

**CARLSTADT-EAST RUTHERFORD REGIONAL
BOARD OF EDUCATION**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Henry P. Becton Regional High School
East Rutherford, New Jersey**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Carlstadt-East Rutherford Regional Board of Education

**Henry P. Becton Regional High School
East Rutherford, New Jersey**

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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Henry P. Becton Regional High School

C-ER Regional High School District | Proudly serving the communities of Carlstadt, East Rutherford and Maywood

Dr. Dario Sforza, Superintendent of Schools

Jessenia Kan, Business Administrator/Board Secretary

January 30, 2025

Honorable President and
Members of the Board of Education
Carlstadt-East Rutherford (Becton) Regional High School District
County of Bergen
East Rutherford, New Jersey

Dear C-ER (Becton) Board Trustees:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Carlstadt-East Rutherford Regional High School District (District) for the fiscal year ended June 30, 2024. This ACFR includes the District's Basic Financial Statements prepared in accordance with the requirements of the Governmental Accounting Standards Board. The District believes that this financial reporting model provides all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Carlstadt-East Rutherford Regional High School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs. Also, this is the fourth and final year of Carlstadt-East Rutherford Regional High School housing approximately 308 Borough of Maywood students to total 811 students on-roll and 847 students inclusive of out-of-district students.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District, generally presented on a multi-year basis;

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- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, U.S. Uniform Guidance and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

School District Organization

The District provides education to 847 students, in and out-of-district, grades nine through twelve with an added 18-21 year old program the District is responsible for paying tuition towards. An elected ten-member Board of Education (the “Board”) serves as the policy maker for the District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of District tax money.

The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. The Board Secretary/Business Administrator is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the District, acting as custodian of all district funds, and investing funds as permitted by New Jersey law.

Reporting Entity

The Carlstadt-East Rutherford Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Carlstadt-East Rutherford Regional Board of Education and its school constitute the District’s reporting entity.

Economic Conditions and Outlook

The District completed the 2023-2024 fiscal year with an average daily enrollment of **823.91** students at Becton Regional High School. The following details the changes in the student average daily enrollment of the District over the last ten years:

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Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>*Percent Change</u>
2023-24	823.91	8.83%
2022-23	757.02	16.49%
2021-22	649.87	14.70%
2020-21	566.60	9.70%
2019-20	516.51	5.49%
2018-19	489.65	3.39%
2017-18	473.59	.50%
2016-17	471.24	3.02%
2015-16	457.42	-5.59%
2014-15	484.49	9.11%

*The forecast for student enrollment should begin to stabilize moving forward.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future, unless additional revenue sources can be created. The proposed budget for fiscal year 2024-2025 provides the necessary funding to continue the excellent educational programs available to all District students. Starting with the 2013-2014 school year, there has been no vote on budgets within the 2% "CAPS". There is a 2% increase in the tax levy for fiscal year 2023-2024. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for, and support of a quality school system.

Carlstadt-East Rutherford (Becton) Regional HS District Educational Program

Mission Statement

The Mission Statement of the Carlstadt-East Rutherford (Becton) Regional Board of Education is as follows:

1. To recognize the dignity and worth of each student, regardless of intellectual ability, and maintain a learning environment conducive to educational and personal growth and development.

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2. To provide a variety of course offerings and co-curricular activities to enable students to discover pursuits that interest them and in which they can succeed.
3. To offer extensive opportunities for students to develop problem-solving and critical thinking skills, fostering a mindset of cognitive complexity and innovation.
4. To promote character development, leadership, and good sportsmanship through experiential and community-oriented activities.
5. To encourage active involvement and commitment through diverse educational and co-curricular opportunities.
6. To cultivate an understanding and respect for the law, alongside a sense of responsibility to self, family, school, community, and nation.
7. To deepen students' appreciation of American heritage, acknowledging contributions from all groups, while understanding the workings of government and America's role in the global community.
8. To ensure a safe, substance-free educational environment where students can achieve their educational goals.
9. To foster a lifelong love of learning and equip students with the skills necessary to adapt to an ever-changing world.

Educational Offerings

The Carlstadt-East Rutherford (Becton) Regional HS District provides a robust and innovative curriculum, encompassing:

- **College Preparatory, Honors, and Advanced Placement Courses:** Designed to challenge students academically and prepare them for post-secondary success.
- **Specialized and Exploratory Programs:** Including general education, enrichment opportunities, and special education for students with disabilities.
- **Experiential Learning Initiatives:** Reflecting the Cardinal Principles of Education and the Committee of Ten's recommendations by integrating real-world relevance, global competencies, and interdisciplinary approaches.

Extracurricular and Athletic Programs

Students have access to an extensive range of extracurricular activities, fostering creativity, critical thinking, and collaboration:

- Participation in dozens of clubs and programs and honor societies including student government, National Honor Society, academic, service, and cultural clubs.

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- Engagement in drama, musical performances, and dozens of athletic teams for both male and female students.
- Opportunities for leadership, civic engagement, and international experiences, such as immersive travel programs to Italy, Spain, and France.

Accreditation and Commitment

Carlstadt-East Rutherford (Becton) Regional HS District is accredited by the New Jersey Department of Education. The collective commitment of parents, students, staff, and administration ensures the maintenance of high academic, ethical, and cultural standards. The district's emphasis on global competencies equips students to succeed in a diverse and interconnected world.

Holistic Student Support

Henry P. Becton Regional High School supports students' academic, social, and vocational needs through:

- **Comprehensive Counseling Services:** Individual and group counseling, career planning, and personalized support.
- **Guidance Services:** Including testing, scheduling, career and college conferences, military information, job opportunity listings, scholarship guidance, and summer school offerings.
- **Collaborative Support Networks:** Teams of counselors, teachers, administrators, special education staff, and parents working together to help each student achieve their full potential.

Graduation Requirements

To graduate, students must meet both state and local standards, including passing the statewide assessment for their cohort. For those not meeting these standards, the Board of Education provides remedial and supplementary instruction, which may include extended school days, additional school years, or summer programs to ensure mastery of necessary competencies for diploma eligibility.

Major Initiatives

The Carlstadt-East Rutherford (Becton) Regional HS District continues to innovate and enhance its educational programs:

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Jessenia Kan, Business Administrator/Board Secretary

- Maintaining a balanced focus on college preparatory, general education, and special education programs.
- Updating classrooms and implementing advanced teacher training programs to integrate technology effectively.
- Planning the renovation of a newly acquired building to meet student needs while ensuring long-term financial stability for the district.

Through these initiatives, the district upholds its foundational principles—emphasizing civic engagement, adaptability, and lifelong learning—to prepare students for success in a rapidly evolving world.

Financial Information

Internal Accounting and Budgetary Control: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of controls should not exceed the benefits likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgments by management.

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

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

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 Board. Annual appropriated budgets are adopted for the general fund and special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assigned fund balance at June 30, 2024.

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

Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

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

Acknowledgements

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

Respectfully submitted,

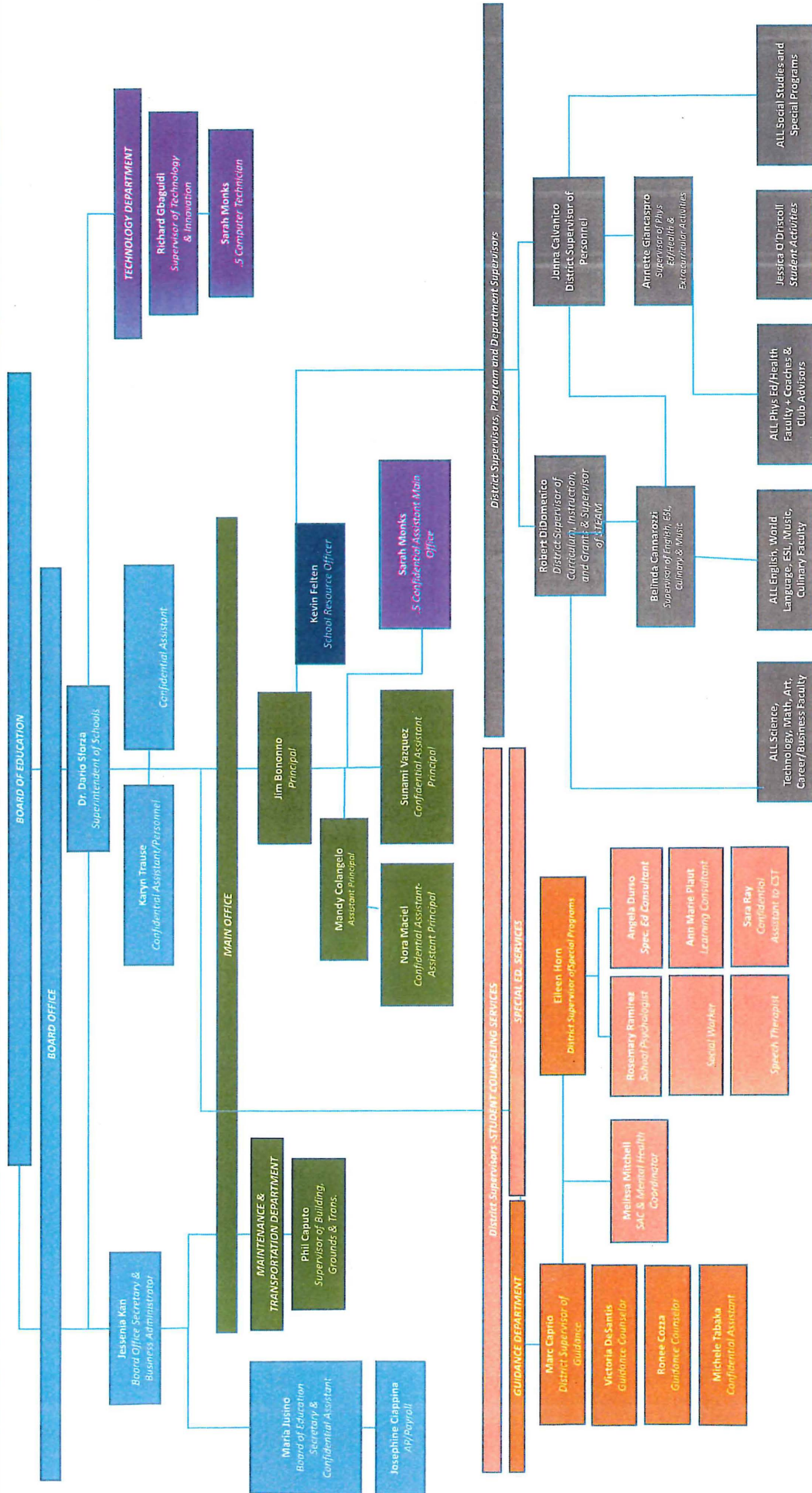
Jessenia Kan

Board Secretary/Business Administrator/ Chief Financial Officer

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BECTON ORGANIZATIONAL CHART



CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Steven Lahullier, President	2024
Emily Landolfi, Vice President	2024
Ariella Alvarez	2024
Robert Anderson	2025
Joel Brizzi	2026
Thomas Cox, Jr,	2026
Jeffrey Grabowski	2025
Constantina Hanna	2025
Bruce Young	2026
Ray Velez – Maywood Representative	2024

Other Officials

Dario Sforza, Ed. D., Superintendent

Jessenia Kan, School Business Administrator/Board Secretary

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2024

Architect of Record

DiCara Rubino Architects
30 Galesi Drive
Wayne, NJ 07470

Audit Firm

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

Board Attorney

Porzio, Bromberg & Newman, P.C.
P.O. Box 1997
Morristown, NJ 07962

Official Depository

TD Bank
71 Union Avenue
East Rutherford, NJ 07073

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
Carlstadt-East Rutherford Regional 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, each major fund, and the aggregate remaining fund information of the Carlstadt-East Rutherford Regional 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, each major fund, and the aggregate remaining fund information of the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, 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 Carlstadt-East Rutherford Regional Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2025 on our consideration of the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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
January 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

As management of the Carlstadt-East Rutherford Regional Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Carlstadt-East Rutherford Regional Board of Education for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, as well as, the District's financial statements and notes to the financial statements which immediately follows this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Carlstadt-East Rutherford Regional Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$28,229,566. (Net Position)
- The District's total net position decreased by \$657,695.
- Overall District revenues were \$22,883,016. General revenues accounted for \$14,627,828, or 64%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,255,188, or 36% of total revenues.
- The school district had \$22,679,397 in expenses for governmental activities; only \$7,234,451 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$14,626,803 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 \$4,301,590. Of this amount, \$2,949,882 is fund balances restricted for specific purposes. \$971,512 is committed or assigned to future year's expenditures and the remaining amount is the unassigned fund balance of \$380,196 which is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2024 was \$3,384,418, a decrease of \$1,582,060 compared to the ending fund balance at June 30, 2023 was \$4,966,478.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$667,113, which represents an increase of \$61,942 compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$605,171.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

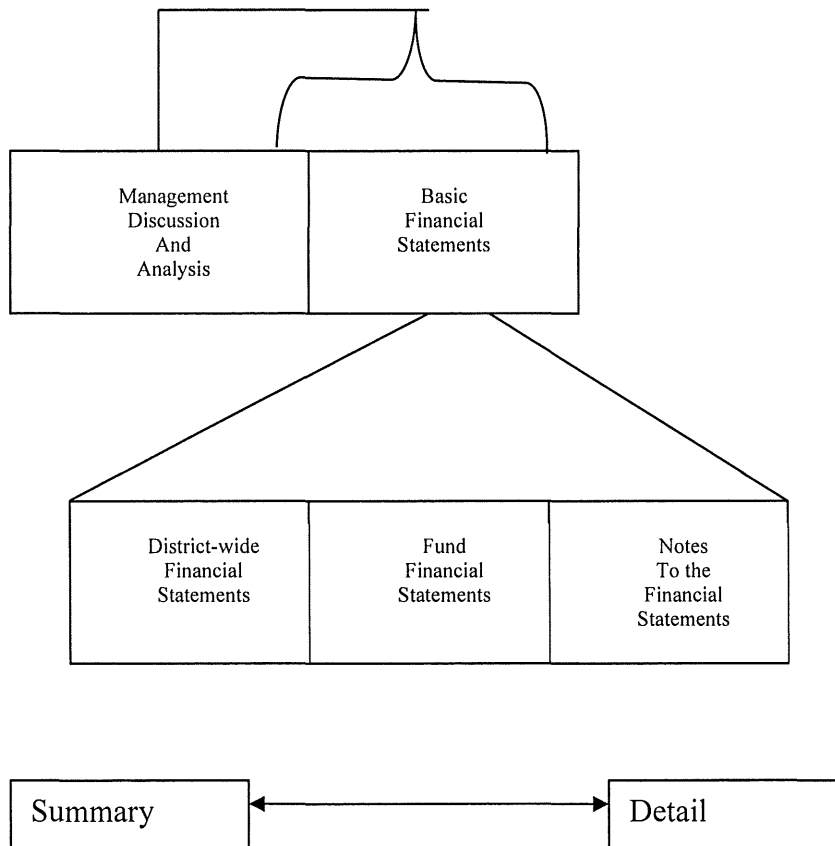
Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following shows how the various parts of this Annual Report are arranged and related to one another.



CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

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

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

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

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

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finance most of these activities.
- *Business-type activities* – These are activities for operations that are financed and operated in a manner similar to private business enterprises. The District's food service operations, facility use fee and student chromebook fee programs are included under this category.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

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

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$28,229,566 and \$28,887,261 on June 30, 2024 and 2023, respectively as follows:

Net Position As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 4,626,056	\$ 6,205,048	\$ 360,254	\$ 199,843	\$ 4,986,310	\$ 6,404,891
Capital Assets, Net	26,143,744	25,528,282	95,717	106,911	26,239,461	25,635,193
Total Assets	30,769,800	31,733,330	455,971	306,754	31,225,771	32,040,084
Deferred Outflows of Resources	585,588	172,666	-	-	585,588	172,666
Total Assets and Deferred Outflows	31,355,388	31,905,996	455,971	306,754	31,811,359	32,212,750
Liabilities						
Long-Term liabilities	3,068,564	2,597,829			3,068,564	2,597,829
Other Liabilities	340,366	370,113	4,786	13,175	345,152	383,288
Total Liabilities	3,408,930	2,967,942	4,786	13,175	3,413,716	2,981,117
Deferred Inflows of Resources	168,077	341,530	-	2,842	168,077	344,372
Total Liabilities and Deferred Inflows	3,577,007	3,309,472	4,786	16,017	3,581,793	3,325,489
Net Position						
Net Investment in Capital Assets	25,634,328	24,928,318	95,717	106,911	25,730,045	25,035,229
Restricted	2,410,353	4,255,283			2,410,353	4,255,283
Unrestricted	(266,300)	(587,077)	355,468	183,826	89,168	(403,251)
Total Net Position	\$ 27,778,381	\$ 28,596,524	\$ 451,185	\$ 290,737	\$ 28,229,566	\$ 28,887,261

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

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

The District's total net position of \$28,229,566 at June 30, 2024 represents a \$657,695, or a 2% decrease from the previous year. The following presents the changes in net position for the fiscal years ended June 30, 2024 and 2023.

