ 27,140	\$ 819,985
EXPENDITURES											
Instruction											
Salaries	\$ 71,745										\$ 71,745
Other Salaries	-		\$ 77,795					\$ 5,923	\$ 9,800		93,518
Tuition	220,512										220,512
General Supplies	11,846					\$ 101,219					113,065
Co-Curricular/Extra-Curricular Activities	20,154	-	-	-	-	-	-	-	-	-	20,154
Total Instruction	324,257	-	77,795	-	-	101,219	-	5,923	9,800	-	518,994
Support Services											
Salaries	-					3,950					3,950
Other Salaries	-				\$ 15,187						15,187
Personal Services-Employee Benefits	38,993										38,993
Purchased Prof. and Tech. Services	85,478		3,925	\$ 4,075		5,385	\$ 69,661			\$ 27,140	195,664
Other Purchased Services	3,266										3,266
General Supplies	-	-	-	-	-	28,537	-	-	-	-	28,537
Total Support Services	127,737	-	3,925	4,075	15,187	37,872	69,661	-	-	27,140	285,597
Capital Outlay											
Non-Instructional Equipment	-	\$ 14,803	-	-	-	-	-	-	-	-	14,803
Total Capital Outlay	-	14,803	-	-	-	-	-	-	-	-	14,803
Total Expenditures	\$ 451,994	\$ 14,803	\$ 81,720	\$ 4,075	\$ 15,187	\$ 139,091	\$ 69,661	\$ 5,923	\$ 9,800	\$ 27,140	\$ 819,394
Net Change in Fund Balances	591	-	-	-	-	-	-	-	-	-	591
Fund Balances, Beginning of Year	10,056	-	-	-	-	-	-	-	-	-	10,056
Fund Balances, End of Year	\$ 10,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,647

CAPITAL PROJECTS FUND

EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2024</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2020 School Bond Referendum Faust Intermediate School, Faust Annex and, McKenzie School Renovations and Addition to Faust Intermediate School	\$ 35,753,000	\$ 34,165,305	\$ 1,568,705	\$ 18,990
<u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2024				\$ 18,990
Fund Balance, June 30, 2024 - GAAP Basis				\$ 18,990
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Year-End Encumbrances				\$ 15,430
Available for Capital Projects				3,560
Total Fund Balance, GAAP Basis				\$ 18,990

**EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues and Other Financing Sources

Other Financing Sources	
Transfer In - Capital Reserve	\$ 200,000
Total Revenues and Other Financing Sources	200,000

Expenditures and Other Financing Uses

Expenditures	
Architect and Engineering Services	\$ 36,634
Legal Services	27,968
Other Purchased Professional and Technical Services	155,254
Construction Services	1,348,749
Miscellaneous Expenditures	100
Total Expenditures and Other Financing Uses	1,568,705

Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,368,705)
---	-------------

Fund Balance, Beginning of Year	\$ 1,387,695
---------------------------------	--------------

Fund Balance, End of Year	\$ 18,990
---------------------------	-----------

Reconciliation to GAAP:

Fund Balance, June 30, 2024 - Budgetary Basis	\$ 18,990
Fund Balance, June 30, 2024 - GAAP Basis	\$ 18,990

**EAST RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
2020 BOND REFERENDUM
VARIOUS REVNOVATIONS TO ALL DISTRICT SCHOOLS AND ADDITION TO FAUST SCHOOL
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Transfer from Capital Reserve		\$ 200,000	\$ 200,000	\$ 200,000
Bond Proceeds	<u>\$ 35,553,000</u>	<u>-</u>	<u>35,553,000</u>	<u>35,553,000</u>
 Total Revenues	 <u>35,553,000</u>	 <u>200,000</u>	 <u>35,753,000</u>	 <u>35,753,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Expenditures				
Architect and Engineering Services	\$ 2,593,496	\$ 36,634	\$ 2,630,130	2,645,560
Legal Services	93,564	27,968	121,532	122,000
Other Professional and Technical Services	1,880,297	155,254	2,035,551	2,036,000
Construction Services	28,471,591	1,348,749	29,820,340	29,820,440
General Supplies	242,658	-	242,658	243,000
Miscellaneous Expenditures	783,699	100	783,799	786,000
Interest on Capital Note	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
 Total Expenditures and Other Financing Uses	 <u>34,165,305</u>	 <u>1,568,705</u>	 <u>35,734,010</u>	 <u>35,753,000</u>
 Excess / (Deficiency) of Revenues over / (under) Expenditures	 <u>\$ 1,387,695</u>	 <u>\$ (1,368,705)</u>	 <u>\$ 18,990</u>	 <u>\$ -</u>
 Additional Project Information:				
Project Numbers	1230-N01-19-1000/1230-040-19-1000/1230-080-19-1000			
SDA Grant Date	N/A			
Bond Authorization (Referendum) Date	1/28/2020			
Bonds Authorized	\$ 35,553,000			
Bond Issued	35,553,000			
 Original Authorized Cost	 35,553,000			
Increase/(Decrease)	200,000			
Revised Authorized Cost	35,753,000			
 Percentage Increase Over Original				
Authorized Cost	0.56%			
Percentage Completion	99.95%			
Original Target Completion Date	August 30, 2022			
Revised Completion Date	December 31, 2024			

PROPRIETARY FUNDS

EXHIBIT G-1

**EAST RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

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

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<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, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
School Bonds, Series 2012	8/2/2012	\$ 2,491,000	7/15/2024	\$ 205,000	2.500%				
			7/15/2025	210,000	2.500%				
			7/15/2026	210,000	2.750%				
			7/15/2027	206,000	2.750%	\$ 1,031,000		\$ 200,000	\$ 831,000
School Bonds, Series 2021	7/15/2021	35,553,000	7/15/2024	1,300,000	2.000%				
			7/15/2025	1,325,000	2.000%				
			7/15/2026	1,375,000	2.000%				
			7/15/2027	1,425,000	2.000%				
			7/15/2028	1,725,000	2.000%				
			7/15/2029	1,775,000	2.000%				
			7/15/2030	1,825,000	2.000%				
			7/15/2031	1,900,000	2.000%				
			7/15/2032	1,950,000	2.000%				
			7/15/2033	2,000,000	2.000%				
			7/15/2034	2,050,000	2.000%				
			7/15/2035	2,100,000	2.000%				
			7/15/2036	2,150,000	2.000%				
			7/15/2037	2,200,000	2.000%				
			7/15/2038	2,250,000	2.125%				
			7/15/2039	2,300,000	2.125%				
			7/15/2040	2,350,000	2.250%				
			7/15/2041	2,328,000	2.250%	35,553,000		1,225,000	34,328,000
						\$ 36,584,000	\$ -	\$ 1,425,000	\$ 35,159,000
Paid by Budget Appropriation								\$ 1,425,000	

