

Carteret Board of Education

*Annual Comprehensive Financial Report
For the Year Ended
June 30, 2024*

Carteret Board of Education

Borough of Carteret, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Prepared by
Business Office

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Introductory Section

CARTERET BOARD OF EDUCATION
599 ROOSEVELT AVENUE
CARTERET, NEW JERSEY 07008-2199

Carmela Collazo
Business Administrator/Board Secretary



Tel: (732) 541-8960
Fax: (732) 541-2106

Honorable President and
Members of the Carteret Board of Education
599 Roosevelt Ave.
Carteret, NJ 07008

Dear President and Members of the Board of Education:

State Department of Education statutes require all school districts to prepare a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Carteret Board of Education for the fiscal year ended June 30, 2024.

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

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

The independent audit of the financial statements of the Carteret Board of Education was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and

state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Carteret Board of Education's ACFR.

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

REPORT FORMAT

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The purpose of each section of the ACFR is as follows:

- **Introductory Section** – This section includes this transmittal letter, the District's organization chart and a list of principal officials. This section is intended to familiarize the reader with the organizational structure of the District, the nature and scope of the services it provides, and the specifics of its legal operating environment. It is primarily designed for the taxpayer.
- **Financial Section** – This includes the independent auditors' report, the Management's Discussion and Analysis (MD&A), basic financial statements, supplemental information, and the combining and individual fund schedules. It is primarily designed for oversight and legislative bodies.

Generally Accepted Accounting Principles in the United States of America requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A of the Carteret Public Schools can be found immediately following the report of the independent auditor.

- **Statistical Section** – This section includes selected financial and demographic information, generally presented on a multi-year basis. This section is intended to provide ACFR users with a broader and complete understanding of the school district and its financial affairs than are possible from the financial statements and supporting schedules included in the Financial Section. It is primarily designed for investors and creditors (similar to information contained in an Official Statement).
- **Single Audit Section** – The District is required to undergo an annual single audit in conformity with the provisions Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the 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 auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit Section of this report.

This section includes independent auditors' reports on compliance and internal control, schedules of expenditures of federal awards and state financial assistance, notes to the schedules of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and a summary schedule of prior year audit findings. Uniform Guidance and New Jersey OMB Circular 15-08 require this information.

REPORTING ENTITY AND ITS SERVICES

The Carteret Board of Education 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 Board of Education and all its schools constitute the District's reporting entity.

Organization of the Board of Education

The Board of Education is a Type II school district whose boundaries are coterminous with the Borough of Carteret in Middlesex County, New Jersey.

The Board of Education has nine (9) members that are elected for three (3) year overlapping terms. The members of the Board are residents of the Borough of Carteret and vote on all matters before the Board of Education.

On January 25, 2012, the Board of Education adopted a resolution to move the annual school election for school board members to November during the regular general election pursuant to Public Law 2011, Chapter 202. In the first week of January, following the annual school election the Board of Education will be organized. The above legislation provides that if a board of education's annual school election is moved to November, voter approval shall not be required for the board of education's base budget, which is a budget with a proposed tax levy that does not exceed its tax levy cap. This decision shall remain in effect for a minimum of four years pursuant to Section 1 of the said Public Law.

The Board holds a Regular Meeting once a month, with certain exceptions. These meetings dates are adopted at the Annual Reorganization Meeting.

The general mandatory powers and duties of the Board of Education are:

1. To adopt an official seal;
2. To enforce the rules of the State Board of Education
3. To make, amend and repeal rules, not inconsistent with applicable laws or with the rules of the State Board, for its own governance and the transaction of its business and for the governance and management of the public schools and public school property, and for the employment, regulations of conduct and discharge of its employees, subject where applicable to the provisions of Article 14, Civil Services of the Revised Statutes.
4. To perform all acts and do all things consistent with law and the rules of the State Board of Education necessary for the lawful and proper conduct, equipment and maintenance of the public schools.

The Board of Education provides a full range of educational services appropriate to grade levels Pre-K through 12 for residents of the Borough of Carteret. These include regular, vocational, as well as special education for handicapped youngsters. The District also provides programs for the children requiring academic remediation and for children with limited English language proficiency.

ECONOMIC CONDITIONS AND OUTLOOK

The financial condition of the District is linked to the status of the taxable ratables of the Borough of Carteret. The tax base is relatively stable. Elected municipal officials and the members of the Board of Education have both expressed strong concern for increased economic vitality within the Borough of Carteret, and development of budgets that reflect stability with preferably no increase in the local tax levy. The high tax burden and the need to attract tax ratables remain a challenge to the local elected officials.