Change in Net Position For The Years Ended June 30, 2024 and 2023

	Governmental Activities		Business- Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	\$ 3,784,496	\$ 3,078,091	\$ 872,379	\$ 600,826	\$ 4,656,875	\$ 3,678,917
Operating Grants and Contributions	3,444,008	2,946,142	148,358	178,303	3,592,366	3,124,445
Capital Grants and Contributions	5,947	31,531			5,947	31,531
General Revenues						
Property Taxes	14,423,993	14,141,169			14,423,993	14,141,169
Other	202,810	170,345	1,025	-	203,835	170,345
Total Revenues	21,861,254	20,367,278	1,021,762	779,129	22,883,016	21,146,407
Expenses						
Instruction						
Regular	\$ 8,230,514	\$ 8,667,168			8,230,514	8,667,168
Special Education	2,764,307	2,582,982			2,764,307	2,582,982
Other Instruction	127,236	112,294			127,236	112,294
School Sponsored Activities and Athletics	858,066	755,102			858,066	755,102
Support Services						
Student and Instruction Related Services	4,716,075	3,127,512			4,716,075	3,127,512
General Administrative Services	976,058	865,599			976,058	865,599
School Administrative Services	606,749	407,712			606,749	407,712
Central Services and Info. Technology	534,425	571,008			534,425	571,008
Plant Operations and Maintenance	2,868,168	2,918,254			2,868,168	2,918,254
Pupil Transportation	971,548	904,249			971,548	904,249
Interest on Long-Term Debt	26,251	22,200			26,251	22,200
Food Services			845,581	772,979	845,581	772,979
Other Non-Major Enterprise Funds	-	-	15,733	-	15,733	-
Total Expenses	22,679,397	20,934,080	861,314	772,979	23,540,711	21,707,059
Change in Net Position	(818,143)	(566,802)	160,448	6,150	(657,695)	(560,652)
Net Position, Beginning of Year	28,596,524	29,163,326	290,737	284,587	28,887,261	29,447,913
Net Position, End of Year	\$ 27,778,381	\$ 28,596,524	\$ 451,185	\$ 290,737	\$ 28,229,566	\$ 28,887,261

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$21,861,254 for the fiscal year ended June 30, 2024, property taxes of \$14,423,993 represented 66% of revenues. Another significant portion of revenues came from grants and contributions which totaled \$3,449,955, which represented 16% of revenues. In addition, revenues from charges for services from tuition fees, transportation fees and building rental fees totaled \$3,784,496, or 17% of revenues. Miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 1% of revenues.

The total cost of all governmental activities programs and services was \$22,679,397 for the fiscal year ended June 30, 2024. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$11,980,123 (53%) of total expenses. Support service costs were \$10,673,023 (47%) of total expenses.

For fiscal year 2024, total governmental activities expenses exceeded revenues decreasing net position for governmental activities by \$818,143 from the previous year.

Total Cost and Net Cost of Governmental Activities. The District's total cost of services was \$22,679,397. After applying program revenues, derived from operating and capital grants and contributions of \$3,449,955 and charges for services of \$3,784,496, the net cost of services of the District is \$15,444,946 for the fiscal year ended June 30, 2024.

Total and Net Cost of Governmental Activities For the 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	\$ 8,230,514	\$ 8,667,168	\$ 3,675,743	\$ 4,805,170
Special Education	2,764,307	2,582,982	1,467,315	1,390,947
Other Instruction	127,236	112,294	86,247	92,240
School Sponsored Activities and Athletics	858,066	755,102	676,873	617,075
Support Services				
Student and Instruction Related Services	4,716,075	3,127,512	4,053,394	2,793,126
General Administrative Services	976,058	865,599	921,616	819,091
School Administrative Services	606,749	407,712	557,700	374,379
Central Services & Info. Technology	534,425	571,008	495,808	539,266
Plant Operations and Maintenance	2,868,168	2,918,254	2,707,151	2,692,703
Pupil Transportation	971,548	904,249	776,848	732,119
Interest on Long-Term Debt	26,251	22,200	26,251	22,200
Total	\$ 22,679,397	\$ 20,934,080	\$ 15,444,946	\$ 14,878,316

Business-Type Activities – The District's total business-type activities revenues were \$1,021,762 for the fiscal year ended June 30, 2024 and relate to the District's food service (cafeteria), facility use fees, and student chromebook fees operations. Charges for services accounted for 85%, of total revenues and operating grants and contributions accounted for 15% of total revenue.

Total cost of all business-type activities programs and services was \$861,314 for the fiscal year ended June 30, 2024. Food service operations accounted for 98% of total expense and facility use fees operations accounted for 2% of total expenses.

For fiscal year 2024, total business-type activities revenues exceeded expenses, increasing net position by \$160,448 from the previous year.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,301,590 at June 30, 2024, a decrease of \$1,552,037 from last year's fund balance of \$5,853,627.

Revenues for the District's governmental funds were \$23,560,761 while total expenditures were \$25,112,798 for the fiscal year ended June 30, 2023.

GENERAL FUND

The General fund includes the primary operations of the District in providing educational services to students from Grade 9 through Grade 12.

The following schedule presents a summary of General Fund Revenues.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Amount of Increase / (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 14,423,993	\$ 14,141,169	\$ 282,824	2%
Tuition	3,466,550	2,697,200	769,350	29%
Interest	116,645	95,472	21,173	22%
Miscellaneous	222,918	317,737	(94,819)	-30%
State Sources	<u>4,408,797</u>	<u>4,083,502</u>	<u>325,295</u>	8%
Total General Fund Revenues	<u>\$ 22,638,903</u>	<u>\$ 21,335,080</u>	<u>\$ 1,303,823</u>	6%

For fiscal year 2024, total General Fund revenues increased \$1,303,823, or 6%, from the previous year.

The following schedule presents a summary of General Fund expenditures.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Amount of Increase / (Decrease)	Percent Change
Instruction	\$ 12,410,903	\$ 12,801,148	\$ (390,245)	-3%
Support Services	9,674,100	8,006,536	1,667,564	21%
Debt Service	119,591	124,695	(5,104)	-4%
Capital Outlay	<u>1,951,369</u>	<u>1,456,892</u>	<u>494,477</u>	34%
Total Expenditures	<u>\$ 24,155,963</u>	<u>\$ 22,389,271</u>	<u>\$ 1,766,692</u>	8%

For fiscal year 2024, total General Fund expenditures increased \$1,766,692, or 8%, from the previous year.

In fiscal year 2024 General Fund expenses exceeded revenues by \$1,582,060. Therefore, total fund balance decreased to \$3,384,418 at June 30, 2024. Unassigned fund balance decreased by \$4,501 to \$380,196 at June 30, 2024 from \$384,697 at June 30, 2023.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

General Fund Budgetary Highlights

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over as an encumbrance.
- Appropriating capital reserve and maintenance reserve funds for facilities projects.

Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts. Other revisions to the budget during the year were the reappropriation of prior year encumbrances and the appropriation of restricted and unassigned fund balances.

For fiscal year 2024 General Fund budgetary expenses and other financing uses exceeded budgetary revenues decreasing budgetary fund balance \$1,515,617 from the previous year. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$61,942 from \$605,171 at June 30, 2023 to \$667,113 at June 30, 2024. In addition, at June 30, 2024, the district had restricted fund balances for capital reserve of \$1,078,978, maintenance reserve of \$414,203, and excess surplus of \$539,529.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2024, the District had \$26,143,744 invested in land, buildings, furniture, equipment and vehicles for governmental activities and \$95,717 for business-type activities. The following is a comparison of the June 30, 2024 and 2023 balances:

Capital Assets as of June 30, 2024 and 2023 (Net of Accumulated Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land and Land Improvements	\$ 1,491,380	\$ 1,018,885		
Building and Building Improvements	23,099,742	23,276,601		
Machinery and Equipment	<u>1,552,622</u>	<u>1,232,796</u>	\$ 95,717	\$ 106,911
Total Capital Assets, Net	<u>\$ 26,143,744</u>	<u>\$ 25,528,282</u>	<u>\$ 95,717</u>	<u>\$ 106,911</u>

Additional information on the District's capital assets is presented in the Notes to the Financial Statements contained in this report.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION

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

LONG TERM LIABILITIES

At June 30, 2024 the District had \$3,068,564 of total long-term outstanding liabilities. The District's total long-term liabilities increased \$470,735 during the year. The following is a comparison of the June 30, 2024 and 2023 balances:

Outstanding Long-Term Liabilities as of June 30, 2024 and 2023

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Leases Payable	\$ 509,416	\$ 599,079
Capital Financing Agreements		885
Compensated Absences	202,367	115,620
Net Pension Liability	<u>2,356,781</u>	<u>1,882,245</u>
Total	<u>\$ 3,068,564</u>	<u>\$ 2,597,829</u>

Additional information of the District's long-term liabilities is presented in the Notes to the Financial Statements contained this report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for increased enrollment, special education needs and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Budgeted expenditures in the General Fund increased approximately 2% to \$20,987,350 for fiscal year 2024-2025.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Carlstadt-East Rutherford Regional Board of Education, 120 Paterson Avenue, East Rutherford, NJ 07073-1508.

FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,971,324	\$ 174,358	\$ 4,145,682
Receivables, net	638,979	175,356	814,335
Internal Balances	15,753	(15,753)	-
Inventory		26,293	26,293
Capital Assets, Not Being Depreciated	983,944		983,944
Capital Assets, Being Depreciated, Net	<u>25,159,800</u>	<u>95,717</u>	<u>25,255,517</u>
Total Assets	<u>30,769,800</u>	<u>455,971</u>	<u>31,225,771</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>585,588</u>	<u>-</u>	<u>585,588</u>
Total Deferred Outflows of Resources	<u>585,588</u>	<u>-</u>	<u>585,588</u>
Total Assets and Deferred Outflows of Resources	<u>31,355,388</u>	<u>455,971</u>	<u>31,811,359</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	121,317	-	121,317
Accrued Interest Payable	15,900		15,900
Unearned Revenue	203,149	4,786	207,935
Noncurrent Liabilities			
Due Within One Year	114,124		114,124
Due Beyond One Year	<u>2,954,440</u>	<u>-</u>	<u>2,954,440</u>
Total Liabilities	<u>3,408,930</u>	<u>4,786</u>	<u>3,413,716</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>168,077</u>	<u>-</u>	<u>168,077</u>
Total Deferred Inflows of Resources	<u>168,077</u>	<u>-</u>	<u>168,077</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,577,007</u>	<u>4,786</u>	<u>3,581,793</u>
NET POSITION			
Net Investment in Capital Assets	25,634,328	95,717	25,730,045
Restricted for			
Capital Projects	1,078,978		1,078,978
Plant Maintenance	414,203		414,203
Scholarships	833,674		833,674
Student Activities	83,498		83,498
Unrestricted	<u>(266,300)</u>	<u>355,468</u>	<u>89,168</u>
Total Net Position	<u>\$ 27,778,381</u>	<u>\$ 451,185</u>	<u>\$ 28,229,566</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 8,230,514	\$ 3,236,550	\$ 1,318,221		\$ (3,675,743)		\$ (3,675,743)
Special Education	2,764,307	230,000	1,066,992		(1,467,315)		(1,467,315)
Other Instruction	127,236		40,989		(86,247)		(86,247)
School Sponsored Activities and Athletics	858,066	181,193			(676,873)		(676,873)
Support Services							
Student and Instruction Related Services	4,716,075		662,681		(4,053,394)		(4,053,394)
General Administrative Services	976,058		54,442		(921,616)		(921,616)
School Administrative Services	606,749		49,049		(557,700)		(557,700)
Central Services and Info. Technology	534,425		38,617		(495,808)		(495,808)
Plant Operations and Maintenance	2,868,168	36,009	119,061	\$ 5,947	(2,707,151)		(2,707,151)
Pupil Transportation	971,548	100,744	93,956		(776,848)		(776,848)
Interest on Long-Term Debt	26,251	-	-	-	(26,251)	-	(26,251)
Total Governmental Activities	22,679,397	3,784,496	3,444,008	5,947	(15,444,946)	-	(15,444,946)
Business-Type Activities							
Food Service Fund	845,581	696,435	148,358			\$ (788)	(788)
Facility Use Fees	15,733	155,834				140,101	140,101
Chromebook Fees	-	20,110	-	-	-	20,110	20,110
Total Business-Type Activities	861,314	872,379	148,358	-	-	159,423	159,423
Total Primary Government	\$ 23,540,711	\$ 4,656,875	\$ 3,592,366	\$ 5,947	(15,444,946)	159,423	(15,285,523)
General Revenues							
Taxes:							
Property Taxes, levied for general purposes					14,423,993		14,423,993
Investment Earnings					116,645	1,025	117,670
Miscellaneous Income					86,165	-	86,165
Total General Revenues					14,626,803	1,025	14,627,828
Change in Net Position					(818,143)	160,448	(657,695)
Net Position, Beginning of Year					28,596,524	290,737	28,887,261
Net Position, End of Year					\$ 27,778,381	\$ 451,185	\$ 28,229,566

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

FUND FINANCIAL STATEMENTS

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 3,054,164	\$ 917,160	\$ 3,971,324
Receivables from Other Governments	67,254	566,002	633,256
Other Accounts Receivable	4,425	1,298	5,723
Due from Other Funds	<u>294,422</u>	<u>-</u>	<u>294,422</u>
Total Assets	<u>\$ 3,420,265</u>	<u>\$ 1,484,460</u>	<u>\$ 4,904,725</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 9,166	\$ 85,470	\$ 94,636
Payroll Deductions and Withholdings Payable	22,721		22,721
Employee Deposits Payable	3,960		3,960
Due to Other Funds		278,669	278,669
Unearned Revenue	<u>-</u>	<u>203,149</u>	<u>203,149</u>
Total Liabilities	<u>35,847</u>	<u>567,288</u>	<u>603,135</u>
Fund Balances			
Restricted			
Capital Reserve	778,978		778,978
Capital Reserve - Designated for Subsequent Year's Expenditures	300,000		300,000
Maintenance Reserve	213,703		213,703
Maintenance Reserve - Designated for Subsequent Year's Expenditures	200,500		200,500
Excess Surplus	539,529		539,529
Scholarship Awards		833,674	833,674
Student Activities		83,498	83,498
Committed			
Year-End Encumbrances	150,512		150,512
Assigned			
Year-End Encumbrances	215,829		215,829
Designated for Subsequent Year's Expenditures	605,171		605,171
Unassigned	<u>380,196</u>	<u>-</u>	<u>380,196</u>
Total Fund Balances	<u>3,384,418</u>	<u>917,172</u>	<u>4,301,590</u>
Total Liabilities and Fund Balances	<u>\$ 3,420,265</u>	<u>\$ 1,484,460</u>	<u>\$ 4,904,725</u>

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

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

Total Fund Balance - Governmental Funds (Exhibit B-1) **\$ 4,301,590**

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 \$41,490,333 and the accumulated depreciation is \$15,346,589. 26,143,744

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

Deferred Outflows of Resources	\$	585,588	
Deferred Inflows of Resources		(168,077)	
			417,511

The District has financed capital assets through the issuance of long-term lease obligations. The interest accrual at year end is: (15,900)

Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Leases Payable	(509,416)		
Compensated Absences	(202,367)		
Net Pension Liability	(2,356,781)		
			(3,068,564)