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OTHER FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<u>Other Financing Agreements</u>						
Computer Equipment (Supplies)	\$ 110,624	5.59%	\$ 23,292	-	\$ 23,292	-
Total Other Financing Agreements			<u>\$ 23,292</u>	<u>\$ -</u>	<u>\$ 23,292</u>	<u>\$ -</u>
<u>Leases Payable</u>						
Copiers	72,900	5.36%	\$ 10,695	-	10,695	-
Total Leases Payable			<u>\$ 10,695</u>	<u>\$ -</u>	<u>\$ 10,695</u>	<u>\$ -</u>

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final To Actual</u>
REVENUES:					
Local Sources:					
Property Taxes	\$ 932,557		\$ 932,557	\$ 932,557	
Borough Contribution	475,000		475,000	475,000	
Total Local Sources	1,407,557	-	1,407,557	1,407,557	-
State Sources					
Debt Service Aid	282,700		282,700	282,700	
Total Revenues	1,690,257	-	1,690,257	1,690,257	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	740,258		740,258	740,258	
Redemption of Principal	1,425,000		1,425,000	1,425,000	
Total Expenditures	2,165,258	-	2,165,258	2,165,258	-
Net Change in Fund Balance	(475,001)		(475,001)	(475,001)	-
Fund Balance, Beginning of Year	475,001	-	475,001	475,001	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures				\$ 475,000	
Available for Expenditures				<u>(475,000)</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ -</u>	

**EAST RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<u>Subscription-Based Information Technology Arrangements</u>						
Savvas Learning Company Digital Courseware	\$ 111,330	0.10%	\$ 74,294	-	\$ 18,546	\$ 55,748
			<u>\$ 74,294</u>	<u>\$ -</u>	<u>\$ 18,546</u>	<u>\$ 55,748</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 9,042,602	\$ 8,289,247	\$ 8,689,997	\$ 8,017,259	\$ 6,524,828	\$ 4,106,628	\$ 4,130,155	\$ 4,088,243	\$ 4,016,618	\$ 3,642,511
Restricted	4,974,775	5,068,385	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078
Unrestricted	<u>(1,724,574)</u>	<u>(1,729,693)</u>	<u>(2,512,779)</u>	<u>(2,939,479)</u>	<u>(4,693,635)</u>	<u>(4,429,988)</u>	<u>(3,839,305)</u>	<u>(4,174,823)</u>	<u>(3,837,299)</u>	<u>(3,683,762)</u>
Total Governmental Activities Net Position	<u>\$ 12,292,803</u>	<u>\$ 11,627,939</u>	<u>\$ 10,359,200</u>	<u>\$ 8,037,316</u>	<u>\$ 4,606,258</u>	<u>\$ 1,699,562</u>	<u>\$ 1,193,727</u>	<u>\$ 814,326</u>	<u>\$ 1,190,397</u>	<u>\$ 969,827</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 336,075	\$ 254,883	\$ 266,504	\$ 41,746	\$ 30,915	\$ 60,729	\$ 15,961	\$ 13,293	\$ 10,697	\$ 13,663
Restricted										
Unrestricted	<u>323,075</u>	<u>501,913</u>	<u>548,817</u>	<u>362,134</u>	<u>50,920</u>	<u>48,749</u>	<u>102,244</u>	<u>126,469</u>	<u>144,481</u>	<u>118,009</u>
Total Business-Type Activities Net Position	<u>\$ 659,150</u>	<u>\$ 756,796</u>	<u>\$ 815,321</u>	<u>\$ 403,880</u>	<u>\$ 81,835</u>	<u>\$ 109,478</u>	<u>\$ 118,205</u>	<u>\$ 139,762</u>	<u>\$ 155,178</u>	<u>\$ 131,672</u>
District-Wide										
Net Investment in Capital Assets	\$ 9,378,677	\$ 8,544,130	\$ 8,956,501	\$ 8,059,005	\$ 6,555,743	\$ 4,167,357	\$ 4,146,116	\$ 4,101,536	\$ 4,027,315	\$ 3,656,174
Restricted	4,974,775	5,068,385	4,181,982	2,959,536	2,775,065	2,022,922	902,877	900,906	1,011,078	1,011,078
Unrestricted	<u>(1,401,499)</u>	<u>(1,227,780)</u>	<u>(1,963,962)</u>	<u>(2,577,345)</u>	<u>(4,642,715)</u>	<u>(4,381,239)</u>	<u>(3,737,061)</u>	<u>(4,048,354)</u>	<u>(3,692,818)</u>	<u>(3,565,753)</u>
Total District Net Position	<u>\$ 12,951,953</u>	<u>\$ 12,384,735</u>	<u>\$ 11,174,521</u>	<u>\$ 8,441,196</u>	<u>\$ 4,688,093</u>	<u>\$ 1,809,040</u>	<u>\$ 1,311,932</u>	<u>\$ 954,088</u>	<u>\$ 1,345,575</u>	<u>\$ 1,101,499</u>