Net Position of Governmental Activities (Exhibit A-1) **\$ 27,778,381**

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources			
Property Tax Levy	\$ 14,423,993		\$ 14,423,993
Tuition	3,466,550		3,466,550
Interest	116,645		116,645
Miscellaneous	<u>222,918</u>	<u>\$ 223,128</u>	<u>446,046</u>
Total - Local Sources	18,230,106	223,128	18,453,234
State Sources	4,408,797	-	4,408,797
Federal Sources	<u>-</u>	<u>698,730</u>	<u>698,730</u>
Total Revenues	<u>22,638,903</u>	<u>921,858</u>	<u>23,560,761</u>
EXPENDITURES			
Instruction			
Regular	8,960,626	219,098	9,179,724
Special Education	2,686,195	182,195	2,868,390
Other Instruction	115,936	25,554	141,490
School-Sponsored Activities and Athletics	648,146	227,459	875,605
Support Services			
Student and Instruction Related Services	4,682,936	296,582	4,979,518
General Administrative Services	1,025,390		1,025,390
School Administrative Services	645,157		645,157
Central Services and Info. Technology	577,770		577,770
Plant Operations and Maintenance	1,790,672		1,790,672
Pupil Transportation	952,175		952,175
Debt Service			
Principal	90,548		90,548
Interest and Other Charges	29,043		29,043
Capital Outlay	<u>1,951,369</u>	<u>5,947</u>	<u>1,957,316</u>
Total Expenditures	<u>24,155,963</u>	<u>956,835</u>	<u>25,112,798</u>
Excess (Deficiency) of Revenues			
Over/(Under) Expenditures	<u>(1,517,060)</u>	<u>(34,977)</u>	<u>(1,552,037)</u>
Other Financing Sources (Uses)			
Transfer In		65,000	65,000
Transfer Out	<u>(65,000)</u>	<u>-</u>	<u>(65,000)</u>
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>65,000</u>	<u>-</u>
Net Change in Fund Balance	(1,582,060)	30,023	(1,552,037)
Fund Balance, Beginning of Year	<u>4,966,478</u>	<u>887,149</u>	<u>5,853,627</u>
Fund Balance, End of Year	<u>\$ 3,384,418</u>	<u>\$ 917,172</u>	<u>\$ 4,301,590</u>

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

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

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (1,552,037)**

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	\$ 1,957,316	
Depreciation Expense	<u>(1,341,854)</u>	
		615,462

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

Increase in Compensated Absences	(86,747)	
Decrease in Net Pension Expense	<u>111,839</u>	
		25,092

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

Leases Payable	89,663	
Capital Financing Agreements	<u>885</u>	
		90,548

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>2,792</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ (818,143)**

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2024

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 8,302	\$ 166,056	\$ 174,358
Intergovernmental Receivable	148,766		148,766
Other Receivable	15,677	10,913	26,590
Inventory	<u>26,293</u>	<u>-</u>	<u>26,293</u>
Total Current Assets	<u>199,038</u>	<u>176,969</u>	<u>376,007</u>
Capital Assets			
Machinery and Equipment	303,727	-	303,727
Less: Accumulated Depreciation	<u>(208,010)</u>	<u>-</u>	<u>(208,010)</u>
Total Capital Assets, Net	<u>95,717</u>	<u>-</u>	<u>95,717</u>
Total Assets	<u>294,755</u>	<u>176,969</u>	<u>471,724</u>
LIABILITIES			
Due to Other Funds	20	15,733	15,753
Unearned Revenue	<u>4,786</u>	<u>-</u>	<u>4,786</u>
Total Liabilities	<u>4,806</u>	<u>15,733</u>	<u>20,539</u>
NET POSITION			
Investment in Capital Assets	95,717	-	95,717
Unrestricted	<u>194,232</u>	<u>161,236</u>	<u>355,468</u>
Total Net Position	<u>\$ 289,949</u>	<u>\$ 161,236</u>	<u>\$ 451,185</u>

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

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales			
Reimbursable Programs	\$ 70,749		\$ 70,749
Non-Reimbursable Programs	625,686		625,686
Program Fees	-	\$ 175,944	175,944
Total Operating Revenues	696,435	175,944	872,379
OPERATING EXPENSES			
Cost of Sales - Reimbursable Programs	76,842		76,842
Cost of Sales - Non-Reimbursable Programs	282,739		282,739
Salaries and Benefits	308,982		308,982
Purchased Management Services	73,406		73,406
Repairs and Maintenance	9,381		9,381
Transportation Services	11,879		11,879
Other Purchased Services	15,326	15,733	31,059
General Supplies	40,356		40,356
Depreciation	26,670	-	26,670
Total Operating Expenses	845,581	15,733	861,314
Operating Income (Loss)	(149,146)	160,211	11,065
NON-OPERATING REVENUES			
Local Sources			
Interest		1,025	1,025
State Sources			
School Lunch Program	5,318		5,318
School Breakfast Program	319		319
Federal Sources			
National School Breakfast Program	8,724		8,724
National School Lunch Program	74,894		74,894
Supply Chain Assistance	22,267		22,267
Administrative Cost Program for Pandemic EBT	653		653
Local Food for Schools	1,536		1,536
Food Distribution Program	34,647	-	34,647
Total Non-operating Revenues	148,358	1,025	149,383
Change in Net Position	(788)	161,236	160,448
Net Position, Beginning of Year	290,737	-	290,737
Net Position, End of Year	\$ 289,949	\$ 161,236	\$ 451,185

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Non-Major Enterprise Funds</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 707,105	\$ 165,031	\$ 872,136
Cash Payment for Employees Salaries and Benefits	(308,982)	-	(308,982)
Cash Payments to Suppliers for Goods and Services	(491,359)	(15,733)	(507,092)
Net Cash Provided (Used) by Operating Activities	(93,236)	149,298	56,062
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Received from Other Funds		15,733	15,733
Cash Received from State and Federal Subsidy Reimbursements	112,506	-	112,506
Net Cash Provided by Noncapital Financing Activities	112,506	15,733	128,239
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(15,476)	-	(15,476)
Net Cash (Used) by Capital and Related Financing Activities	(15,476)	-	(15,476)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	1,025	1,025
Net Cash Provided by Investing Activities	-	1,025	1,025
Net Increase in Cash and Cash Equivalents	3,794	166,056	169,850
Cash and Cash Equivalents, Beginning of Year	4,508	-	4,508
Cash and Cash Equivalents, End of Year	\$ 8,302	\$ 166,056	\$ 174,358
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (149,146)	\$ 160,211	\$ 11,065
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	26,670	-	26,670
Non Cash Federal Assistance - Food Distribution Program (USDA Commodities)	34,647		34,647
Change in Assets, Liabilities and Deferred Inflows of Resources			
(Increase)/Decrease in Intergovernmental Receivable - Local	25,621		25,621
(Increase)/Decrease in Other Receivables	(13,988)	(10,913)	(24,901)
(Increase)/Decrease in Inventory	(5,809)		(5,809)
Increase/(Decrease) in Accounts Payable	(7,426)		(7,426)
Increase/(Decrease) in Unearned Revenue	(963)		(963)
Increase/(Decrease) in Deferred Commodities Revenue	(2,842)	-	(2,842)
Total Adjustments	55,910	(10,913)	44,997
Net Cash Provided (Used) by Operating Activities	\$ (93,236)	\$ 149,298	\$ 56,062
Non-Cash Investing, Capital and Financing Activities			
Value Received for Food Distribution Program	\$ 31,805	\$ -	\$ 31,805

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

NOTES TO THE FINANCIAL STATEMENTS

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 Carlstadt-East Rutherford Regional Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from the Boroughs of Carlstadt and East Rutherford and one appointed representative from the Maywood Board of Education 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 grade nine (9) through grade twelve (12) regional 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 Carlstadt-East Rutherford Regional 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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.

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. The District considers all of its governmental and food service enterprise fund to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

The *facility use fees enterprise fund* accounts for the activities of renting the school auditorium and performing arts center.

The *chromebook fees enterprise fund* accounts for fees charged for the potential repairs to chromebooks assigned to each student.

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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

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

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

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

3. *Inventories*

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

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1.E.8 and intangible right-to-use IT subscription assets. 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	5-20
Right-to-Use Leased Land	25
Buildings	20-50
Building Improvements	7-30
Right-to-Use Leased Buildings	25
Machinery, Equipment and Furniture	5-20
Computer Equipment	5
Right-to-Use Leased Equipment	5

5. *Deferred Outflows/Inflows of Resources*

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The 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.

6. Compensated Absences

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

7. Pensions

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

8. Leases Payable

Non-cancellable leases for the use of land, buildings and 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 governmental 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.

9. 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 governmental 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.

10. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

CARLSTADT-EAST RUTHERFORD REGIONAL 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)

11. *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.

CARLSTADT-EAST RUTHERFORD REGIONAL 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)

11. Net Position/Fund Balance (Continued)

Restricted Fund Balance (Continued)

Scholarships – This restriction was created to represents the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

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

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

Assigned Fund Balance – Amounts a 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 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.

12. 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.

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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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

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, investment earnings and miscellaneous revenues.

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 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.

5. 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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. 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 of the general fund by \$2,048,622 and the special revenue fund by \$1,069,550. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year the District appropriated additional unassigned fund balance of \$220,474 and additional capital reserve of \$1,665,804 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

CARLSTADT-EAST RUTHERFORD REGIONAL 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

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

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

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

Balance, July 1, 2023		\$ 2,888,134
Increased by:		
Interest Earnings	\$ 1,770	
Return of Unencumbered Budget Withdrawals	<u>199,878</u>	
		<u>201,648</u>
		3,089,782
Decreased by:		
Withdrawals Approved by District Budget	345,000	
Withdrawals Approved by Board Resolution	<u>1,665,804</u>	
		<u>2,010,804</u>
Balance, June 30, 2024		<u>\$ 1,078,978</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$7,775,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District’s Long Range Facilities Plan. \$300,000 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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

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

Balance, June 30, 2023	\$ 480,000
Increased by:	
Return of Unencumbered Budget Withdrawals	<u>214,203</u>
	694,203
Decreased by:	
Withdrawals Approved by District Budget	<u>280,000</u>
Balance, June 30, 2024	<u>\$ 414,203</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$702,696. The Board designated and appropriated \$200,500 of the maintenance reserve balance at June 30, 2024 for use in the 2024/20254 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$539,529 and this amount will be designated and 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.

CARLSTADT-EAST RUTHERFORD REGIONAL 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)

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 \$4,145,682 and bank and brokerage firm balances of the Board's deposits amounted to \$5,899,448. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 5,752,144
Uninsured and Collateralized	<u>147,304</u>
	<u>\$ 5,899,448</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 \$147,304 of the Board's bank balances 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	<u>\$ 147,304</u>
	<u>\$ 147,304</u>

Investments

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

As of June 30, 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

Investments (Continued)

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an 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.

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Facility Use Fees</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Local	\$ 54,972		\$ 134,530		\$ 189,502
State	12,282	\$ 31,531	901		44,714
Federal		534,471	13,335		547,806
Other Accounts	<u>4,425</u>	<u>1,298</u>	<u>15,677</u>	<u>\$ 10,913</u>	<u>32,313</u>
Gross Receivables	71,679	567,300	164,443	10,913	814,335
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 71,679</u>	<u>\$ 567,300</u>	<u>\$ 164,443</u>	<u>\$ 10,913</u>	<u>\$ 814,335</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 89,033
Grant Draw Downs Reserved for Encumbrances	<u>114,116</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 203,149</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL 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, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 559,843	\$ 424,101	-	\$ 983,944
Total Capital Assets, Not Being Depreciated	<u>559,843</u>	<u>424,101</u>	<u>-</u>	<u>983,944</u>
Capital Assets, Being Depreciated:				
Land Improvements	332,288	106,555		438,843
Right-to-Use Leased Land	1,114,514			1,114,514
Building and Building Improvements	34,906,501	914,031		35,820,532
Right-to-Use Leased Buildings	166,537			166,537
Machinery and Equipment	2,422,874	512,629		2,935,503
Right-to-Use Leased Machinery and Equipment	30,460	-	-	30,460
Total Capital Assets Being Depreciated	<u>38,973,174</u>	<u>1,533,215</u>	<u>-</u>	<u>40,506,389</u>
Less Accumulated Depreciation for:				
Land Improvements	(140,728)	(13,580)		(154,308)
Right-to-Use Leased Land	(847,032)	(44,581)		(891,613)
Building and Building Improvements	(11,669,870)	(1,084,229)		(12,754,099)
Right-to-Use Leased Buildings	(126,567)	(6,661)		(133,228)
Machinery and Equipment	(1,219,015)	(186,711)		(1,405,726)
Right-to-Use Leased Machinery and Equipment	(1,523)	(6,092)	-	(7,615)
Total Accumulated Depreciation	<u>(14,004,735)</u>	<u>(1,341,854)</u>	<u>-</u>	<u>(15,346,589)</u>
Total Assets, Being Depreciation, Net	<u>24,968,439</u>	<u>191,361</u>	<u>-</u>	<u>25,159,800</u>
Governmental Activities Capital Assets, Net	<u>\$ 25,528,282</u>	<u>\$ 615,462</u>	<u>\$ -</u>	<u>\$ 26,143,744</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL 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)

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 288,251	\$ 15,476	-	\$ 303,727
Total Capital Assets Being Depreciated	<u>288,251</u>	<u>15,476</u>	<u>-</u>	<u>303,727</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(181,340)</u>	<u>(26,670)</u>	<u>-</u>	<u>(208,010)</u>
Total Accumulated Depreciation	<u>(181,340)</u>	<u>(26,670)</u>	<u>-</u>	<u>(208,010)</u>
Total Capital Assets, Being Depreciated, Net	<u>106,911</u>	<u>(11,194)</u>	<u>-</u>	<u>95,717</u>
Business-Type Activities Capital Assets, Net	<u>\$ 106,911</u>	<u>\$ (11,194)</u>	<u>\$ -</u>	<u>\$ 95,717</u>

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

Governmental Activities:

Instruction	
Regular	\$ 69,300
Total Instruction	<u>69,300</u>

Support Services

Instructional	101,657
General Administrative Services	6,092
School Administrative Services	16,877
Plant Operations and Maintenance	1,117,740
Pupil Transportation	<u>30,188</u>
Total Support Services	<u>1,272,554</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,341,854</u>
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Business-Type Activities:

Food Service Fund	<u>\$ 26,670</u>
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**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 278,669
General Fund	Food Service Fund	20
General Fund	Facility Use Fees Fund	<u>15,733</u>
Total		<u>\$ 294,422</u>

The above balances are the result of expenditures paid by one fund on behalf of another fund or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer In:</u>
	Special Revenue
Transfer Out:	
General Fund	<u>\$ 65,000</u>

The above transfers are the result of appropriations budgeted in one fund to finance expenditures in another fund.

F. Leases Payable

On July 20, 2004, the District entered into a 25-year lease agreement as lessee for the use of the Riggin Field Athletic Facility. An initial lease liability was recorded in the amount of \$1,281,051. The lease has an interest rate of 4.375%. The District is required to make annual payments of \$110,000. As of June 30, 2024 the value of the lease liability was \$484,584. The land and buildings have a 25-year estimated useful life. The values of the right -to-use assets as of June 30, 2024 is \$1,281,051 and had accumulated depreciation of \$1,024,841.

On March 25, 2023 the District entered into a five year lease agreement as lessee for the use of photocopiers. An initial lease liability was recorded in the amount of \$30,460. The lease has an interest rate of 15.06%. The District is required to make monthly payments of \$726. In addition, the District has the option to purchase the equipment for fair market value at the end of the lease term. As of June 30, 2024 the value of the lease liability was \$24,832. The equipment has a five year estimated useful life. The value of the right -to-use asset as of June 30, 2024 is \$30,460 and had accumulated depreciation of \$7,615.

CARLSTADT-EAST RUTHERFORD REGIONAL 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. Leases Payable (Continued)

The future principal and interest lease payments as of June 30, 2024 were as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 94,125	\$ 24,581	\$ 118,706
2026	98,870	19,837	118,707
2027	103,922	14,785	118,707
2028	107,110	9,419	116,529
2029	<u>105,389</u>	<u>4,611</u>	<u>110,000</u>
Total	<u>\$ 509,416</u>	<u>\$ 73,233</u>	<u>\$ 582,649</u>

G. Long-Term Debt

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)	\$ 106,871,515
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 106,871,515</u>

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:

	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2024</u>	<u>Due Within One Year</u>
Governmental Activities:					
Leases Payable	\$ 599,079		\$ 89,663	\$ 509,416	\$ 94,124
Capital Financing Agreements	885		885		
Compensated Absences	115,620	\$ 231,633	144,886	202,367	20,000
Net Pension Liability	<u>1,882,245</u>	<u>692,005</u>	<u>217,469</u>	<u>2,356,781</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 2,597,829</u>	<u>\$ 923,638</u>	<u>\$ 452,903</u>	<u>\$ 3,068,564</u>	<u>\$ 114,124</u>

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

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

The relationship between the Board and the 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.

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 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:

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

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

The following represents the membership tiers for PERS:

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 217,469	\$ 2,279,983	\$ 6,621
2023	157,282	2,129,892	12,528
2022	144,517	1,801,532	4,414

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 \$788, \$642 and \$248, 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 \$511,007 during the fiscal year ended June 30, 2024 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 \$2,356,781 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 .01627 percent, which was an increase of .00380 percent from its proportionate share measured as of June 30, 2022 of .01247 percent.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 \$105,630 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	\$ 22,534	\$ 9,634
Changes of Assumptions	5,177	142,831
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,853	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>547,024</u>	<u>15,612</u>
Total	<u>\$ 585,588</u>	<u>\$ 168,077</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 as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2025	\$ 26,094
2026	78,016
2027	198,131
2028	105,597
2029	9,673
Thereafter	<u>-</u>
	<u>\$ 417,511</u>

CARLSTADT-EAST RUTHERFORD REGIONAL 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 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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%

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 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>3,068,027</u>	\$ <u>2,356,781</u>	\$ <u>1,751,416</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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense 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 \$644,256 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 \$26,224,339. 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 .05139 percent, which was an increase of .00824 percent from its proportionate share measured as of June 30, 2022 of .04315 percent.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 30,923,254</u>	<u>\$ 26,224,339</u>	<u>\$ 22,266,735</u>

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

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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.

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.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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 \$620,528, \$559,517 and \$420,911, 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.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$556,748. 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 \$18,900,882. 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 .03610 percent, which was an increase of .00040 percent from its proportionate share measured as of June 30, 2022 of .03570 percent.

CARLSTADT-EAST RUTHERFORD REGIONAL 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)

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% Based on Years of Service	2.75% to 4.25% Based on Years of Service

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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	\$ 18,079,395
Changes Recognized for the Fiscal Year:	
Service Cost	797,415
Interest on the Total OPEB Liability	665,666
Differences Between Expected and Actual Experience	(177,852)
Changes of Assumptions	38,096
Gross Benefit Payments	(518,897)
Contributions from the Member	17,059
Net Changes	\$ 821,487
Balance, June 30, 2023 Measurement Date	\$ 18,900,882

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.

CARLSTADT-EAST RUTHERFORD REGIONAL 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)

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	\$ 22,158,039	\$ 18,900,882	\$ 16,285,763

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	\$ 15,690,646	\$ 18,900,882	\$ 23,101,484

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. Subsequent Events

Appropriation of Fund Balance

On October 30, 2024 the Board approved the appropriation of an additional \$33,549, of General Fund unassigned fund balance to the 2024/2025 budget.

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

NOTE 4 OTHER INFORMATION (Continued)

G. 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 Carlstadt-East Rutherford Regional Board of Education, the District's share of abated taxes resulting from the two municipalities having entered into tax abatement agreements is indeterminate.

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 \$1,066,739 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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 Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,423,993		\$ 14,423,993	\$ 14,423,993	
Tuition From Other LEA's Within the State	3,420,759		3,420,759	3,466,550	\$ 45,791
Transportation Fees	81,600		81,600	100,744	19,144
Building Rentals	145,000		145,000	36,009	(108,991)
Interest Earned on Maintenance Reserve	500		500		(500)
Interest Earned on Capital Reserve	500		500	1,770	1,270
Interest Earned			-	114,875	114,875
Unrestricted Miscellaneous Revenues	44,078	-	44,078	86,165	42,087
Total Local Sources	18,116,430	-	18,116,430	18,230,106	113,676
State Sources					
Special Education Aid	588,580		588,580	588,580	-
Transportation Aid	92,141		92,141	92,141	-
Security Aid	131,273		131,273	131,273	-
Extraordinary Aid				242,750	242,750
Nonpublic Transportation				8,190	8,190
On-behalf TPAF Payments (Non-Budget)					
Pension Benefit Contribution				2,254,274	2,254,274
Pension NCGI Premium				25,709	25,709
Post-Retirement Medical Benefits				620,528	620,528
Long-Term Disability Insurance				788	788
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	511,007	511,007
Total State Sources	811,994	-	811,994	4,475,240	3,663,246
Federal Sources					
Medicaid Reimbursement	20,922	-	20,922	-	(20,922)
Total Federal Sources	20,922	-	20,922	-	(20,922)
Total Revenues	18,949,346	-	18,949,346	22,705,346	3,756,000
EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	4,774,431	\$ (115,746)	4,658,685	4,646,812	11,873
Regular Program - Home Instruction					
Salaries of Teachers	30,000	15,614	45,614	45,493	121
Purchased Professional - Educational Services	25,030	(8,439)	16,591	16,086	505
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	35,000	(10,484)	24,516	24,381	135
Purchased Property Purchased Services					
Other Purchased Services	15,146	(10,655)	4,491	3,782	709
General Supplies	180,000	(3,662)	176,338	166,778	9,560
Textbooks	30,000	(5,157)	24,843	18,565	6,278
Other Objects	2,000	3,978	5,978	5,273	705
Total Regular Programs	5,091,607	(114,716)	4,976,891	4,946,378	30,513
Special Education					
Learning and/or Language Disabilities					
General Supplies	-	894	894	893	1
Total Learning and/or Language Disabilities	-	894	894	893	1
Resource Room					
Salaries of Teachers	538,813	(13,018)	525,795	466,168	59,627
Other Salaries for Instruction		80,593	80,593	80,592	1
Purchased Professional - Educational Services		300	300	295	5
General Supplies	4,000	(2,239)	1,761	1,761	-
Textbooks	1,000	(1,000)	-	-	-
Other Objects	500	(500)	-	-	-
Total Resource Room	544,313	64,136	608,449	548,816	59,633
Total Special Education	544,313	65,030	609,343	549,709	59,634

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Bilingual Education					
Salaries of Teachers	\$ 70,453	\$ (1,190)	\$ 69,263	\$ 66,453	\$ 2,810
General Supplies	2,000	(1,817)	183	183	-
Textbooks	2,000	(2,000)	-	-	-
Other Objects	500	(500)	-	-	-
Total Bilingual Education	74,953	(5,507)	69,446	66,636	2,810
School Sponsored Co/Extra Curricular Activities					
Salaries	75,000	2,706	77,706	76,820	886
Purchased Services	10,000	2,302	12,302	12,301	1
Supplies and Materials	12,000	4,829	16,829	15,081	1,748
Other Objects	1,440	1,140	2,580	2,550	30
Total School Sponsored Co/Extra Curricular Activities	98,440	10,977	109,417	106,752	2,665
School Sponsored Athletics					
Salaries	317,000	(17,344)	299,656	268,464	31,192
Purchased Services	90,000	(46,790)	43,210	42,319	891
Supplies and Materials	75,000	(17,420)	57,580	55,682	1,898
Other Objects	20,000	(9,264)	10,736	8,000	2,736
Total School Sponsored Athletics	502,000	(90,818)	411,182	374,465	36,717
Total Instruction	6,311,313	(135,034)	6,176,279	6,043,940	132,339
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	103,753	(35,451)	68,302	21,909	46,393
Tuition to Other LEAs Within the State - Special		147,540	147,540	147,539	1
Tuition to County Vocational School - Districts - Regular	545,000	(87,004)	457,996	457,993	3
Tuition to County Vocational School - Districts - Special		127,637	127,637	127,636	1
Tuition to County Special Services School Districts and Regional Day Schools	823,826	(145,851)	677,975	595,355	82,620
Tuition to Priv Sch for Disabled W/I State	1,145,929	(238,871)	907,058	882,788	24,270
Total Undistributed Expenditures - Instruction	2,618,508	(232,000)	2,386,508	2,233,220	153,288
Attendance and Social Work Services					
Salaries	40,000	(33,000)	7,000	6,905	95
Total Attendance and Social Work Services	40,000	(33,000)	7,000	6,905	95

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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 Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 110,646	\$ (700)	\$ 109,946	\$ 107,658	\$ 2,288
Purchased Professional and Technical Services	65,000	(10,679)	54,321	24,000	30,321
Other Purchased Services	2,500	5,219	7,719	5,745	1,974
Supplies and Materials	4,000	1,577	5,577	5,516	61
Other Objects	500	(500)	-	-	-
Total Health Services	182,646	(5,083)	177,563	142,919	34,644
Speech, OT, PT & Related Services					
Salaries		63,000	63,000	63,000	-
Purchased Professional-Educational Services	225,000	(144,358)	80,642	63,367	17,275
Total Speech, OT, PT & Related Services	225,000	(81,358)	143,642	126,367	17,275
Other Support Serv. Students - Extra Serv.					
Salaries	224,000	(102,529)	121,471	114,288	7,183
Purchased Professional-Educational Services		382,628	382,628	343,609	39,019
Supplies and Materials	-	478	478	478	-
Total Other Support Serv. Students- Extra Serv.	224,000	280,577	504,577	458,375	46,202
Guidance					
Salaries of Other Professional Staff	568,900	9,604	578,504	555,666	22,838
Salaries of Secretarial and Clerical Assistants	56,259	7,091	63,350	62,250	1,100
Purchased Professional-Educational Services	10,000	1,943	11,943	11,056	887
Other Purchased Professional and Technical Services	25,000	(24,905)	95		95
Other Purchased Services		21,858	21,858	21,252	606
Supplies and Materials	6,000	604	6,604	6,602	2
Other Objects	-	500	500	365	135
Total Guidance	666,159	16,695	682,854	657,191	25,663
Child Study Teams					
Salaries of Other Professional Staff	203,388	(11,000)	192,388	145,035	47,353
Salaries of Secretarial and Clerical Assistants	47,741	463	48,204	44,187	4,017
Purchased Professional-Educational Services	471,798	(26,841)	444,957	399,184	45,773
Other Purchased Professional and Technical Services	30,000	9,423	39,423	38,862	561
Other Purchased Services		16,955	16,955	11,603	5,352
Supplies and Materials	3,500	-	3,500	579	2,921
Total Child Study Teams	756,427	(11,000)	745,427	639,450	105,977
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	498,975	133,670	632,645	632,430	215
Salaries of Other Professional Staff	29,125	7,635	36,760	28,183	8,577
Purchased Professional-Educational Services	750	1,853	2,603	2,603	-
Other Purchased Services		13,493	13,493	4,802	8,691
Supplies and Materials	5,000	(2,246)	2,754	2,754	-
Total Improvement of Instructional Services	533,850	154,405	688,255	670,772	17,483
Educational Media Services/School Library					
Salaries	63,728	7,554	71,282	6,936	64,346
Salaries of Technology Coordinators	276,134	19,373	295,507	292,955	2,552
Purchased Professional and Technical Services	179,701	(173,708)	5,993	417	5,576
Purchased Professional-Educational Services		148,489	148,489	138,302	10,187
Other Purchased Services	3,500	(1,090)	2,410	527	1,883
Supplies and Materials	105,699	(12,500)	93,199	81,197	12,002
Other Objects	1,500	-	1,500	-	1,500
Total Educational Media Serv./School Library	630,262	(11,882)	618,380	520,334	98,046
Instructional Staff Training Services					
Other Purchased Professional and Technical Services		1,680	1,680	1,680	-
Other Purchased Services	16,697	(5,180)	11,517	2,905	8,612
Supplies and Materials	440	3,500	3,940	3,436	504
Total Instructional Staff Training Services	17,137	-	17,137	8,021	9,116

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 306,875	\$ 53,574	\$ 360,449	\$ 327,666	\$ 32,783
Legal Services	105,807	41,925	147,732	135,710	12,022
Audit Fees	88,925	(6,289)	82,636	40,300	42,336
Expenditure and Internal Control Audit Fees	2,400	-	2,400		2,400
Architectural/Engineering Services	64,759	59,425	124,184	124,183	1
Other Purchased Professional Services		2,500	2,500	2,500	-
Purchased Technical Services	1,000	12,326	13,326	13,183	143
Communications/Telephone	53,585	(24,273)	29,312	22,007	7,305
BOE Other Purchased Services	18,000	(13)	17,987	6,787	11,200
Misc Purchased Services	160,000	(27,920)	132,080	132,013	67
General Supplies	8,000	16,235	24,235	4,140	20,095
BOE In-House Training/Meeting Supplies	3,000	-	3,000	580	2,420
Judgments against the School District	15,000	-	15,000		15,000
Miscellaneous Expenditures	14,500	(1,000)	13,500		13,500
BOE Membership Dues and Fees	15,000	-	15,000	8,121	6,879
Total Support Services General Administration	856,851	126,490	983,341	817,190	166,151
Support Services School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	169,956	46,127	216,083	216,034	49
Salaries of Secretarial and Clerical Assistants	168,980	7,173	176,153	176,153	-
Purchased Professional Services		853	853	852	1
Purchased Property Services		2,268	2,268	2,134	134
Other Purchased Services	5,000	1,196	6,196	2,755	3,441
Supplies and Materials	5,000	651	5,651	5,370	281
Other Objects	5,000	(4,968)	32	-	32
Total Support Services School Administration	353,936	53,300	407,236	403,298	3,938
Central Services					
Salaries	314,359	12,560	326,919	305,479	21,440
Purchased Professional Services	19,563	(16,735)	2,828	2,106	722
Purchased Technical Services	4,213	8,156	12,369	11,899	470
Miscellaneous Purchased Services	4,473	3,666	8,139	8,098	41
Supplies and Materials	6,362	(711)	5,651	5,586	65
Miscellaneous Expenditures	500	(273)	227	210	17
Total Central Services	349,470	6,663	356,133	333,378	22,755
Admin. Info. Technology					
Purchased Professional Services	7,200	(7,200)	-	-	-
Purchased Technical Services	39,000	27,710	66,710	52,251	14,459
Total Admin. Info. Technology	46,200	20,510	66,710	52,251	14,459
Required Maintenance for School Facilities					
Salaries	357,000	(94,390)	262,610	240,317	22,293
Cleaning, Repair and Maint. Serv.	280,000	(21,034)	258,966	62,546	196,420
General Supplies	75,000	(12,864)	62,136	35,145	26,991
Other Objects	9,970	-	9,970	1,302	8,668
Total Required Maintenance for School Fac.	721,970	(128,288)	593,682	339,310	254,372

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 381,543	\$ 107,373	\$ 488,916	\$ 477,443	\$ 11,473
Cleaning, Repair and Maint. Serv.	14,225	(8,852)	5,373	250	5,123
Rental of Land & Building Other than Lease Purchase Agreement	110,000	-	110,000	110,000	-
Other Purchased Property Services	25,958	1,162	27,120	20,523	6,597
Insurance	223,055	-	223,055	211,711	11,344
General Supplies	25,922	(2,747)	23,175	23,175	-
Energy (Natural Gas)	200,000	(180,000)	20,000	10,000	10,000
Energy (Electricity)	80,000	166,116	246,116	221,847	24,269
Total Custodial Services	1,060,703	83,052	1,143,755	1,074,949	68,806
Care and Upkeep of Grounds					
Salaries		17,124	17,124	9,079	8,045
Cleaning, Repair and Maint. Serv.	25,000	2,908	27,908	27,907	1
General Supplies	5,000	3,677	8,677	3,328	5,349
Other Objects	200	-	200	-	200
Total Care and Upkeep of Grounds	30,200	23,709	53,909	40,314	13,595
Security					
Salaries	64,000	3,463	67,463	65,438	2,025
Purchased Professional and Technical Services		7,920	7,920	7,920	-
Cleaning, Repair and Maint. Serv.		11,940	11,940	1,650	10,290
General Supplies	2,600	-	2,600	846	1,754
Total Security	66,600	23,323	89,923	75,854	14,069
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	107,327	73,563	180,890	180,085	805
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed	78,000	(76,493)	1,507		1,507
Salaries for Pupil Transportation (Other Than Between Home and School)	50,000	(15,366)	34,634	32,836	1,798
Cleaning, Repair and Maint. Serv.	55,000	(16,825)	38,175	37,327	848
Contract. Svcs. Aid in Lieu Payments - Charter School	20,000	4,924	24,924	23,658	1,266
Contract. Svcs. (Bet. Home & Sch) - Vendors	8,300	22,320	30,620	30,620	-
Contract. Svcs. (Other than Bet. Home & Sch) - Vendors		5,000	5,000	4,990	10
Contract. Svcs. (Bet. Home & Sch) - Joint Agreements	47,675	8,325	56,000	47,764	8,236
Contract. Svcs. (Spec Ed. Students) - Joint Agreements	462,373	5,834	468,207	454,926	13,281
Miscellaneous Purchased Services - Transportation	13,120	(2,285)	10,835	10,835	-
General Supplies	3,192	-	3,192		3,192
Transportation Supplies	36,808	-	36,808	28,804	8,004
Other Objects	1,400	468	1,868	1,713	155
Total Student Transportation Services	883,195	9,465	892,660	853,558	39,102
Allocated Benefits - Employee Benefits					
Health Benefits	1,473,831	(101,481)	1,372,350	1,327,840	44,510
Total Allocated Benefits	1,473,831	(101,481)	1,372,350	1,327,840	44,510
Unallocated Benefits - Employee Benefits					
Social Security Contributions	175,000	15,069	190,069	190,069	-
Other Retirement Contributions - PERS	175,000	87,630	262,630	262,629	1
Other Retirement Contributions - Regular	8,000	4,440	12,440		12,440
Unemployment Compensation	50,000	(10,154)	39,846	36,778	3,068
Workmen's Compensation	82,000	(12,054)	69,946	63,221	6,725
Health Benefits	1,263,500	18,341	1,281,841	1,215,604	66,237
Tuition Reimbursement	30,000	1,000	31,000	30,898	102
Unused Sick Payment to Terminated/Retired Staff	160,000	(14,288)	145,712	144,886	826
Other Employee Benefits	50,000	(40,000)	10,000	5,000	5,000
Total Unallocated Benefits - Employee Benefits	1,993,500	49,984	2,043,484	1,949,085	94,399