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

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

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

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,558,723	\$ 9,371,845	\$ 8,824,944	\$ 9,846,176	\$ 9,725,101	\$ 10,439,386	\$ 11,106,537	\$ 10,254,758	\$ 8,990,945	\$ 8,641,143
Special Education	3,809,772	3,145,903	3,322,301	3,666,402	3,664,533	3,802,799	3,770,674	3,571,227	2,964,763	2,491,806
Other Instruction	916,561	730,454	997,472	947,571	764,007	778,939	695,277	707,483	840,300	874,386
School Sponsored Activities and Athletics	87,645	71,211	44,745	35,645	59,031	55,441	66,901	68,727	94,929	103,915
Support Services										
Student & Instruction Related Services	2,975,582	3,076,710	2,720,286	2,892,696	2,571,643	2,593,632	2,695,911	2,845,665	2,571,607	2,447,507
General Administration Services	804,641	845,750	744,518	808,905	695,506	675,413	579,582	600,194	631,864	634,754
School Administrative Services	891,589	903,479	795,742	899,588	784,386	792,724	859,478	887,991	728,173	699,086
Central and Other Support Services	668,870	632,251	732,396	676,564	628,768	619,933	624,382	601,493	492,472	514,716
Plant Operations And Maintenance	2,903,872	2,640,108	2,009,478	1,854,800	1,342,968	1,479,819	1,347,905	1,467,855	1,377,893	1,545,552
Pupil Transportation	497,669	463,457	460,519	274,410	360,496	527,273	569,592	491,074	452,825	425,730
Interest On Long-Term Debt	728,537	791,367	713,285	121,478	79,385	101,540	125,925	150,211	171,474	174,626
Total Governmental Activities Expenses	<u>23,843,461</u>	<u>22,672,535</u>	<u>21,365,686</u>	<u>22,024,235</u>	<u>20,675,824</u>	<u>21,866,899</u>	<u>22,442,164</u>	<u>21,646,678</u>	<u>19,317,245</u>	<u>18,553,221</u>
Business-Type Activities:										
Food Service	<u>591,490</u>	<u>481,474</u>	<u>532,587</u>	<u>313,401</u>	<u>215,926</u>	<u>328,939</u>	<u>375,553</u>	<u>356,201</u>	<u>340,009</u>	<u>314,627</u>
Total Business-Type Activities Expense	<u>591,490</u>	<u>481,474</u>	<u>532,587</u>	<u>313,401</u>	<u>215,926</u>	<u>328,939</u>	<u>375,553</u>	<u>356,201</u>	<u>340,009</u>	<u>314,627</u>
Total District Expenses	<u>\$ 24,434,951</u>	<u>\$ 23,154,009</u>	<u>\$ 21,898,273</u>	<u>\$ 22,337,636</u>	<u>\$ 20,891,750</u>	<u>\$ 22,195,838</u>	<u>\$ 22,817,717</u>	<u>\$ 22,002,879</u>	<u>\$ 19,657,254</u>	<u>\$ 18,867,848</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 167,517	\$ 161,285	\$ 126,435	\$ 77,308	\$ 222,987	\$ 60,140	\$ 86,489	\$ 84,200	\$ 53,878	\$ 113,563
Operating Grants And Contributions	4,834,739	5,138,986	5,500,736	7,049,745	5,117,421	5,659,388	6,761,551	6,255,122	4,937,922	4,168,902
Capital Grants And Contributions	<u>14,803</u>	<u>-</u>	<u>306,951</u>	<u>1,135,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities Program Revenues	<u>5,017,059</u>	<u>5,300,271</u>	<u>5,934,122</u>	<u>8,262,101</u>	<u>5,340,408</u>	<u>5,719,528</u>	<u>6,848,040</u>	<u>6,339,322</u>	<u>4,991,800</u>	<u>4,282,465</u>
Business-Type Activities:										
Charges For Services	140,554	151,977	2,503	10,877	84,767	141,821	149,445	134,751	147,164	138,430
Operating Grants And Contributions	353,290	270,972	713,042	624,569	130,845	178,391	204,551	206,034	216,351	180,557
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business Type Activities Program Revenues	<u>493,844</u>	<u>422,949</u>	<u>715,545</u>	<u>635,446</u>	<u>215,612</u>	<u>320,212</u>	<u>353,996</u>	<u>340,785</u>	<u>363,515</u>	<u>318,987</u>
Total District Program Revenues	<u>\$ 5,510,903</u>	<u>\$ 5,723,220</u>	<u>\$ 6,649,667</u>	<u>\$ 8,897,547</u>	<u>\$ 5,556,020</u>	<u>\$ 6,039,740</u>	<u>\$ 7,202,036</u>	<u>\$ 6,680,107</u>	<u>\$ 5,355,315</u>	<u>\$ 4,601,452</u>

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenue										
Governmental Activities	\$ (18,826,402)	\$ (17,372,264)	\$ (15,431,564)	\$ (13,762,134)	\$ (15,335,416)	\$ (16,147,371)	\$ (15,594,124)	\$ (15,307,356)	\$ (14,325,445)	\$ (14,270,756)
Business-Type Activities	(97,646)	(58,525)	182,958	322,045	(314)	(8,727)	(21,557)	(15,416)	23,506	4,360
Total District-Wide Net Expense	\$ (18,924,048)	\$ (17,430,789)	\$ (15,248,606)	\$ (13,440,089)	\$ (15,335,730)	\$ (16,156,098)	\$ (15,615,681)	\$ (15,322,772)	\$ (14,301,939)	\$ (14,266,396)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For:										
General Purposes	\$ 17,708,660	\$ 17,109,001	\$ 16,773,530	\$ 16,444,637	\$ 16,122,193	\$ 15,806,072	\$ 15,042,487	\$ 14,087,500	\$ 13,677,157	\$ 13,408,977
Debt Service	932,557	1,118,375	654,387	699,978	711,353	726,547	733,672	723,714	723,665	721,866
Unrestricted Federal and State Aid						1,362	24,507	24,235	15,292	14,156
State Aid for Debt Principal	186,051	24,087	30,609							
Local Contribution for Debt Principal	312,607	71,903								
Investment Earnings							94,292			-
Insurance Recoveries							78,567	95,836	129,901	53,325
Miscellaneous Income	351,391	317,637	88,197	45,685	75,088	119,225				
Transfer	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	19,491,266	18,641,003	17,546,723	17,190,300	16,908,634	16,653,206	15,973,525	14,931,285	14,546,015	14,198,324
Business-Type Activities:										
Investment Earnings								66	492	378
Miscellaneous Income										
Transfer	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	66	492	378
Total District-Wide	\$ 19,491,266	\$ 18,641,003	\$ 17,546,723	\$ 17,190,300	\$ 16,908,634	\$ 16,653,206	\$ 15,973,525	\$ 14,931,351	\$ 14,546,507	\$ 14,198,702
Change in Net Position										
Governmental Activities	\$ 664,864	\$ 1,268,739	\$ 2,115,159	\$ 3,428,166	\$ 1,573,218	\$ 505,835	\$ 379,401	\$ (376,071)	\$ 220,570	\$ (72,432)
Business-Type Activities	(97,646)	(58,525)	182,958	322,045	(314)	(8,727)	(21,557)	(15,350)	23,998	4,738
Total District	\$ 567,218	\$ 1,210,214	\$ 2,298,117	\$ 3,750,211	\$ 1,572,904	\$ 497,108	\$ 357,844	\$ (391,421)	\$ 244,568	\$ (67,694)

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

	2024	2023	2022	2021	Fiscal Year Ended June 30,		2018	2017	2016	2015
					2020	2019				
General Fund										
Restricted	\$ 6,245,138	\$ 5,783,328	\$ 5,327,493	\$ 3,879,908	\$ 3,138,271	\$ 2,022,920	\$ 902,676	\$ 900,906	\$ 1,011,077	\$ 711,302
Committed		368,475		1,005,174			94,292			
Assigned	62,237	24,224	96,581	55,135	390,138	149,924	394,547	208,664	207,572	274,501
Unassigned	<u>179,331</u>	<u>181,776</u>	<u>522,451</u>	<u>417,661</u>	<u>139,404</u>	<u>102,833</u>	<u>121,891</u>	<u>48,212</u>	<u>14,952</u>	<u>37,006</u>
Total General Fund	<u>\$ 6,486,706</u>	<u>\$ 6,357,803</u>	<u>\$ 5,946,525</u>	<u>\$ 5,357,878</u>	<u>\$ 3,667,813</u>	<u>\$ 2,275,677</u>	<u>\$ 1,513,406</u>	<u>\$ 1,157,782</u>	<u>\$ 1,233,601</u>	<u>\$ 1,022,809</u>
All Other Governmental Funds										
Restricted										
Special Revenue Fund	\$ 10,647	\$ 10,056	\$ 10,761	\$ 10,899	\$ 11,791					
Capital Projects Fund	18,990	1,387,695	7,342,076							\$ 299,775
Debt Service Fund	-	475,001	43,728	43,729	3	\$ 2	\$ 201		\$ 1	1
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,969,842)</u>	<u>(1,059,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 29,637</u>	<u>\$ 1,872,752</u>	<u>\$ 7,396,565</u>	<u>\$ (8,915,214)</u>	<u>\$ (1,047,745)</u>	<u>\$ 2</u>	<u>\$ 201</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 299,776</u>

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

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

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Local Sources:										
Tax Levy	\$ 18,641,217	\$ 18,227,376	\$ 17,427,917	\$ 17,144,615	\$ 16,833,546	\$ 16,532,619	\$ 15,776,159	\$ 14,811,214	\$ 14,400,822	\$ 14,130,843
Tuition	123,226	121,100	113,200	63,440	195,487	48,500	67,329	59,000	53,878	113,563
Interest Earnings	248,167	214,569	38,686	15,142						
Rents	23,546	22,000	1,669	13,750	27,500	11,640	19,160	25,200		
Miscellaneous	598,969	596,253	61,077	38,955	75,177	121,325	119,239	99,336	129,901	53,325
State Sources	5,827,703	5,655,337	5,359,325	4,137,009	3,606,202	3,437,906	3,117,643	2,691,011	2,473,063	2,220,829
Federal Sources	821,124	661,658	1,248,276	949,899	441,531	446,620	451,400	419,823	405,569	401,563
Total Revenue	26,283,952	25,498,293	24,250,150	22,362,810	21,179,443	20,598,610	19,550,930	18,105,584	17,463,233	16,235,518
Expenditures										
Instruction										
Regular Instruction	10,473,842	10,327,815	9,456,477	8,793,511	8,442,443	8,721,828	8,464,417	7,762,376	7,506,760	7,511,623
Special Education Instruction	4,123,805	3,436,763	3,548,433	3,306,484	3,529,845	3,554,842	3,411,327	3,149,884	2,724,921	2,329,115
Other Instruction	1,019,883	809,028	1,059,237	851,241	708,559	688,195	556,128	553,449	715,735	767,899
School Sponsored Activities and Athletics	90,438	76,410	47,111	29,904	54,930	49,848	55,230	55,683	71,863	87,696
Support Services:										
Student and Inst. Related Services	3,209,035	3,250,817	2,877,018	2,588,754	2,443,635	2,363,221	2,271,313	2,313,651	2,237,165	2,203,305
General Administrative Services	857,269	914,098	775,193	749,513	663,673	635,503	514,050	522,621	577,055	594,622
School Administrative Services	940,451	986,199	855,959	799,015	750,079	720,832	720,190	718,849	636,800	638,369
Central and Other Support Services	697,196	667,341	761,145	615,394	617,012	582,627	543,462	506,895	443,185	482,781
Plant Operations And Maintenance	1,914,230	1,751,063	1,761,850	1,449,113	1,351,165	1,434,766	1,255,921	1,337,820	1,314,533	1,521,854
Pupil Transportation	483,519	466,773	454,551	226,185	348,162	461,404	496,958	442,395	407,597	403,241
Capital Outlay	1,969,089	6,493,007	20,427,095	8,397,763	1,148,905	139,847	204,162	31,298	130,169	256,565
Debt Service:										
Interest and Other Charges	1,477,533	304,156	726,345	700,046	702,085	680,370	663,063	630,845	613,712	176,865
Principal	741,874	1,127,358	152,310	77,017	86,352	109,144	133,176	155,638	172,721	607,768
Total Expenditures	27,998,164	30,610,828	42,902,724	28,583,940	20,846,845	20,142,427	19,289,397	18,181,404	17,552,216	18,114,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,714,212)	(5,112,535)	(18,652,574)	(6,221,130)	332,598	456,183	261,533	(75,820)	(241,429)	(1,879,139)
Other Financing Sources (Uses)										
Bond Proceeds										
Note Premium			\$ 35,553,000	\$ 43,726						
Capital Lease Proceeds						\$ 305,889				\$ 290,758
Insurance Recoveries							\$ 94,292			
Transfers In	\$ 200,000			43,726					\$ 299,775	
Transfers Out	(200,000)	-	-	(43,726)	-	-	-	-	(299,775)	-
Total Other Financing Sources (Uses)	-	-	35,553,000	43,726	-	305,889	94,292	-	-	2,491,000
Net Change in Fund Balances	\$ (1,714,212)	\$ (5,112,535)	\$ 16,900,426	\$ (6,177,404)	\$ 332,598	\$ 762,072	\$ 355,825	\$ (75,820)	\$ (241,429)	\$ 611,861
Debt Service as a Percentage of Noncapital Expenditures	8.53%	5.94%	3.91%	3.85%	4.00%	3.95%	4.17%	4.33%	4.51%	4.39%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30	Prior Year Voided Checks	Prior Year Refunds	Insurance Dividend/ Reimbursements	Tuition	Facility Rentals	Indirect Cost Reimbursement	E-Rate	Interest	Miscellaneous	Total
2024		\$ 40,523	\$ 11,062	\$ 123,226	\$ 23,546		\$ 2,193	\$ 248,167	\$ 49,446	\$ 498,163
2023	28,264	11,811	39,684	121,100	22,000		4,673	214,569	18,636	460,737
2022	16,070	14,294	14,883	113,200	1,669			38,686	4,264	203,066
2021		27,937		63,440	13,750			15,142	2,606	122,875
2020		18,024		195,487	27,500			18,530	38,534	298,075
2019		70,364		48,500	11,640	\$ 22,901		16,658	9,302	179,365
2018		11,508		67,329	19,160	25,769		6,926	34,364	165,056
2017	787	60,837		59,000	25,200			4,547	29,665	180,036
2016	16,639	66,253		53,878				3,241	43,768	183,779
2015	22,536			113,563				3,474	27,315	166,888