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
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 Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-behalf TPAF Payments - (Non-Budget)					
Pension Benefit Contribution				\$ 2,254,274	\$ (2,254,274)
Pension NCGI Premium				25,709	(25,709)
Post-Retirement Medical Benefits				620,528	(620,528)
Long-Term Disability Insurance				788	(788)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	511,007	(511,007)
Total On-Behalf and Reimbursed Payments	-	-	-	3,412,306	(3,412,306)
Interest on Maintenance Reserve	\$ 500	-	\$ 500	-	500
Total Undistributed Expenditures	13,730,945	\$ 244,081	13,975,026	16,142,887	(2,167,861)
Total Expenditures - Current Expenditures	20,042,258	109,047	20,151,305	22,186,827	(2,035,522)
CAPITAL OUTLAY					
Undistributed Expenditures					
Instruction		105,907	105,907	4,250	101,657
Central Services		3,273	3,273	3,273	-
Care and Upkeep of Grounds		4,000	4,000	3,290	710
Equipment					
School Buses	200,000	(21,750)	178,250	160,121	18,129
School Sponsored Activities	-	37,191	37,191	36,141	1,050
Total Equipment	200,000	128,621	328,621	207,075	121,546
Facilities Acquisition and Construction Services					
Construction Services		530,150	530,150	232,970	297,180
Buildings Other Than Lease Purchase Agreements		1,215,804	1,215,804	1,211,717	4,087
Infrastructure	345,000	-	345,000	317,374	27,626
Total Facilities Acquisition and Construction Services	345,000	1,745,954	2,090,954	1,762,061	328,893
Interest on Capital Reserve	500	-	500	-	500
Total Capital Outlay	545,500	1,874,575	2,420,075	1,969,136	450,939
Transfers of Funds to Charter Schools	37,892	-	37,892	-	37,892
Total Expenditures	20,625,650	1,983,622	22,609,272	24,155,963	(1,546,691)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,676,304)	(1,983,622)	(3,659,926)	(1,450,617)	2,209,309
Other Financing Sources (Uses)					
Transfer Out - Special Revenue Fund (Athletics)	-	(65,000)	(65,000)	(65,000)	-
Total Other Financing Sources (Uses)	-	(65,000)	(65,000)	(65,000)	-

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Net Change in Fund Balance	\$ (1,676,304)	\$ (2,048,622)	\$ (3,724,926)	\$ (1,515,617)	\$ 2,209,309
Fund Balance, Beginning of Year	<u>5,186,952</u>	<u>-</u>	<u>5,186,952</u>	<u>5,186,952</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,510,648</u>	<u>\$ (2,048,622)</u>	<u>\$ 1,462,026</u>	<u>\$ 3,671,335</u>	<u>\$ 2,209,309</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 778,978	
Capital Reserve - Designated for Subsequent Year's Expenditures				300,000	
Maintenance Reserve				213,703	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				200,500	
Excess Surplus				539,529	
Committed					
Year-End Encumbrances				150,512	
Assigned					
Year-End Encumbrances				215,829	
Designated for Subsequent Year's Expenditures				605,171	
Unassigned				<u>667,113</u>	
Reconciliation to Governmental Funds Statements (GAAP):				3,671,335	
Less: State Aid Payments not Recognized on GAAP Basis				<u>(286,917)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,384,418</u>	

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
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 Final to Actual</u>
REVENUES					
Intergovernmental					
Federal	\$ 160,000	\$ 766,612	\$ 926,612	\$ 812,846	\$ (113,766)
State		37,675	37,675	-	(37,675)
Local	-	265,263	265,263	223,128	(42,135)
Total Revenues	160,000	1,069,550	1,229,550	1,035,974	(193,576)
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 56,000	\$ 44,796	\$ 100,796	\$ 75,684	\$ 25,112
Tuition	96,000	86,195	182,195	182,195	-
General Supplies	8,000	182,576	190,576	145,882	44,694
Co-curricular/Extra-curricular Activities		166,940	166,940	166,940	-
Athletic Activities	-	60,519	60,519	60,519	-
Total Instruction	160,000	541,026	701,026	631,220	69,806
Support Services					
Salaries		162,331	162,331	146,552	15,779
Personal Services - Employee Benefits		89,933	89,933	84,770	5,163
Purchased Prof. - Technical Services		26,517	26,517	23,867	2,650
Purchased Prof. - Educational Services		6,000	6,000	3,700	2,300
Required Maintenance for School Facilities		37,675	37,675		37,675
Other Purchased Services		7,885	7,885	5,066	2,819
General Supplies		45,904	45,904	24,998	20,906
Miscellaneous Expenditures		8,787	8,787	8,787	-
Scholarship Awards	-	25,762	25,762	25,762	-
Total Support Services	-	410,794	410,794	323,502	87,292
Capital Outlay					
Buildings		100,000	100,000	100,000	-
Instructional Equipment	-	17,730	17,730	16,229	1,501
Total Capital Outlay	-	117,730	117,730	116,229	1,501
Total Expenditures	160,000	1,069,550	1,229,550	1,070,951	158,599
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	-	(34,977)	(34,977)
OTHER FINANCING SOURCES (USES)					
Transfer In - General Fund	-	-	-	65,000	65,000
Total Other Financing Sources (Uses)	-	-	-	65,000	65,000
Net Change in Fund Balance	-	-	-	30,023	30,023
Fund Balance, Beginning of Year	887,149	-	887,149	887,149	-
Fund Balance, End of Year	\$ 887,149	\$ -	\$ 887,149	\$ 917,172	\$ 30,023
Recapitulation of Fund Balance					
Restricted					
Scholarships				\$ 833,674	
Student Activities				83,498	
				<u>\$ 917,172</u>	

CARLSTADT-EAST RUTHERFORD REGIONAL 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	(C-1) \$ 22,705,346	(C-2) \$ 1,035,974
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023, Net of Cancellations		
Encumbrances, June 30, 2024		(114,116)
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2022/2023 State Aid)	220,474	
State Aid payments recognized for Budgetary purposes, not recognized for GAAP statements (2023/2024 State Aid)	<u>(286,917)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>22,638,903</u>	(B-2) \$ <u>921,858</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the		
budgetary comparison schedule	(C-1) \$ 24,155,963	(C-2) \$ 1,070,951
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not yet received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023, Net of Cancellations		
Encumbrances, June 30, 2024	<u>-</u>	<u>(114,116)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>24,155,963</u>	(B-2) \$ <u>956,835</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

**CARLSTADT EAST RUTHERFORD REGIONAL 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)	0.01627	%	0.01247	%	0.01234	%	0.01208	%	0.01230	%	0.01282	%	0.01199	%	0.01188	%	0.01274	%	0.01283	%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,356,781		\$ 1,882,245		\$ 1,461,871		\$ 1,970,318		\$ 2,215,611		\$ 2,524,143		\$ 2,791,569		\$ 3,518,208		\$ 2,859,017		\$ 2,402,589	
District's Covered-Employee Payroll	\$ 1,254,162		\$ 1,142,439		\$ 930,095		\$ 895,800		\$ 862,646		\$ 930,046		\$ 883,124		\$ 799,117		\$ 827,948		\$ 870,268	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered - Employee Payroll	187.92	%	164.76	%	157.17	%	219.95	%	256.84	%	271.40	%	316.10	%	440.26	%	345.31	%	276.07	%
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.

**CARLSTADT EAST RUTHERFORD REGIONAL 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	\$ 217,469	\$ 157,282	\$ 144,517	\$ 132,175	\$ 119,609	\$ 127,515	\$ 111,094	\$ 105,531	\$ 109,497	\$ 105,789
Contributions in Relation to the Contractually Required Contribution	<u>217,469</u>	<u>157,282</u>	<u>144,517</u>	<u>132,175</u>	<u>119,609</u>	<u>127,515</u>	<u>111,094</u>	<u>105,531</u>	<u>109,497</u>	<u>105,789</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered - Employee Payroll	\$ 1,311,631	\$ 1,254,162	\$ 1,142,439	\$ 930,095	\$ 895,800	\$ 862,646	\$ 930,046	\$ 883,124	\$ 799,117	\$ 827,948
Contributions as a Percentage of Covered-Employee Payroll	\$ 16.58 %	\$ 12.54 %	\$ 12.65 %	\$ 14.21 %	\$ 13.35 %	\$ 14.78 %	\$ 11.95 %	\$ 11.95 %	\$ 13.70 %	\$ 12.78 %

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>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)	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%
District's Proportionate Share of the Net Pension Liability (Asset)	-		-		-		-		-		-		-		-		-		-	
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 26,224,339</u>		<u>\$ 22,010,617</u>		<u>\$ 20,395,627</u>		<u>\$ 27,620,105</u>		<u>\$ 25,297,832</u>		<u>\$ 26,635,227</u>		<u>\$ 28,738,398</u>		<u>\$ 34,000,640</u>		<u>\$ 26,537,917</u>		<u>\$ 23,989,774</u>	
Total	<u>\$ 26,224,339</u>		<u>\$ 22,010,617</u>		<u>\$ 20,395,627</u>		<u>\$ 27,620,105</u>		<u>\$ 25,297,832</u>		<u>\$ 26,635,227</u>		<u>\$ 28,738,398</u>		<u>\$ 34,000,640</u>		<u>\$ 26,537,917</u>		<u>\$ 23,989,774</u>	
District's Covered Payroll	\$ 6,694,458		\$ 5,896,730		\$ 5,522,040		\$ 4,829,836		\$ 4,631,021		\$ 4,494,641		\$ 4,277,660		\$ 4,364,263		\$ 4,276,160		\$ 4,332,959	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%	0.00	%
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.

**CARLSTADT EAST RUTHERFORD REGIONAL 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.

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

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 797,415	\$ 804,802	\$ 874,645	\$ 475,632	\$ 486,232	\$ 589,348	\$ 701,824
Interest on Total OPEB Liability	665,666	479,124	528,772	498,129	623,597	699,058	608,955
Changes in Benefit Terms			(21,696)				
Differences Between Expected and Actual Experience	(177,852)	1,721,206	(3,209,898)	3,929,371	(2,789,784)	(2,369,608)	
Changes of Assumptions	38,096	(4,849,960)	20,110	4,127,267	207,931	(1,816,929)	(2,528,669)
Gross Benefit Payments	(518,897)	(474,586)	(416,524)	(393,354)	(428,091)	(423,372)	(378,726)
Contribution from the Member	<u>17,059</u>	<u>15,225</u>	<u>13,518</u>	<u>11,923</u>	<u>12,690</u>	<u>14,632</u>	<u>13,946</u>
Net Change in Total OPEB Liability	<u>821,487</u>	<u>(2,304,189)</u>	<u>(2,211,073)</u>	<u>8,648,968</u>	<u>(1,887,425)</u>	<u>(3,306,871)</u>	<u>(1,582,670)</u>
Total OPEB Liability - Beginning	<u>18,079,395</u>	<u>20,383,584</u>	<u>22,594,657</u>	<u>13,945,689</u>	<u>15,833,114</u>	<u>19,139,985</u>	<u>20,722,655</u>
Total OPEB Liability - Ending	<u>\$ 18,900,882</u>	<u>\$ 18,079,395</u>	<u>\$ 20,383,584</u>	<u>\$ 22,594,657</u>	<u>\$ 13,945,689</u>	<u>\$ 15,833,114</u>	<u>\$ 19,139,985</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>18,900,882</u>	<u>18,079,395</u>	<u>20,383,584</u>	<u>22,594,657</u>	<u>13,945,689</u>	<u>15,833,114</u>	<u>19,139,985</u>
Total OPEB Liability - Ending	<u>\$ 18,900,882</u>	<u>\$ 18,079,395</u>	<u>\$ 20,383,584</u>	<u>\$ 22,594,657</u>	<u>\$ 13,945,689</u>	<u>\$ 15,833,114</u>	<u>\$ 19,139,985</u>
District's Covered Payroll	<u>\$ 7,948,620</u>	<u>\$ 7,039,169</u>	<u>\$ 6,452,135</u>	<u>\$ 5,725,636</u>	<u>\$ 5,493,667</u>	<u>\$ 5,424,687</u>	<u>\$ 5,160,784</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**CARLSTADT-EAST RUTHERFORD REGIONAL 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

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	<u>IDEIA Part B Basic</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title IV</u>	<u>Local Donations</u>	<u>Student Activities</u>	<u>Scholarship</u>	<u>Total</u>
REVENUES								
Intergovernmental								
Federal	\$ 182,195	\$ 77,050	\$ 8,766	\$ 9,857				\$ 277,868
State								-
Local	-	-	-	-	\$ 4,884	\$ 181,193	\$ 37,051	223,128
Total Revenues	<u>\$ 182,195</u>	<u>\$ 77,050</u>	<u>\$ 8,766</u>	<u>\$ 9,857</u>	<u>\$ 4,884</u>	<u>\$ 181,193</u>	<u>\$ 37,051</u>	<u>\$ 500,996</u>
EXPENDITURES								
Instruction								
Salaries of Teachers		\$ 50,130						\$ 50,130
Tuition	\$ 182,195							182,195
General Supplies				\$ 3,910	\$ 4,884			8,794
Co-curricular/Extra-curricular Activities						\$ 166,940		166,940
Athletic Activities	-	-	-	-	-	60,519	-	60,519
Total Instruction	<u>182,195</u>	<u>50,130</u>	<u>-</u>	<u>3,910</u>	<u>4,884</u>	<u>227,459</u>	<u>-</u>	<u>468,578</u>
Support Services								
Personal Services - Employee Benefits		26,920						26,920
Purchased Prof. - Educational Services			\$ 3,700					3,700
Other Purchased Services			5,066					5,066
Scholarship Awards	-	-	-	-	-	-	\$ 25,762	25,762
Total Support Services	<u>-</u>	<u>26,920</u>	<u>8,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,762</u>	<u>61,448</u>
Capital Outlay								
Instructional Equipment	-	-	-	5,947	-	-	-	5,947
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,947</u>
Total Expenditures	<u>182,195</u>	<u>77,050</u>	<u>8,766</u>	<u>9,857</u>	<u>4,884</u>	<u>227,459</u>	<u>25,762</u>	<u>535,973</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,266)</u>	<u>11,289</u>	<u>(34,977)</u>
OTHER FINANCING SOURCES (USES)								
Transfer In - General Fund	-	-	-	-	-	65,000	-	65,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Net Change in Fund Balance	-	-	-	-	-	18,734	11,289	30,023
Fund Balance, Beginning of Year	-	-	-	-	-	64,764	822,385	887,149
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,498</u>	<u>\$ 833,674</u>	<u>\$ 917,172</u>

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

	Exhibit E-1 Total	American Rescue Plan - ESSER III					Grand Total
		ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	NJTSS	
REVENUES							
Intergovernmental							
Federal	\$ 277,868	\$ 438,497	\$ 22,652	\$ 14,116	\$ 21,720	\$ 37,993	\$ 812,846
State	-	-	-	-	-	-	-
Local	223,128	-	-	-	-	-	223,128
Total Revenues	\$ 500,996	\$ 438,497	\$ 22,652	\$ 14,116	\$ 21,720	\$ 37,993	\$ 1,035,974
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 50,130			\$ 3,834	\$ 21,720		\$ 75,684
Tuition	182,195						182,195
General Supplies	8,794	\$ 137,088					145,882
Co-curricular/Extra-curricular Activities	166,940						166,940
Athletic Activities	60,519	-	-	-	-	-	60,519
Total Instruction	468,578	137,088	-	3,834	21,720	-	631,220
Support Services							
Salaries	-	97,667	\$ 22,652			\$ 26,233	146,552
Personal Services - Employee Benefits	26,920	57,850					84,770
Purchased Prof. - Technical Services	-	12,107				11,760	23,867
Other Purchased Services	5,066						5,066
General Supplies	-	24,998					24,998
Miscellaneous Expenditures	-	8,787					8,787
Scholarship Awards	25,762	-	-	-	-	-	25,762
Total Support Services	61,448	201,409	22,652	-	-	37,993	323,502
Capital Outlay							
Buildings	-	100,000					100,000
Instructional Equipment	5,947	-	-	10,282	-	-	16,229
Total Capital Outlay	5,947	100,000	-	10,282	-	-	116,229
Total Expenditures	535,973	438,497	22,652	14,116	21,720	37,993	1,070,951
Excess (Deficiency) of Revenues over (under) Expenditures	(34,977)	-	-	-	-	-	(34,977)
OTHER FINANCING SOURCES (USES)							
Transfer In - General Fund	65,000	-	-	-	-	-	65,000
Total Other Financing Sources (Uses)	65,000	-	-	-	-	-	65,000
Net Change in Fund Balance	30,023	-	-	-	-	-	30,023
Fund Balance, Beginning of Year	887,149	-	-	-	-	-	887,149
Fund Balance, End of Year	\$ 917,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 917,172

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Facility Use Fees	Chromebook Fees	Total Non-Major Enterprise Funds
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 145,573	\$ 20,483	\$ 166,056
Other Accounts Receivable	<u>10,913</u>	<u>-</u>	<u>10,913</u>
Total Current Assets	<u>156,486</u>	<u>20,483</u>	<u>176,969</u>
Total Assets	<u>156,486</u>	<u>20,483</u>	<u>176,969</u>
LIABILITIES			
Current Liabilities			
Due to Other Funds	<u>15,733</u>	<u>-</u>	<u>15,733</u>
Total Liabilities	<u>15,733</u>	<u>-</u>	<u>15,733</u>
NET POSITION			
Unrestricted	<u>140,753</u>	<u>20,483</u>	<u>161,236</u>
Total Net Position	<u>\$ 140,753</u>	<u>\$ 20,483</u>	<u>\$ 161,236</u>

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Facility Use Fees	Chromebook Fees	Total Non-Major Enterprise Funds
OPERATING REVENUES			
Charges for Services			
Program Fees	\$ 155,834	\$ 20,110	175,944
	<u>155,834</u>	<u>20,110</u>	<u>175,944</u>
Total Operating Revenues			
	<u>155,834</u>	<u>20,110</u>	<u>175,944</u>
OPERATING EXPENSES			
Other Purchased Services	15,733	-	15,733
	<u>15,733</u>	<u>-</u>	<u>15,733</u>
Total Operating Expenses			
	<u>15,733</u>	<u>-</u>	<u>15,733</u>
Operating Income (Loss)	140,101	20,110	160,211
	<u>140,101</u>	<u>20,110</u>	<u>160,211</u>
NON-OPERATING REVENUES			
Local Sources			
Interest	652	373	1,025
	<u>652</u>	<u>373</u>	<u>1,025</u>
Total Non-Operating Revenues			
	<u>652</u>	<u>373</u>	<u>1,025</u>
Change in Net Position	140,753	20,483	161,236
Total Net Position, Beginning of Year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position, End of Year	\$ 140,753	\$ 20,483	\$ 161,236
	<u>\$ 140,753</u>	<u>\$ 20,483</u>	<u>\$ 161,236</u>

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Facility Use Fees	Chromebook Fees	Total Non-Major Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 144,921	\$ 20,110	\$ 165,031
Cash Payments to Suppliers for Goods and Services	<u>(15,733)</u>	<u>-</u>	<u>(15,733)</u>
Net Cash Provided (Used) by Operating Activities	<u>129,188</u>	<u>20,110</u>	<u>149,298</u>
Cash Flows from Non-Capital Financing Activities			
Cash Received from Other Funds	<u>15,733</u>	<u>-</u>	<u>15,733</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>15,733</u>	<u>-</u>	<u>15,733</u>
Cash Flows from Investing Activities			
Interest Received	<u>652</u>	<u>373</u>	<u>1,025</u>
Net Cash Provided (Used) by Investing Activities	<u>652</u>	<u>373</u>	<u>1,025</u>
Net Increase (Decrease) in Cash and Cash Equivalents	145,573	20,483	166,056
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 145,573</u>	<u>\$ 20,483</u>	<u>\$ 166,056</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>\$ 140,101</u>	<u>\$ 20,110</u>	<u>160,211</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable	<u>(10,913)</u>	<u>-</u>	<u>(10,913)</u>
Total Adjustments	<u>(10,913)</u>	<u>-</u>	<u>(10,913)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 129,188</u>	<u>\$ 20,110</u>	<u>\$ 149,298</u>

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
Postage Machine - 2018	\$ 18,582	0.00%	\$ 885	-	\$ 885	-
			<u>\$ 885</u>	<u>\$ -</u>	<u>\$ 885</u>	<u>\$ -</u>

EXHIBIT I-1A

**SCHEDULE OF OBLIGATIONS UNDER LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Purpose</u>	<u>Original Amount</u>	<u>Interest</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
Riggin Field Athletic Facility	\$ 1,281,051	4.375%	\$ 569,662		\$ 85,078	\$ 484,584
Copier Machines - 2023	30,460	15.06%	<u>29,417</u>	<u>-</u>	<u>4,585</u>	<u>24,832</u>
			<u>\$ 599,079</u>	<u>\$ -</u>	<u>\$ 89,663</u>	<u>\$ 509,416</u>

STATISTICAL SECTION

This part of the Carlstadt-East Rutherford Regional 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.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in capital assets	\$ 28,171,002	\$ 27,788,325	\$ 27,919,956	\$ 27,308,026	\$ 27,045,943	\$ 26,339,419	\$ 25,008,116	\$ 24,714,523	\$ 24,928,318	\$ 25,634,328
Restricted	1,599,992	1,502,566	2,230,769	2,324,344	1,656,554	3,375,436	4,072,308	4,838,762	4,255,283	2,410,353
Unrestricted	(1,401,461)	(1,211,729)	(1,396,155)	(1,428,897)	(920,327)	(1,223,970)	(732,511)	(389,959)	(587,077)	(266,300)
Total governmental activities net position	<u>\$ 28,369,533</u>	<u>\$ 28,079,162</u>	<u>\$ 28,754,570</u>	<u>\$ 28,203,473</u>	<u>\$ 27,782,170</u>	<u>\$ 28,490,885</u>	<u>\$ 28,347,913</u>	<u>\$ 29,163,326</u>	<u>\$ 28,596,524</u>	<u>\$ 27,778,381</u>
Business-type activities										
Net Investment in capital assets	\$ 23,437	\$ 31,553	\$ 23,634	\$ 26,669	\$ 26,841	\$ 19,981	\$ 16,009	\$ 60,532	\$ 106,911	\$ 95,717
Unrestricted	81,897	55,062	61,636	90,610	108,974	101,171	195,930	224,055	183,826	355,468
Total business-type activities net position	<u>\$ 105,334</u>	<u>\$ 86,615</u>	<u>\$ 85,270</u>	<u>\$ 117,279</u>	<u>\$ 135,815</u>	<u>\$ 121,152</u>	<u>\$ 211,939</u>	<u>\$ 284,587</u>	<u>\$ 290,737</u>	<u>\$ 451,185</u>
District-wide										
Net Investment in capital assets	\$ 28,194,439	\$ 27,819,878	\$ 27,943,590	\$ 27,334,695	\$ 27,072,784	\$ 26,359,400	\$ 25,024,125	\$ 24,775,055	\$ 25,035,229	\$ 25,730,045
Restricted	1,599,992	1,502,566	2,230,769	2,324,344	1,656,554	3,375,436	4,072,308	4,838,762	4,255,283	2,410,353
Unrestricted	(1,319,564)	(1,156,667)	(1,334,519)	(1,338,287)	(811,353)	(1,122,799)	(536,581)	(165,904)	(403,251)	89,168
Total district net position	<u>\$ 28,474,867</u>	<u>\$ 28,165,777</u>	<u>\$ 28,839,840</u>	<u>\$ 28,320,752</u>	<u>\$ 27,917,985</u>	<u>\$ 28,612,037</u>	<u>\$ 28,559,852</u>	<u>\$ 29,447,913</u>	<u>\$ 28,887,261</u>	<u>\$ 28,229,566</u>

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

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

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

Note 4 - Net Position at June 30, 2022 is restated to reflect revisions for updated capital assets inventory report.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,722,852	\$ 6,426,622	\$ 7,247,684	\$ 7,046,759	\$ 6,566,836	\$ 6,596,295	\$ 7,861,055	\$ 7,795,495	\$ 8,667,168	\$ 8,230,514
Special Education	3,243,691	3,153,436	3,000,119	2,890,090	2,921,703	2,338,262	2,630,224	2,558,341	2,582,982	2,764,307
Other Instruction	197,667	208,184	230,325	232,880	193,892	199,426	247,052	82,109	112,294	127,236
School Sponsored Activities and Athletics	431,300	453,105	477,660	517,132	474,879	590,216	544,632	706,903	755,102	858,066
Support Services:										
Student & Instruction Related Services	1,644,704	1,646,036	1,951,656	2,361,810	2,365,614	2,538,627	2,718,964	2,653,421	3,127,512	4,716,075
General Administration Services	540,825	721,154	706,275	731,486	584,517	726,549	771,036	1,055,027	865,599	976,058
School Administrative Services	352,560	319,612	408,947	382,769	368,582	313,510	361,911	304,853	407,712	606,749
Central Services and Info. Technology	578,771	605,589	602,211	628,373	480,505	467,530	498,672	477,735	571,008	534,425
Plant Operations and Maintenance	1,713,511	2,003,097	1,556,962	2,416,386	2,528,182	2,396,539	2,410,393	2,783,931	2,918,254	2,868,168
Pupil Transportation	564,270	617,235	655,194	662,114	695,835	601,812	428,366	701,400	904,249	971,548
Interest on Long-Term Debt	18,575	12,022	5,037	2,882	174	14		28,774	22,200	26,251
Total governmental activities expenses	15,008,726	16,166,092	16,842,070	17,872,681	17,180,719	16,768,780	18,472,305	19,147,989	20,934,080	22,679,397
Business-type activities:										
Food Service	698,665	747,239	507,928	510,074	535,376	485,751	431,993	932,249	772,979	845,581
Facility Use Fees										15,733
Chromebook Fees										-
Total business-type activities expense	698,665	747,239	507,928	510,074	535,376	485,751	431,993	932,249	772,979	861,314
Total district expenses	\$ 15,707,391	\$ 16,913,331	\$ 17,349,998	\$ 18,382,755	\$ 17,716,095	\$ 17,254,531	\$ 18,904,298	\$ 20,080,238	\$ 21,707,059	\$ 23,540,711
Program Revenues										
Governmental activities:										
Charges for Services										
Regular Instruction			\$ 141,258	\$ 89,100	\$ 74,477		\$ 698,325	\$ 1,721,216	\$ 2,697,200	\$ 3,236,550
Special Education										230,000
School Sponsored Activities and Athletics						\$ 138,894	102,558	162,278	138,027	181,193
Student and Instruction Related Services										
General Administrative Services										
Plant Operations and Maintenance	\$ 248,000	\$ 236,979	64,450	70,750	89,153	28,163	2,868,168	148,465	161,264	36,009
Transportation	108,125	115,700	122,460	115,700	114,100	111,550	35,300	75,100	81,600	100,744
Operating Grants and Contributions	2,554,231	2,959,095	3,852,675	3,996,562	3,223,450	3,257,495	4,131,699	3,208,135	2,946,142	3,444,008
Capital Grants	919,992	202,554	631,964			106,379	3,444,008	46,392	31,531	5,947
Total governmental activities program revenues	3,830,348	3,514,328	4,812,807	4,272,112	3,501,180	3,642,481	11,280,058	5,361,586	6,055,764	7,234,451
Business-type activities:										
Charges for services										
Food Service	\$ 613,865	\$ 660,842	\$ 429,578	\$ 464,857	\$ 486,799	\$ 401,821	\$ 381,260	\$ 618,590	\$ 600,826	\$ 696,435
Facility Use Fees										155,834
Chromebook Fees										20,110
Operating Grants and Contributions	68,463	67,678	77,005	77,226	67,113	69,267	141,520	386,307	178,303	148,358
Total business type activities program revenues	682,328	728,520	506,583	542,083	553,912	471,088	522,780	1,004,897	779,129	1,020,737
Total district program revenues	\$ 4,512,676	\$ 4,242,848	\$ 5,319,390	\$ 4,814,195	\$ 4,055,092	\$ 4,113,569	\$ 11,802,838	\$ 6,366,483	\$ 6,834,893	\$ 8,255,188
Net (Expense)/Revenue										
Governmental activities	\$ (11,178,378)	\$ (12,651,764)	\$ (12,029,263)	\$ (13,600,569)	\$ (13,679,539)	\$ (13,126,299)	\$ (7,192,247)	\$ (13,786,403)	\$ (14,878,316)	\$ (15,444,946)
Business-type activities	(16,337)	(18,719)	(1,345)	32,009	18,536	(14,663)	90,787	72,648	6,150	159,423
Total district-wide net expense	\$ (11,194,715)	\$ (12,670,483)	\$ (12,030,608)	\$ (13,568,560)	\$ (13,661,003)	\$ (13,140,962)	\$ (7,101,460)	\$ (13,713,755)	\$ (14,872,166)	\$ (15,285,523)

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,069,351	\$ 12,310,738	\$ 12,556,953	\$ 12,808,092	\$ 13,064,254	\$ 13,325,539	\$ 13,592,050	\$ 13,863,891	\$ 14,141,169	\$ 14,423,993
Unrestricted grants and contributions	10,560	10,560	15,570	15,849	235					-
Investment earnings	7,279	4,763	3,173	11,053	49,571	36,945	12,034	9,965	95,472	116,645
Miscellaneous income	14,458	35,332	128,975	214,478	144,176	73,606	105,945	101,955	74,873	86,165
Total governmental activities	12,101,648	12,361,393	12,704,671	13,049,472	13,258,236	13,436,090	13,710,029	13,975,811	14,311,514	14,626,803
Business-type activities:										
Investment earnings										1,025
Transfers										
Total business-type activities	-	-	-	-	-	-	-	-	-	1,025
Total district-wide	\$ 12,101,648	\$ 12,361,393	\$ 12,704,671	\$ 13,049,472	\$ 13,258,236	\$ 13,436,090	\$ 13,710,029	\$ 13,975,811	\$ 14,311,514	\$ 14,627,828
Change in Net Position										
Governmental activities	\$ 923,270	\$ (290,371)	\$ 675,408	\$ (551,097)	\$ (421,303)	\$ 309,791	\$ 6,517,782	\$ 189,408	\$ (566,802)	\$ (818,143)
Business-type activities	(16,337)	(18,719)	(1,345)	32,009	18,536	(14,663)	90,787	72,648	6,150	160,448
Total district	\$ 906,933	\$ (309,090)	\$ 674,063	\$ (519,088)	\$ (402,767)	\$ 295,128	\$ 6,608,569	\$ 262,056	\$ (560,652)	\$ (657,695)

Note 1 - Changes in Net Position for the year ended June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,599,992	\$ 2,139,943	\$ 2,087,085	\$ 3,428,829	\$ 2,858,897	\$ 3,750,420	\$ 4,406,118	\$ 4,866,271	\$ 3,668,134	\$ 2,032,710
Committed								237,601		150,512
Assigned	106,021	52,359	89,468	62,281	481,944	189,092	309,471	406,083	913,647	821,000
Unassigned	266,511	272,605	256,623	262,908	284,365	272,099	563,089	530,254	384,697	380,196
Total general fund	<u>\$ 2,972,524</u>	<u>\$ 2,464,907</u>	<u>\$ 2,433,176</u>	<u>\$ 3,754,018</u>	<u>\$ 3,625,206</u>	<u>\$ 4,211,611</u>	<u>\$ 5,278,678</u>	<u>\$ 6,040,209</u>	<u>\$ 4,966,478</u>	<u>\$ 3,384,418</u>
All Other Governmental Funds										
Unreserved										
Restricted		\$ 407,574	\$ 1,190,777			817,844	859,018	872,491	887,149	917,172
Unassigned	<u>\$ (274,134)</u>									
Total all other governmental funds	<u>\$ (274,134)</u>	<u>\$ 407,574</u>	<u>\$ 1,190,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817,844</u>	<u>\$ 859,018</u>	<u>\$ 872,491</u>	<u>\$ 887,149</u>	<u>\$ 917,172</u>