Source: District's financial records

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

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 33,244,900	\$ 620,552,400			\$ 418,328,100	\$ 647,161,000	\$ 126,574,700	\$ 1,845,861,100	\$ 3,687,646	\$ 1,849,548,746	\$ 2,174,418,518	\$ 0.779
2016	32,423,900	619,817,100			476,992,500	633,405,000	126,427,400	1,889,065,900	4,161,949	1,893,227,849	2,449,372,901	0.783
2017	33,919,400	620,007,200			390,632,800	632,456,800	190,853,400	1,867,869,600	4,069,535	1,871,939,135	2,502,356,056	0.843
2018	38,695,300	701,720,900			495,793,000	599,137,100	255,007,700	2,090,354,000	4,657,962	2,095,011,962	2,037,938,982	0.789
2019	43,130,000	769,090,400			493,955,600	672,542,900	243,343,500	2,222,062,400	4,657,962	2,226,720,362	2,292,227,281	0.756
2020	42,654,100	765,683,300			496,912,600	715,514,200	250,188,900	2,270,953,100	4,517,960	2,275,471,060	2,361,376,820	0.754
2021	42,150,500	789,556,700			517,837,700	763,106,500	259,625,400	2,372,276,800	4,531,110	2,376,807,910	2,519,937,873	0.734
2022	28,824,500	842,373,300			543,194,800	802,330,500	335,805,600	2,552,528,700	4,589,279	2,557,117,979	2,709,785,940	0.713
2023	19,837,100	915,253,400			569,966,200	860,270,700	361,364,600	2,726,692,000	4,674,455	2,731,366,455	2,705,492,899	0.683
2024	21,215,100	948,246,900			587,419,100	875,951,200	386,687,100	2,819,519,400	4,694,817	2,824,214,217	2,902,202,097	0.693

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

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

Calendar Year	<u>Total</u>	Total Direct Rate	Overlapping Rates		
		Local School District	Regional School	Municipality	County
2024	\$ 1.621	\$ 0.693	\$ 0.243	\$ 0.446	\$ 0.239
2023	1.623	0.683	0.258	0.446	0.236
2022	1.751	0.713	0.287	0.495	0.256
2021	1.797	0.734	0.275	0.521	0.267
2020	1.819	0.754	0.291	0.518	0.256
2019	1.832	0.756	0.274	0.550	0.252
2018	1.778	0.789	0.268	0.530	0.191
2017	2.074	0.843	0.294	0.608	0.329
2016	1.945	0.783	0.283	0.566	0.313
2015	1.967	0.779	0.323	0.584	0.281

Source: Tax Duplicate, Borough of East Rutherford

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

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Federal Reserve Bank	\$ 221,810,800	7.85%	Federal Reserve Bank	\$ 313,740,000	16.96%
One Met Center LLC	95,000,000	3.36%	One Met Center LLC (One Meadowlands Plaza)	75,000,000	4.06%
Waterside Gardens at Brick LLC	95,717,800	3.39%	Equinox 360 Associates	69,310,000	3.75%
Central and Oak Multi Family LLC	61,621,100	2.18%	BPG Hotel XVII c/o Sheraton	42,500,000	2.30%
201 Railroad Ave. LLC	49,176,200	1.74%	Richard Branca Family LP	41,545,500	2.25%
Liberty Terrace, LLC	40,272,500	1.43%	Avalon	34,250,000	1.85%
Honeywell International, Inc.	38,195,800	1.35%	Racioppi, (etals)	23,500,000	1.27%
ML Plaza Owner LLC Hilton	36,794,000	1.30%	Liberty Terrace	23,300,000	1.26%
Brancasons	36,230,300	1.28%	Liberty Commons	22,000,000	1.19%
450 Murray Hill Corp.	34,200,000	1.21%	Vornado Realty Trust	37,207,300	2.01%
Total	<u>\$ 709,018,500</u>	<u>25.10%</u>		<u>\$ 682,352,800</u>	<u>36.89%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2024	\$ 18,641,217	\$ 18,641,217	100%	
2023	18,227,376	18,227,376	100%	
2022	17,427,917	17,427,917	100%	
2021	17,144,615	17,144,615	100%	
2020	16,833,546	16,833,546	100%	
2019	16,532,619	16,532,619	100%	
2018	15,776,159	15,776,159	100%	
2017	14,811,214	14,811,214	100%	
2016	14,400,822	14,400,822	100%	
2015	14,130,843	14,130,843	100%	

Source: District's financial records

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Leases	Financing Agreements	IT Subscription Arrangements	Bond Anticipation Notes (BANs)	Total District	Population	Per Capita
2024	\$ 35,159,000			\$ 55,748		\$ 35,214,748	10,421	\$ 3,379
2023	36,584,000	\$ 10,695	\$ 23,292	74,294		36,692,281	10,397	3,529
2022	36,784,000	24,303	95,313			36,903,616	9,953	3,708
2021	1,876,000	37,203	163,758		\$ 8,000,000	10,076,961	9,646	1,045
2020	2,511,000		228,804			2,739,804	9,688	283
2019	3,136,000		305,889			3,441,889	9,725	354
2018	3,756,000		60,370			3,816,370	9,760	391
2017	4,361,000		118,433			4,479,433	9,742	460
2016	4,936,000		174,278			5,110,278	9,045	565
2015	5,496,000		227,990			5,723,990	9,020	635

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 35,159,000		\$ 35,159,000	1.24%	\$ 3,374
2023	36,584,000	\$ 475,001	36,108,999	1.32%	3,473
2022	36,784,000	43,728	36,740,272	1.44%	3,691
2021	1,876,000	43,729	1,832,271	0.08%	190
2020	2,511,000	3	2,510,997	0.11%	259
2019	3,136,000	2	3,135,998	0.14%	322
2018	3,756,000		3,756,000	0.18%	385
2017	4,361,000		4,361,000	0.23%	448
2016	4,936,000		4,936,000	0.26%	546
2015	5,496,000		5,496,000	0.30%	609

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

EXHIBIT J-12

**EAST RUTHERFORD BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of East Rutherford	\$ 38,763,482
East Rutherford Board of Education (As of June 30, 2024)	<u>35,159,000</u>
 Total Direct Debt	 <u>73,922,482</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County: (3);(A):	
County of Bergen (A)	20,466,881
Bergen County Utilities Authority - Water Pollution (B)	<u>2,859,093</u>
 Total Overlapping Debt	 <u>23,325,974</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 97,248,456</u></u>

- (A) The debt for this entity was apportioned to the Borough of East Rutherford by dividing the Municipality's 2023 equalized value by the total 2023 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of East Rutherford 2023 Annual Debt Statement
- (2) BCUA 2023 Audit
- (3) Bergen County 2023 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis

2023	\$ 2,919,057,917
2022	2,614,492,164
2021	<u>2,728,636,761</u>
	<u>\$ 8,262,186,842</u>

Average equalized valuation of taxable property	\$ 2,754,062,281
Debt limit (3% of average equalization value)	82,621,868
Total Net Debt Applicable to Limit	<u>35,159,000</u>
Legal debt margin	<u>\$ 47,462,868</u>