Note 1 - Fund balances at June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Tax levy	\$ 12,069,351	\$ 12,310,738	\$ 12,556,953	\$ 12,808,092	\$ 13,064,254	\$ 13,325,539	\$ 13,592,050	\$ 13,863,891	\$ 14,141,169	\$ 14,423,993
Tuition from Other LEAs Within State							698,325	1,721,216	2,697,200	3,466,550
Interest Earnings	7,279	4,763	3,173	11,053	49,571	33,662	12,034	9,965	95,472	116,645
Miscellaneous Income	386,357	388,011	457,143	490,028	457,136	971,253	308,002	507,470	505,058	446,046
State Sources	1,638,383	1,692,119	1,599,866	1,793,856	2,082,653	2,241,792	2,743,792	3,540,259	4,121,495	4,408,797
Federal Sources	736,291	205,002	802,002	221,395	209,944	205,144	425,195	607,064	510,475	698,730
Other Intermediate Source	30,460	756	23,099							
Total revenue	14,868,121	14,601,389	15,442,236	15,324,424	15,863,558	16,777,390	17,779,398	20,249,865	22,070,869	23,560,761
Expenditures										
Instruction										
Regular Instruction	4,957,651	5,466,245	5,642,723	5,734,604	5,956,521	6,368,434	7,305,679	8,528,960	9,788,875	9,179,724
Special Education Instruction	3,161,424	3,066,950	2,857,127	2,749,702	2,857,936	2,318,448	2,572,356	2,642,521	2,701,590	2,868,390
Other Instruction	169,232	175,924	177,084	185,293	173,751	190,781	226,927	86,540	129,520	141,490
School Sponsored Activities and Athletics	431,030	439,660	442,698	477,078	462,964	606,791	549,021	744,490	801,121	875,605
Support Services:										
Student & Inst. Related Services	1,530,008	1,518,199	1,780,303	2,123,603	2,247,559	2,489,008	2,616,740	2,804,732	3,366,434	4,979,518
General Administrative	519,279	708,896	679,412	694,961	562,263	707,689	733,509	983,891	938,371	1,025,390
School Administrative Services	305,487	273,392	331,877	312,197	336,896	306,319	345,517	335,372	451,064	645,157
Central Services and Info. Tech.	540,126	554,354	509,095	535,801	445,616	449,082	473,484	519,985	637,121	577,770
Plant Operations and Maintenance	1,243,509	1,273,510	1,299,200	1,247,018	1,424,072	1,352,863	1,292,136	1,753,905	1,909,823	1,790,672
Pupil Transportation	555,585	601,649	636,942	636,424	683,290	600,358	421,811	706,795	823,365	952,175
Capital outlay	1,985,004	145,846	134,045	357,696	841,344	365,704	118,465	242,157	1,488,423	1,957,316
Debt service:										
Principal	184,007	189,206	193,746	195,458	18,566	16,574	15,512	93,607	95,072	90,548
Interest and other charges	19,990	13,467	6,512	4,388	174	14	-	31,906	29,623	29,043
Total expenditures	15,602,332	14,427,298	14,690,764	15,254,223	16,010,952	15,772,065	16,671,157	19,474,861	23,160,402	25,112,798
Excess (Deficiency) of revenues over (under) expenditures	(734,211)	174,091	751,472	70,201	(147,394)	1,005,325	1,108,241	775,004	(1,089,533)	(1,552,037)
Other Financing sources (uses)										
Capital Financing Agreement Proceeds	13,787			59,864	18,582				30,460	-
Transfers in	800,000	625,000	250,000	1,060,097					50,000	65,000
Transfers out	(800,000)	(625,000)	(250,000)	(1,060,097)					(50,000)	(65,000)
Total other financing sources (uses)	13,787	-	-	59,864	18,582	-	-	-	30,460	-
Net change in fund balances	\$ (720,424)	\$ 174,091	\$ 751,472	\$ 130,065	\$ (128,812)	\$ 1,005,325	\$ 1,108,241	\$ 775,004	\$ (1,059,073)	\$ (1,552,037)
Debt service as a percentage of noncapital expenditures	1.50%	1.42%	1.38%	1.34%	0.12%	0.11%	0.09%	0.65%	0.58%	0.52%

* Noncapital expenditures are total expenditures less capital outlay.

Note 1 - Changes in Fund Balances for the year ended June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

Fiscal Year Ended June 30,	<u>Athletic Receipts</u>	<u>E-Rate Reimb.</u>	<u>Transportation Jointures</u>	<u>Building Rentals</u>	<u>Refunds</u>	<u>Tuition</u>	<u>Insurance Settlement</u>	<u>Shared Service Fees</u>	<u>Interest Earnings</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 9,210		\$ 108,125	\$ 248,000						\$ 5,248	\$ 370,583
2016			115,700	236,979	\$ 29,422					5,910	388,011
2017			122,460	64,450	46,198	\$ 141,258	\$ 75,000			7,777	457,143
2018			115,700	70,750	58,721	89,100	125,000			30,757	490,028
2019	7,573		114,100	89,153	61,861	74,477				74,742	421,906
2020	17,026		111,550	28,162	43,031					13,550	213,319
2021	404	\$ 9,691	35,300		37,233					46,583	129,211
2022	10,139	11,628	75,100	148,465	4,565			\$ 35,140	\$ 9,665	40,782	335,484
2023	11,894	32,056	81,600	161,264	11,300				95,472	19,623	413,209
2024	13,736	50,976	100,744	36,009	10,162				116,645	11,291	339,563

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

Borough of Carlstadt

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2015	\$ 33,288,000	\$ 512,603,600	\$ 361,637,400	\$ 1,083,418,000	\$ 12,497,700	\$ 2,003,444,700	\$ 3,817,993	\$ 2,007,262,693	\$ 2,058,775,005	\$ 0.316
2016	30,238,700	512,535,900	337,670,700	1,085,006,205	12,497,700	1,977,949,205	3,473,074	1,981,422,279	2,187,721,816	0.364
2017 (B)	26,542,600	558,534,900	401,686,300	1,248,209,800	12,256,700	2,247,230,300	3,837,014	2,251,067,314	2,290,376,074	0.324
2018	25,142,600	558,268,800	376,844,900	1,279,654,400	12,256,700	2,252,167,400	3,837,014	2,256,004,414	2,327,118,392	0.322
2019	28,374,300	584,327,100	405,706,600	1,415,030,800	12,998,400	2,446,437,200	3,837,014	2,450,274,214	2,389,704,018	0.295
2020	27,114,600	610,110,800	405,771,000	1,516,042,500	13,496,500	2,572,535,400	4,391,676	2,576,927,076	2,499,177,637	0.270
2021	21,331,300	652,435,300	405,723,600	1,531,068,200	13,655,000	2,624,213,400	4,512,252	2,628,725,652	2,657,552,097	0.278
2022	21,167,400	694,969,500	408,806,300	1,660,860,200	14,055,600	2,799,859,000	4,413,386	2,804,272,386	2,689,627,863	0.242
2023	30,435,600	753,633,800	418,913,900	1,792,463,400	14,937,600	3,010,384,300	4,485,384	3,014,869,684	2,936,833,889	0.246
2024	30,641,800	824,044,600	431,571,400	1,946,576,900	16,468,500	3,249,303,200	4,601,292	3,253,904,492	3,303,716,063	0.250

Borough of East Rutherford

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
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	\$ 0.323
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	2,174,965,200	0.283
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	0.294
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	0.268
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	0.274
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	0.291
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	0.275
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	0.287
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	0.258
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	0.243

Source: Municipal Tax Collector

(A) Carlstadt underwent a revaluation of property effective January 1, 2013.

(B) Carlstadt conducted a reassessment of property effective January 1, 2017.

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

Borough of Carlstadt

Calendar Year	Overlapping Rates					Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate Regional School	Local School	Borough of Carlstadt	Municipal Library	County	
2015	\$ 0.316	\$ 0.578	\$ 0.896	\$ 0.034	\$ 0.246	\$ 2.070
2016	0.364	0.596	0.869	0.036	0.261	2.126
2017 (B)	0.324	0.538	0.763	0.034	0.247	1.906
2018	0.322	0.533	0.780	0.048	0.239	1.922
2019	0.295	0.512	0.759	0.031	0.238	1.835
2020	0.270	0.488	0.746	0.030	0.241	1.775
2021	0.278	0.486	0.762	0.033	0.254	1.813
2022	0.242	0.459	0.726	0.030	0.231	1.688
2023	0.246	0.433	0.703	0.031	0.222	1.635
2024	0.250	0.416	0.725	0.033	0.237	1.661

Borough of East Rutherford

Calendar Year	Overlapping Rates					Total Direct and Overlapping Tax Rate
	Total Direct School Tax Rate Regional School	Local School	Borough of East Rutherford	Municipal Library	County	
2015	\$ 0.323	\$ 0.779	\$ 0.545	\$ 0.039	\$ 0.281	\$ 1.967
2016	0.283	0.783	0.532	0.034	0.313	1.945
2017	0.294	0.843	0.570	0.038	0.329	2.074
2018	0.268	0.789	0.497	0.033	0.191	1.778
2019	0.274	0.756	0.516	0.034	0.252	1.832
2020	0.291	0.754	0.483	0.035	0.256	1.819
2021	0.275	0.734	0.484	0.037	0.267	1.797
2022	0.287	0.713	0.460	0.035	0.256	1.751
2023	0.258	0.683	0.415	0.031	0.236	1.623
2024	0.243	0.693	0.412	0.034	0.239	1.621

Source: Municipal Tax Collector

(A) Carlstadt underwent a revaluation of property effective 2013.

(B) Carlstadt conducted a reassessment of property effective January 1, 2017.

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

Taxpayer	Borough of Carlstadt			
	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Russo	\$ 321,953,600	9.9%	\$ 223,248,200	11.1%
AMB Properties	265,656,000	8.2%	98,673,100	4.9%
600 Washington Ave., LLC	53,633,500	1.6%		
Starke Commercial Center	48,799,600	1.5%		
Trans Con Pipe Line	40,164,200	1.2%	85,754,600	4.3%
760 Washington Ave, LLC	32,166,000	1.0%		
455 Sixteenth St., LLC	30,801,300	0.9%	17,313,700	0.9%
LIT Meadowlands, LLC	27,257,800	0.8%	38,837,200	1.9%
STRS Ohio	24,460,800	0.8%		
Centerpoint Commercial, LLC	23,387,500	0.7%		
Prologis Trust			46,678,200	2.3%
BRE/US Industrial Prop.			33,385,300	1.7%
I&G Direct			24,054,700	1.2%
Plank Pat. Realty			18,520,900	0.9%
Barell Assoc.			15,274,800	0.8%
	<u>\$ 868,280,300</u>	<u>26.68%</u>	<u>\$ 601,740,700</u>	<u>29.98%</u>

Taxpayer	Borough of East Rutherford			
	2024		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%	\$ 313,740,000	16.96%
One Met Center LLC	95,000,000	3.36%	75,000,000	4.06%
Waterside Gardens at Brick LLC	95,717,800	3.39%		
Central and Oak Multi Family LLC	61,621,100	2.18%		
201 Railroad Ave. LLC	49,176,200	1.74%		
450 Murray Hill Corp.	34,200,000	1.74%		
Liberty Terrace, LLC	40,272,500	1.43%	23,300,000	1.26%
Honeywell International, Inc.	38,195,800	1.35%		
ML Plaza Owner LLC Hilton	36,794,000	1.30%		
Brancasons	36,230,300	1.28%		
Equinox 360 Associates			69,310,000	3.75%
BPG Hortel XVII c/o Sheraton			42,500,000	2.30%
Richard Branca Family LP			41,545,500	2.25%
Vornado Realty Trust			37,207,300	2.01%
Avalon			34,250,000	1.85%
Racioppi, (etals)			23,500,000	1.27%
Liberty Commons			22,000,000	1.19%
	<u>\$ 709,018,500</u>	<u>25.64%</u>	<u>\$ 682,352,800</u>	<u>36.89%</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL 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	
2015	\$ 12,069,351	12,069,351	100.00%	\$ 528,488
2016	12,310,738	11,782,250	100.00%	
2017	12,556,953	12,556,953	100.00%	
2018	12,808,092	12,808,092	100.00%	
2019	13,064,254	13,064,254	100.00%	
2020	13,325,539	13,325,539	100.00%	
2021	13,592,050	13,592,050	100.00%	
2022	13,863,891	13,863,891	100.00%	
2023	14,141,169	14,141,169	100.00%	
2024	14,423,993	14,423,993	100.00%	

Source: District Records

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Grant Anticipation Notes	Capital Financing Agreements	Leases Payable			
2015		\$ 3,000,000	\$ 579,532		\$ 3,579,532	15,219	\$ 235
2016			390,326		390,326	15,226	26
2017			196,580		196,580	15,956	12
2018			60,986		60,986	15,951	4
2019			61,002		61,002	15,857	4
2020			44,428		44,428	15,797	3
2021			28,916	\$ 729,267	758,183	15,797	48
2022			13,403	651,173	664,576	16,294 (E)	41
2023			885	599,079	599,964	16,716 (E)	36
2024			-	509,416	509,416	16,754 (E)	30

Source: District records

(E) - Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015				0.00%	
2016				0.00%	
2017				0.00%	
2018				0.00%	
2019				0.00%	
2020				0.00%	
2021				0.00%	
2022				0.00%	
2023				0.00%	
2024				0.00%	

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
(Unaudited)**

Total Direct Debt of Carlstadt-East Rutherford Regional Board of Education as of June 30, 2024	\$ -
Total Direct Debt of School District	-
Municipal Debt: (1)	
Borough of Carlstadt	\$ 33,528,000
Carlstadt Public Schools K-8 as of June 30, 2024	9,295,000
Borough of East Rutherford	38,763,482
East Rutherford Public Schools K-8 as of June 30, 2024	35,159,000
Bergen County:	
County of Bergen (A)	42,683,857
Bergen County Utilities Authority (B)	5,194,528
Total Overlapping Debt	164,623,867
Total Direct and Overlapping Debt	\$ 164,623,867

Source:

(1) Borough of Carlstadt's and East Rutherford's 2023 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Carlstadt and East Rutherford by dividing the municipality's 2023 equalized value by the total 2024 equalized value for Bergen County.

(B) Overlapping debt was computed based upon municipal flow to the Authority.