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 60,414,392	\$ 60,524,764	\$ 62,341,600	\$ 61,412,512	\$ 64,712,042	\$ 66,873,584	\$ 73,101,319	\$ 53,380,279	\$ 79,525,201	\$ 82,621,868
Total Net Debt Applicable to Limit	<u>5,496,951</u>	<u>4,936,000</u>	<u>4,361,000</u>	<u>3,756,000</u>	<u>3,136,000</u>	<u>38,064,000</u>	<u>37,429,000</u>	<u>36,784,000</u>	<u>36,584,000</u>	<u>35,159,000</u>
Legal Debt Margin	<u>\$ 54,917,441</u>	<u>\$ 55,588,764</u>	<u>\$ 57,980,600</u>	<u>\$ 57,656,512</u>	<u>\$ 61,576,042</u>	<u>\$ 28,809,584</u>	<u>\$ 35,672,319</u>	<u>\$ 16,596,279</u>	<u>\$ 42,941,201</u>	<u>\$ 47,462,868</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.10%	8.16%	7.00%	6.12%	4.85%	56.92%	51.20%	68.91%	46.00%	42.55%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Personal Income</u>	<u>Population</u>
2024	4.3%	\$ 97,138 (E)	10,421
2023	3.9%	97,138 (E)	10,397
2022	6.5%	97,138	9,953
2021	9.6%	93,343	9,646
2020	3.1%	91,972	9,688
2019	3.7%	88,241	9,725
2018	3.8%	85,191	9,760
2017	3.8%	81,024	9,742
2016	4.9%	78,836	9,045
2015	4.9%	77,323	9,020

(E) Estimate

Source: United States Bureau of Census
School District Records

(1) Bergen County Per Capita Income

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction										
Regular	72.0	72.0	63.0	63.0	63.0	63.0	57.0	58.0	55.0	53.0
Special Education	16.0	16.0	14.0	14.0	14.0	15.0	14.0	15.0	17.0	17.0
Other Special Education	15.0	15.0	15.0	15.0	17.0	18.5	14.0	14.0	12.0	10.0
Other Instruction	5.0	5.0	6.0	6.0	6.0	6.0	5.0	6.0	4.0	3.0
Support Services:										
Student and Instruction Related Services	22.0	22.0	12.0	13.0	13.0	13.0	14.0	15.0	15.0	15.0
General and Business Administration Services	4.0	4.0	4.0	4.0	6.0	6.0	6.0	5.0	5.0	4.0
School Administrative Services	9.0	9.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0
Plant Operations And Maintenance	10.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Pupil Transportation	4.0	4.0	4.0	4.0	3.0	4.0	5.0	5.0	5.0	4.0
Total	<u>157.0</u>	<u>157.0</u>	<u>136.0</u>	<u>136.0</u>	<u>139.0</u>	<u>142.5</u>	<u>132.0</u>	<u>135.0</u>	<u>130.0</u>	<u>122.0</u>

Source: District Personnel Records

EAST RUTHERFORD 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	<u>Pupil/Teacher Ratio</u>		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
								Elementary/Middle School					
2024	776	<i>d</i>	\$	23,809,668	\$	30,683	3.87%	92.00	Not Available	765	718	2.82%	93.86%
2023	768	<i>d</i>		22,686,307		29,539	2.45%	92.00	Not Available	744	700	-0.67%	94.09%
2022	749	<i>d</i>		21,596,974		28,834	14.24%	92.00	Not Available	749	719	* -4.34%	95.99%
2021	769			19,409,114		25,239	3.18%	92.00	Not Available	783	741	-2.00%	94.64%
2020	773			18,909,503		24,462	2.37%	94.00	Not Available	799	760	-2.44%	95.12%
2019	804			19,213,066		23,897	6.88%	95.00	Not Available	819	781	0.61%	95.36%
2018	818			18,288,996		22,358	4.04%	86.00	Not Available	814	776	0.00%	95.33%
2017	808			17,363,623		21,490	3.47%	86.00	Not Available	814	776	3.69%	95.33%
2016	801			16,635,614		20,769	-1.18%	83.00	Not Available	785	751	1.16%	95.67%
2015	787			16,540,505		21,017	1.37%	83.00	Not Available	776	744	0.13%	95.88%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.
 - d Enrollment includes resident Charter School and Sent students.
 - * Estimate

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
McKenzie Elementary										
Square Feet	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500	54,500
Capacity (students)	411	411	411	411	411	411	411	411	411	411
Enrollment	427	423	456	474	459	471	472	472	475	454
Lincoln										
Square Feet	40,880	40,880	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
Capacity (students)	369	369	Included	Included	Included	Included	Included	Included	Included	Included
Enrollment	172	181	Included	Included	Included	Included	Included	Included	Included	Included
<u>Middle School</u>										
Faust Intermediate										
Square Feet	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935	69,935
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	256	255	293	295	302	305	346	342	326	333
<u>Administration Building</u>										
Board of Education Offices										
Square Feet	1,856	1,856								
Number of Schools at June 30, 2024										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District Records

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School Facilities										
McKenzie	\$ 218,410	\$ 158,915	\$ 104,908	\$ 126,203	\$ 130,624	\$ 115,936	\$ 79,693	\$ 107,566	\$ 85,512	\$ 82,921
Lincoln	65,523	15,136	9,528	6,308	11,864	9,152	6,291	8,491	6,750	6,546
Faust	152,887	204,320	134,620	122,361	167,618	180,005	123,734	167,009	132,768	128,745
Administration Building	-	-	-	-	-	-	-	-	-	-
Grand Total	<u>\$ 436,820</u>	<u>\$ 378,371</u>	<u>\$ 249,056</u>	<u>\$ 254,872</u>	<u>\$ 310,106</u>	<u>\$ 305,093</u>	<u>\$ 209,718</u>	<u>\$ 283,066</u>	<u>\$ 225,030</u>	<u>\$ 218,212</u>