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2024			
	Borough of Carlstadt Equalized Valuation Basis	Borough of East Rutherford Equalized Valuation Basis	Combined Equalized Valuation Basis
Year			
2023	\$ 3,275,361,005	\$ 2,919,057,917	\$ 6,194,418,922
2022	2,813,928,643	2,614,492,164	5,428,420,807
2021	2,530,093,907	2,728,636,761	5,258,730,668
			<u>\$ 10,687,151,475</u>
Average equalized valuation of taxable property			\$ 3,562,383,825
Debt limit (3% of average equalization value)			106,871,515
Total Net Debt Applicable to Limit			
Legal debt margin			<u>\$ 106,871,515</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 119,765,859	\$ 121,961,625	\$ 127,707,981	\$ 139,194,270	\$ 153,565,094	\$ 156,623,148	\$ 156,247,439	\$ 152,793,326	\$ 105,028,365	\$ 106,871,515
Total net debt applicable to limit										
Legal debt margin	<u>\$ 119,765,859</u>	<u>\$ 121,961,625</u>	<u>\$ 127,707,981</u>	<u>\$ 139,194,270</u>	<u>\$ 153,565,094</u>	<u>\$ 156,623,148</u>	<u>\$ 156,247,439</u>	<u>\$ 152,793,326</u>	<u>\$ 105,028,365</u>	<u>\$ 106,871,515</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Borough of Carlstadt

<u>Fiscal Year</u>	<u>Population</u>	(E)	County Per Capita Personal <u>Income</u>	<u>Unemployment Rate</u>
2015	6,199		\$ 77,323	5.60%
2016	6,181		78,836	5.60%
2017	6,214		81,024	5.00%
2018	6,191		85,191	5.00%
2019	6,132		88,241	4.50%
2020	6,109		91,972	3.80%
2021	6,809		97,343	12.10%
2022	6,319		97,138	7.50%
2023	6,333		97,138 (E)	3.70%
2024	6,333		97,138 (E)	N/A

Borough of East Rutherford

<u>Fiscal Year</u>	<u>Population</u>	(E)	County Per Capita Personal <u>Income</u>	<u>Unemployment Rate</u>
2015	9,020		\$ 77,323	4.90%
2016	9,045		78,836	4.90%
2017	9,742		81,024	3.80%
2018	9,760		85,191	3.80%
2019	9,725		88,241	3.70%
2020	9,688		91,972	3.10%
2021	9,646		97,343	9.60%
2022	9,953		97,138	6.50%
2023	10,397		97,138 (E)	3.90%
2024	10,421		97,138 (E)	4.30%

(E) Estimated

Source: New Jersey State Department of Education

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

Borough of Carlstadt

	2024		2015		
	Employees	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Employer					

INFORMATION NOT AVAILABLE

Borough of East Rutherford

	2024		2015		
	Employees	% of Total Municipal Employment	Employees		% of Total Municipal Employment
Employer					

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	39.0	39.0	39.0	37.5	38.0	38.0	45.0	65.0	53.8	49.4
Special Education	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	6.6	9.3
Support Services:										
Student & instruction related services	3.0	3.0	4.0	4.0	4.0	4.0	4.0	11.5	24.5	27.0
General administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.5	2.5	2.5
School administrative services	3.0	3.0	2.0	3.0	3.0	3.0	3.0	4.5	4.6	4.5
Central services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.8	2.5
Plant operations and maintenance	4.0	4.0	5.0	5.0	5.0	5.0	5.0	6.5	7.3	8.0
Pupil transportation	1.0	1.0						1.5	2.0	2.5
Total	<u>60.0</u>	<u>60.0</u>	<u>60.0</u>	<u>58.5</u>	<u>59.0</u>	<u>59.0</u>	<u>67.0</u>	<u>97.5</u>	<u>103.1</u>	<u>105.6</u>

Source: District Personnel Records

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	High School				
2015	529	\$ 13,413,331	\$ 25,356	7.00%	44	1:12	484.5	456.6	-1.62%	94.24%
2016	503	14,078,779	28,017	10.50%	43	1:12	457.5	432.1	-5.57%	94.45%
2017	503	14,356,461	28,570	1.97%	43	1:12	471.0	445.0	2.95%	94.48%
2018	522	14,696,681	28,155	-1.45%	43.5	1:12	476.0	450.0	1.06%	94.54%
2019	523	15,150,868	28,969	2.89%	44	1:12	490.0	464.0	2.94%	94.69%
2020	525	15,772,065	30,042	3.70%	44	1:12	495.0	464.0	1.02%	93.74%
2021	569	16,537,180	29,064	-3.26%	50	1:11	566.0	540.0	14.34%	95.41%
2022	654	19,107,191	29,216	0.52%	69	1:9.5	650.5	615.7	14.93%	94.65%
2023	848	21,547,284	25,410	-13.03%	60.4	1:14.04	757.0	712.4	16.37%	94.11%
2024	831 ^d	23,035,891	27,721	9.10%	58.6	1:14.45	823.9	773.9	8.84%	93.93%

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 students and Sent students.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
High School										
Becton Regional High School										
Square Feet	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849	122,849
Capacity (students)	800	800	800	800	800	800	800	800	800	800
Enrollment	529	503	503	522	523	525	569	654	848	847

Number of Schools at June 30, 2024
High School = 1

Source: District Records

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

Project # (s)	<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>
School Facilities										
Becton Regional High School	<u>\$ 317,593</u>	<u>\$ 281,404</u>	<u>\$ 320,246</u>	<u>\$ 371,778</u>	<u>\$ 335,423</u>	<u>\$ 432,162</u>	<u>\$ 326,519</u>	<u>\$ 547,240</u>	<u>\$ 401,509</u>	<u>\$ 339,310</u>
Grand Total	<u>\$ 317,593</u>	<u>\$ 281,404</u>	<u>\$ 320,246</u>	<u>\$ 371,778</u>	<u>\$ 335,423</u>	<u>\$ 432,162</u>	<u>\$ 326,519</u>	<u>\$ 547,240</u>	<u>\$ 401,509</u>	<u>\$ 339,310</u>

Source: District Records

Source: School District's financial statements

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Ins. Co.		
Property - Blanket Building & Contents	\$ 48,784,517	\$ 5,000
Earthquake Damage	5,000,000	100,000
Flood Damage - Outside Flood Zone	5,000,000	50,000
Flood Damage - Inside Flood Zone	1,000,000	500,000
Comprehensive General Liability (Each Occurrence/Aggregate)	1,000,000	2,500
Excess Umbrella Liability - (excess of \$1,000,000)	9,000,000	10,000
Comprehensive Automobile Liability	1,000,000	2,500
Building Ordinance Costs-Demolition Costs and Cost of Construction - each	1,000,000	5,000
Systems Power (Boiler and Machinery)	250,000	5,000
Abuse or Molestation Occurrence Liability	1,000,000/1,000,000	10,000
Computer Equipment	5,000,000	5,000
Valuable Papers	5,000,000	5,000
Contractors Equipment	383,332	1,000
Cameras and Audio Visual Equipment	250,000	5,000
Musical Instruments and Related Equipment	250,000	5,000
Unscheduled Miscellaneous Property	150,000	5,000
Employee Dishonesty and Faithful Performance-Per Loss	500,000	5,000
Computer Fraud	250,000	5,000
Funds Transfer Fraud	250,000	5,000
Forgery and Alteration	250,000	5,000
Pesticide and Herbicide Applicator	1,000,000	1,000
Employee Benefits:	1,000,000	1,000
Each Loss	1,000,000	10,000
Aggregate	2,000,000	10,000
Aggregate	2,000,000	1,000
Educator's Legal Liability-Greenwich Insurance Co.	1,000,000	5,000
Educator's Legal Liability-Greenwich Insurance Co.	1,000,000	5,000
Public/Educational Entity Pollution Liability -		
Environmental Impairment	2,000,000	25,000
Markel Insurance (Per Condition/Pool Aggregate)	2,000,000/20,000,000	15,000
Excess Umbrella Liability -Hudson Insurance (excess of \$10,000,000)	10,000,000	
Excess Umbrella Liability - Allied World (excess of \$30,000,000)	10,000,000	
Excess Umbrella Liability - Great American Unshared (excess of \$30,000,000)	10,000,000	
Public Employee Surety Bonds-Travelers Casualty and Surety Company of America		
Board Secretary/School Business Administrator	225,000	
Workers' Compensation-	Statutory	
Excess Workers' Compensation	1,000,000	
Workers' Compensation-Safety National Insurance Company	Statutory	
Student Accident - Monarch	25,000 per injury	\$0 pe injury
Student Catastrophic-Monarch	\$5,000,000 per injury	\$25,000 per injury
Volunteer Workers Accident & Health-Philadelphia Indemnity Ins. Co.	500,000	25,000
Cyber Liability - (Third Party Liability/First Party Coverages)	1,000,000	25,000

Source: School District's records

Source: School District's 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
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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
Carlstadt-East Rutherford Regional 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 and the aggregate remaining fund information of the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's basic financial statements and have issued our report thereon dated January 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Carlstadt-East Rutherford Regional Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 30, 2025.

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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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
January 30, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**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
Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional 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 Carlstadt-East Rutherford Regional Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

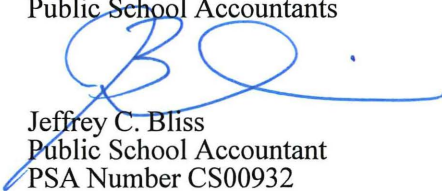
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Carlstadt-East Rutherford Regional 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 January 30, 2025, 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
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Fair Lawn, New Jersey
January 30, 2025

CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE 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	Balance, July 1, 2023	Carryover Amount		Cash Received	Budgetary Expenditures	June 30, 2024		MEMO GAAP Receivable
						Account Receivable	Unearned Revenue			(Account Receivable)	Unearned Revenue	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture												
Enterprise Fund												
National School Breakfast Program												
Cash Assistance	10.553	241NJ304N1099	7/1/23-6/30/24	\$ 8,724				\$ 6,914	\$ 8,724	\$ (1,810)		\$ (1,810)
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	5,008	(1,398)			1,398				-
National School Lunch Program												
Non-Cash Assistance (Food Distribution)	10.555	241NJ304N1099	7/1/23-6/30/24	31,805				31,805	31,805		\$ -	-
Non-Cash Assistance (Food Distribution)		231NJ304N1099	7/1/22-6/30/23	19,208	2,842				2,842			-
Cash Assistance		241NJ304N1099	7/1/23-6/30/24	74,894				63,369	74,894	(11,525)		(11,525)
Cash Assistance		231NJ304N1099	7/1/22-6/30/23	73,373	(11,076)			11,076				-
Supply Chain Assistance		241NJ304N1099	7/1/23-6/30/24	22,267				22,267	22,267	-		-
Local Food for Schools Cooperative	10.185	241NJ304N1099	7/1/23-6/30/24	1,536				1,536	1,536	-		-
P-EBT Administrative Cost Program	10.649	242125900941	7/1/23-6/30/24	653		-	-	653	653	-	-	-
Total Child Nutrition Program / Enterprise Fund					(9,632)	-	-	139,018	142,721	(13,335)	-	(13,335)
U.S. Department of Education												
Passed-through State Department of Education												
Special Revenue												
Title I A	84.010	S010A230030	7/1/23-9/30/24	82,363		\$ (6,869)	\$ 6,869		77,050	(89,232)	12,182	(77,050)
Title I A	84.010	S010A220030	7/1/22-9/30/23	70,699	(63,830)	6,869	(6,869)	63,830				-
Title II A	84.367A	S367A230029	7/1/23-9/30/24	13,885					8,766	(13,885)	5,119	(8,766)
Title II A	84.367A	S367A220029	7/1/22-9/30/23	13,175	(8,243)			8,243				-
Title III, Immigrant	84.365	S365A2390030	7/1/23-9/30/24	2,976						(2,976)	2,976	-
Title IV	84.424	S424A230031	7/1/23-9/30/24	10,000		(196)	196		9,857	(10,196)	339	(9,857)
Title IV	84.424	S424A220031	7/1/22-9/30/23	10,000	(9,804)	196	(196)	9,804	-	-	-	-
Total ESEA Programs					(81,877)	-	-	81,877	95,673	(116,289)	20,616	(95,673)
C.A.R.E.S. Emergency Relief Grant - ESSER I	84.425D	S425D200027	3/13/20-9/30/22	58,430	(103)					(103)		(103)
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	509,571	(24,095)			76,703	438,497	(432,868)	46,979	(385,889)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	50,000	(27,348)			45,286	22,652	(4,714)	-	(4,714)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000					14,116	(40,000)	25,884	(14,116)
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000				13,500	21,720	(26,500)	18,280	(8,220)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(5,000)	-	-	17,237	37,993	(27,763)	2,007	(25,756)
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(56,546)	-	-	152,726	534,978	(531,948)	93,150	(438,798)
I.D.E.I.A Part B, Basic Regular	84.027A	H027A240100	7/1/23-9/30/24	182,195	-	-	-	182,195	182,195	-	-	-
Total IDEA Cluster					-	-	-	182,195	182,195	-	-	-
Additional or Compensatory Special Education and Related Services	21.027	SLFRFDOE1SES	7/1/22-6/30/23	171,882	(171,882)	-	-	171,882	-	-	-	-
Total ACSERS					(171,882)	-	-	171,882	-	-	-	-
Total Special Revenue Fund					(310,305)	-	-	588,680	812,846	(648,237)	113,766	(534,471)
Total Federal Awards					\$ (319,937)	\$ -	\$ -	\$ 727,698	\$ 955,567	\$ (661,572)	\$ 113,766	\$ (547,806)

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

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

							Balance, June 30, 2024		MEMO	
State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures
State Department of Education										
General Fund										
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 588,580		\$ 556,565	\$ 588,580	\$ (32,015)			\$ 588,580
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	131,273	-	124,133	131,273	(7,140)	-	-	131,273
Total State Aid Public Cluster				-	680,698	719,853	(39,155)	-	-	719,853
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	92,141		87,129	92,141	(5,012)			92,141
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	8,190			8,190	(8,190)		\$ (8,190)	8,190
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	242,750			242,750	(242,750)			242,750
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	220,474	\$ (220,474)	220,474					-
TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,254,274		2,254,274	2,254,274				2,254,274
TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	25,709		25,709	25,709				25,709
TPAF Post-Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	620,528		620,528	620,528				620,528
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	788		788	788				788
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	511,007		506,915	511,007	(4,092)		(4,092)	511,007
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	483,920	(50,922)	50,922	-	-	-	-	-
Total General Fund				(271,396)	4,447,437	4,475,240	(299,199)	-	(12,282)	4,475,240
State Department of Agriculture										
Enterprise Fund										
State School Breakfast Program	23-100-010-3350-023	7/1/23-6/30/24	319		252	319	(67)		(67)	319
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	199	(50)	50					-
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	5,318		4,484	5,318	(834)		(834)	5,318
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	3,438	(507)	507	-	-		-	-
Total Enterprise Fund				(557)	5,293	5,637	(901)	-	(901)	5,637
State Department of Education										
Special Revenue Fund										
School Security Grant	22E00135	9/1/21-8/31/22	31,890	(31,890)	31,890		-		-	-
Schools Development Authority										
Emergent and Capital Maintenance Needs	N/A	N/A	20,808				(20,808)	20,808	-	-
Emergent and Capital Maintenance Needs	N/A	N/A	17,877	(17,877)			(17,877)		(17,877)	-
Emergent and Capital Maintenance Needs	N/A	N/A	13,654	(13,654)	-	-	(13,654)	-	(13,654)	-
State Department of Environmental Protection										
Special Revenue Fund										
New Jersey Trees for Schools Grant	N/A	10/27/23-6/30/26	37,675	-	18,838	-	(18,837)	\$ 37,675	18,838	-
Total Special Revenue Fund				(63,421)	50,728	-	(71,176)	58,483	(31,531)	-
Total State Financial Assistance Subject to Single Audit Determination				(335,374)	4,503,458	4,480,877	(371,276)	58,483	(44,714)	4,480,877
State Financial Assistance Not Subject to Major Program Determination										
General Fund										
TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,254,274		(2,254,274)	(2,254,274)				(2,254,274)
TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	25,709		(25,709)	(25,709)				(25,709)
TPAF Post-Retirement Medical Benefits	24-495-034-5094-001	7/1/23-6/30/24	620,528		(620,528)	(620,528)				(620,528)
TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	788	-	(788)	(788)	-	-	-	(788)
Total State Financial Assistance Subject to Major Program Determination				\$ (335,374)	\$ 1,602,159	\$ 1,579,578	\$ (371,276)	\$ 58,483	\$ (44,714)	\$ 1,579,578

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

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$66,443 for the general fund and a decrease of \$114,116 in the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,408,797	\$ 4,408,797
Special Revenue Fund	\$ 698,730		698,730
Food Service Fund	<u>142,721</u>	<u>5,637</u>	<u>148,358</u>
Total Financial Assistance	<u>\$ 841,451</u>	<u>\$ 4,414,434</u>	<u>\$ 5,255,885</u>

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 \$511,007 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 \$2,279,983, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$620,528 and TPAF Long-Term Disability Insurance in the amount of \$788 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.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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

Type of auditor's report issued on Financial Statements

Unmodified

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 none reported

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 that are 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 U.S. Uniform Guidance?

 yes X no

Identification of major federal programs:

AL Number(s):

FAIN Number:

Name of Federal Program or Cluster:

84.425D

S425D210027

CRRSA ESSER II Cluster

84.425U

S425U210027

ARP ESSER III Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**CARLSTADT-EAST RUTHERFORD REGIONAL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over major programs:

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

(2) Significant deficiency identified that are not considered to be material weakness(es)? _____ yes X none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?

_____ yes X no

Identification of major state programs:

GMIS Number(s):

Name of State Program:

24-495-034-5120-089

Special Education Aid - State Aid Public Cluster

24-495-034-5120-084

Security Aid - State Aid Public Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**CARLSTADT-EAST RUTHERFORD REGIONAL 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*.

There are none.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**CARLSTADT-EAST RUTHERFORD REGIONAL 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 and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There are none.