Source: District records

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Limits</u>	<u>Deductible</u>
School Package Policy			
Property Blanket Building & Contents-		\$ 72,007,380	\$ 25,000
Flood & Earthquake: \$5,000,000 per occurrence/\$5,000,000 annual aggregate per member			100,000
Flood: Zone A & V \$2,000,000 per occurrence/\$2,000,000 annual aggregate per member			500,000
Extra Expense		5,000,000	
Ordinance or Law Coverage A: Included			
Building Ordinance Demolition Cost incl. Cost of Construction		1,000,000	
Pollutant Clean Up & Removal		250,000	
Broadened Water-Direct Damage: \$100,000 or Limit of Insurance whichever is less			
Broadened Water: Loss of Income Planned Events and Tuition Fees		100,000	
Claim Data Expenses		25,000	
Fire Department Service Charge		50,000	
Fire Protection Device Charge		5,000	
Food Contamination Shutdown-Planned Events		10,000	
Lock Replacement		25,000	per occurrence
Loss of Income Planned Events - Actual Loss Sustained		250,000	
Loss of Reduction Rewards: 10% of loss or \$25,000			
Newly Acquired or Constructed Property-Building		1,000,000	
Newly Acquired Property Type: Personal Property		500,000	
Non-owned Detached Trailers		50,000	per occurrence
Outdoor Property		150,000	
Outside Signs		100,000	
Outdoor trees		5,000/25,000	per tree/per occurrence
Personal Effects & Property of Others		1,000/25,000	per person/annual aggregate
Pollutant Cleanup and Removal: Planned Events		10,000	
Premises Extension Property: 1,000 Feet			
Property Off Premises		100,000	
Roof Protection		1,000	
Specified Appurtenant Structures: Public Use \$100,000, Your Use \$10,000, Contents \$1,000			
Transportation		100,000	
Tuition and Fees		20,000	
Utility Services Direct Damage		50,000	
Utility Services: Planned Events		25,000	
Valuable Papers & Records		5,000,000	
Accounts Receivable		250,000	
Fine Arts		50,000	
Computer Equipment		2,500,000	
Musical Instruments, Band Uniforms,			
Athletic Equipment & Theatrical Equipment		250,000	
Cameras, Audio/Video Equipment owned,			
leased or rented for use in your normal school operations		250,000	

Source: District Records

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

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

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund of the East Rutherford Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the East Rutherford Board of Education's basic financial statements and have issued our report thereon dated November 12, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Rutherford Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the East Rutherford Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 12, 2024.

Purpose of this Report

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

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2024



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the East Rutherford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the East Rutherford Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The East Rutherford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the East Rutherford Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the East Rutherford Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated November 12, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
November 12, 2024

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2023		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2024		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue							Accounts Receivable	Unearned Revenue	
U.S. Dept. of Agriculture Passed-through State Department of Agriculture															
Food Service Fund															
National School Lunch Program	10.555														
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	\$ 56,160		\$ 686				\$ 686					-
Non-Cash Assistance (Food Distribution)		241NJ304N1099	7/1/23-6/30/24	74,597					\$ 74,597	72,149				\$ 2,448	-
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	133,542	\$ (17,328)				17,328						-
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	179,567					169,023	179,567			\$ (10,544)		\$ (10,544)
Supply Chain Assistance Program		241NJ304N1099	7/1/23-6/30/24	21,592					21,592	21,592					-
School Breakfast Program	10.553	231NJ304N1099	7/1/22-6/30/23	27,928	(3,680)				3,680						-
School Breakfast Program		241NJ304N1099	7/1/23-6/30/24	64,162	-	-	-	-	57,935	64,162	-	-	(6,227)	-	(6,227)
Total Child Nutrition Cluster/Food Service Fund					(21,008)	686	-	-	344,155	338,156	-	-	(16,771)	2,448	(16,771)
U.S. Department of Health and Human Services Passed- through State Dept. of Human Services															
General Fund															
Medical Assistance Program (SEMI)	93.778	2405NJ5MAP	7/1/23-6/30/24	36,687	-	-	-	-	36,687	36,687	-	-	-	-	-
Total General Fund					-	-	-	-	36,687	36,687	-	-	-	-	-
U.S. Department of Education Passed- through State Dept. of Education															
Special Revenue Fund															
IDEA Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	204,867	(57,121)				57,121						-
IDEA Part B, Basic	84.027A	H027A230100	7/1/23-9/30/24	220,537					198,786	220,512			(21,751)	25	(21,726)
IDEA Preschool	84.173A	H173A220114	7/1/22-9/30/23	7,667	(34)	34	\$ 34	\$ (34)							-
IDEA Preschool	84.173A	H173A230114	7/1/23-9/30/24	7,706	-	-	(34)	34	6,400	7,700	-	-	(1,340)	40	(1,300)
Total Special Education Cluster (IDEA)					(57,155)	34	-	-	262,307	228,212	-	-	(23,091)	65	(23,026)
Title III	84.365	S365A230030	7/1/23-9/30/24	11,580	-	-	-	-	4,146	7,412			(7,434)	4,168	(3,266)
Total Title III Cluster					-	-	-	-	4,146	7,412	-	-	(7,434)	4,168	(3,266)
Title I - Part A	84.010	S010A220030	7/1/22-9/30/23	122,741	(34,801)	19,097	31,305	(31,305)	3,496			\$ 12,208	-	-	-
Title I - Part A	84.010	S010A230030	7/1/23-9/30/24	146,533			(31,305)	31,305	116,043	173,944			(61,795)	3,894	(57,901)
Title II - Part A	84.367A	S367A220029	7/1/22-9/30/23	19,296	(24,904)	15,129	15,129	(15,129)	9,775						-
Title II - Part A	84.367A	S367A230029	7/1/23-9/30/24	23,444			(15,129)	15,129		22,272			(38,573)	16,301	(22,272)
Title IV - Part A	84.424	S424A220031	7/1/22-9/30/23	10,521	(215)	215	215	(215)							-
Title IV - Part A	84.424	S424A230031	7/1/23-9/30/24	10,000	-	-	(215)	215	-	-	-	-	(10,215)	10,215	-
Total ESEA Programs					(59,920)	34,441	-	-	133,460	203,628	-	12,208	(118,017)	34,578	(83,439)

EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	July 1, 2023		Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments	June 30, 2024		MEMO GAAP Receivable
					Accounts Receivable	Unearned Revenue							Accounts Receivable	Unearned Revenue	
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	\$ 489,925	\$ (95,528)	\$ 85,328			\$ 91,920	\$ 81,720	\$ 3,608	(3,608)	-	-	-
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	31,441	(9,046)	9,046			4,075	4,075	4,971	(4,971)	-	-	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(15,187)	15,187			15,187	15,187			-	-	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	1,101,074	(162,835)	151,139			78,171	139,091			(84,664)	12,048	\$ (72,616)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	69,881	(69,881)	69,881			52,351	69,661			(17,530)	220	(17,310)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			5,923	5,923			(34,077)	34,077	-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			5,750	9,800			(34,250)	30,200	(4,050)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(37,140)	37,140			27,140	27,140	-	-	(10,000)	10,000	-
American Rescue Plan (ARP) - Homeless Children and Youth (HCY)	84.425W	S425W210031	4/13/21-9/30/24	6,226	(5,918)	5,918	\$ -	\$ -	-	-	(308)	308	(6,226)	6,226	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					<u>(475,535)</u>	<u>453,639</u>	<u>-</u>	<u>-</u>	<u>280,517</u>	<u>352,597</u>	<u>8,271</u>	<u>(8,271)</u>	<u>(186,747)</u>	<u>92,771</u>	<u>(93,976)</u>
Total Special Revenue Fund					<u>(592,610)</u>	<u>488,114</u>	<u>-</u>	<u>-</u>	<u>676,284</u>	<u>784,437</u>	<u>8,271</u>	<u>3,937</u>	<u>(327,855)</u>	<u>127,414</u>	<u>(200,441)</u>
Total Federal Financial Assistance					<u>\$ (613,618)</u>	<u>\$ 488,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,126</u>	<u>\$ 1,159,280</u>	<u>\$ 8,271</u>	<u>\$ 3,937</u>	<u>\$ (344,626)</u>	<u>\$ 129,862</u>	<u>\$ (217,212)</u>

EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Cash Received	Budgetary Expenditures	June 30, 2024		MEMO	
							Accounts Receivable	Unearned Revenue	GAAP Receivable	Budgetary Expenditures
State Department of Education										
General Fund										
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 625,062	\$ (59,476)	\$ 59,476					-
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	725,945		656,511	\$ 725,945	\$ (69,434)			\$ 725,945
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	129,901	(12,361)	12,361					-
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	129,901	-	117,476	129,901	(12,425)	-	-	129,901
Total State Aid Public Cluster				(71,837)	845,824	855,846	(81,859)	-	-	855,846
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	133,577	(12,710)	12,710					-
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	133,577		120,801	133,577	(12,776)			133,577
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	455	-	-	455	(455)	-	(455)	455
Total Transportation Aid Cluster				(12,710)	133,511	134,032	(13,231)	-	(455)	134,032
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	124,046	(124,046)	124,046					-
Extraordinary Aid	24-100-034-5120-044	7/1/23-6/30/24	110,858			110,858	(110,858)			110,858
Payment for Institutionalized Children - Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	11,799	(11,799)	11,799					-
On-behalf TPAF Pension Contributions - Normal Cost/Accrued Liability	24-495-034-5094-002	7/1/23-6/30/24	2,929,017		2,929,017	2,929,017				2,929,017
On-behalf TPAF Pension Contributions - NCGI Premiums	24-495-034-5094-004	7/1/23-6/30/24	33,404		33,404	33,404				33,404
On-behalf TPAF Contributions - LTDI Premiums	24-495-034-5094-004	7/1/23-6/30/24	1,196		1,196	1,196				1,196
On-behalf TPAF Contributions - Post-Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	806,262		806,262	806,262				806,262
Reimbursed TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	628,929	(61,489)	61,489					-
Reimbursed TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	656,485	-	623,358	656,485	(33,127)	-	\$ (33,127)	656,485
Total General Fund				(281,881)	5,569,906	5,527,100	(239,075)	-	(33,582)	5,527,100
Special Revenue Fund										
Climate Change Awareness Grant	23E00338	4/1/23-6/30/23	6,660	(446)	446				-	-
School Security Grant	N/A	9/1/21-8/31/22	41,739				(41,739)	41,739	-	-
Schools Development Authority									-	-
Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	16,228	-	16,228	14,803	-	1,425	-	14,803
Total Special Revenue Fund				(446)	16,674	14,803	(41,739)	43,164	-	14,803
Debt Service Fund										
Type II Debt Service Aid	24-495-034-5120-075	7/1/23-6/30/24	282,700	-	282,700	282,700	-	-	-	282,700
Total Debt Service Fund				-	282,700	282,700	-	-	-	282,700

EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

							June 30, 2024			MEMO	
<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2023</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>	<u>GAAP Receivable</u>	<u>Budgetary Expenditures</u>	
<u>Food Service Fund</u>											
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	\$ 752	\$ (98)	\$ 98						
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	3,086		2,738	\$ 3,086	\$ (348)		\$ (348)	\$ 3,086	
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	5,709	(754)	754				-	-	
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	12,048	-	11,295	12,048	(753)	-	(753)	12,048	
Total Food Service Fund				(852)	14,885	15,134	(1,101)	-	(1,101)	15,134	
Total State Financial Assistance Subject to Single Audit Determination				(283,179)	5,884,165	5,839,737	(281,915)	\$ 43,164	(34,683)	5,839,737	
State Financial Assistance Not Subject to Major Program Determination:											
<u>General Fund</u>											
TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	\$ 2,929,017		\$ (2,929,017)	\$ (2,929,017)				\$ (2,929,017)	
TPAF Pension - NCGI Premiums	24-495-034-5094-004	7/1/23-6/30/24	33,404		(33,404)	(33,404)				(33,404)	
TPAF - LTDI Premiums	24-495-034-5094-004	7/1/23-6/30/24	1,196		(1,196)	(1,196)				(1,196)	
TPAF Post Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	806,262	-	(806,262)	(806,262)	-	-	-	(806,262)	
Total State Financial Assistance for Major Program Determination				\$ (283,179)	\$ 2,114,286	\$ 2,069,858	\$ (281,915)	\$ 43,164	\$ (34,683)	\$ 2,069,858	

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$3,100 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 36,687	\$ 5,530,200	\$ 5,566,887
Special Revenue Fund	784,437	14,803	799,240
Debt Service Fund		282,700	282,700
Food Service Fund	<u>338,156</u>	<u>15,134</u>	<u>353,290</u>
Total Awards Financial Assistance	<u>\$ 1,159,280</u>	<u>\$ 5,842,837</u>	<u>\$ 7,002,117</u>

**EAST RUTHERFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$656,485 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$2,962,421, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$806,262 and TPAF Long-Term Disability Insurance in the amount of \$1,196 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditors' report issued: Unmodified

B) Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

 yes X no

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

State Awards Section

Identification of major programs:

GMIS Number(s)

24-495-034-5095-003

Name of State Program

Reimbursed TPAF Social Security Contributions

Dollar threshold used to determine Type A programs

\$ 750,000

Auditee qualified as low-risk auditee?

X	yes	no
---	-----	----

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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*.

Finding 2024-001

Our audit of the 2020 School Bond Referendum project revealed a transfer of capital reserve in the amount of \$200,000 was made to supplement the project costs resulting from a settlement with the general contractor. Such transfer of capital reserve was not made in accordance with the requirements of N.J.A.C. 6A:23A – 14.1(h).

Criteria or Specific Requirement

N.J.A.C. 6A:23A – 14.1 (h) Withdrawals of Capital Reserve

Condition

A withdrawal of capital reserve was approved at year end for \$200,000 and transferred to the Capital Projects Fund to supplement costs resulting from a \$400,000 settlement with the general contractor. Transfer of capital reserve to a voter approved referendum project may be made if approved through the original budget certified for taxes.

Context

The 2020 School Bond Referendum project was approved by the voters for \$35,753,000 which was supplemented by a \$200,000 withdrawal from capital reserve.

Effect

The District did not comply with the requirements and procedures contained in N.J.A.C. 6A:23A–14.1(h) regarding the withdrawal of capital reserve.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure the withdrawal of capital reserve is made in accordance with the requirements of N.J.A.C. 6A:23A–14.1(h).

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will review and revise its procedures to ensure corrective action is taken.

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**EAST RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.