The Mayor of the Borough of Carteret, together with Borough Council, is exploring the creation of an economic development authority that would be charged with stimulating growth and encouraging investment. Carteret currently has eighty businesses participating in the New Jersey Urban Enterprise Zone Program. The Mayor has proposed to develop the Borough's waterfront, which would increase the ratables by approximately one billion dollars. The Borough of Carteret has constructed a wellness center, which is managed by Robert Wood Johnson Hospital. An investment in the community is required to improve the quality of life for the citizenry. Quality of life factors include an improved life style, recreation, employment opportunities, commercial and industrial growth, and well-planned full municipal services to address the needs of its constituency.

The Borough of Carteret has approved and has commenced work on various developments to revitalize the local economy. The following future economic developments projects are planned:

- Ferry Service to NYC

Strengths of Carteret include a diverse population, abundant and eager workforce, and an accessible highway system. Carteret can serve as a spur to surrounding hub municipalities like Woodbridge, Elizabeth, Edison, and airport and seaport access within five (5) miles. A key factor involves the restoration of usable land for development.

The Borough of Carteret is designated an Urban Enterprise Zone that carries a reduced New Jersey sales tax rate as an incentive to economic growth. The New Jersey sales tax in an Urban Enterprise zone was and remains three and a half (3.5%) percent, as compared with a seven (7%) percent sales tax in other areas of the State.

The low tax base and the high local tax rate in the Borough of Carteret classifies the school district as a "B" district in the New Jersey Department of Education's district factor groupings (DFG). In 1980, the school district was given the ranking of "C." In 1990, the school ranking was given the ranking of "B." The School District Factor Grouping (DFG) is a system of ranking schools by socio-economic status. The DFG group designations are based on information from census data and include the following community data:

- * Income;
- * Poverty;
- * Unemployment;
- * Percent with no high school diploma;
- * Percent with some college;
- * Occupations; and
- * Population density;

There are eight DFG groupings: A designates the lowest socio-economic level and includes B, CD, DE, FG, GH, J. and I The DFG groupings are valuable for comparison of districts with similar profiles for purposes of state aid and assessment information.

MAJOR INITIATIVES

Facilities

The district used the remainder of its ARP ESSER funding to renovate faculty rooms in multiple school buildings and construct an outdoor learning center at Carteret High School. Renovations to stairwells and bathrooms at Columbus School, Carteret Middle School and Minue School are underway, with the remainder of the project scheduled for Summer 2025.

The district has taken steps to improve and increase security measures at each of our schools. As part of these efforts, capital funds were allocated towards the redesign and of the new Carteret High School security vestibule and construction is nearly complete.

Meaningful and targeted professional development:

- Mental Health & Wellness programs and strategies to support staff and students
- Social Emotional Learning training
- Coaching on best practices for the Reader's and Writer's Workshop classroom grades 1-8
- SIOP training-2 cohorts -24 staff
- ESL related professional development
- Understanding Biliteracy and ELL Learners
- STOP the Bleed training for staff and students
- Ready Math PD sessions
- Rutgers Math PD sessions (Productive Struggle)
- Co Teaching Training and Coaching at the HS

Partnerships with Colleges, Universities and trade schools:

- College and Career opportunities / Dual enrollment programs - Kean Scholars
- Rutgers, Kean, Middlesex County College, Lincoln Tech

Curricular support and resources:

- Classroom Libraries that reflect equity and diversity for grades 5-6
- Ellevations- Digital platform to assist in tracking ELL student programs, performance, services and general information
- Edario scheduling platform to assist with program offerings and placements
- Curriculum revisions to ensure alignment with revised DOE standards
- Combining RTI and IR&S and developing a Multi-Tiered System of Supports for Academics
- Documented Interventions through RTI Direct
- Preschool Disabled Program Expansion
- Autism Program Expansion
- Purchase of Istation, Taller and Literably in Spanish- These resources provide assessment, instructional tools and additional resources in Spanish Language Arts

Security Measures

- Monthly meetings with the Middlesex County Office of Emergency

- Swipe access door locks at Carteret Junior High School
- Installation of bleed kits in every classroom
- Redesign and renovations to the Carteret High School Security Vestibule near completion
- Considerations for the installation of metal detectors

FINANCIAL ACCOUNTING AND REPORTING:

The Carteret Board of Education continues to utilize the Systems 3000 software for financial accounting, payroll, and personnel since July 1, 2005. Beginning in Fiscal Year 2015, the parents were able to input the lunch applications on-line. The district has implemented point of sales (POS) system for the food service. Since the implementation of the POS System, the district has realized an increase in revenue. All maintenance and technology work orders are processed utilizing the School Dude software for Maintenance and Technology work-order system The Special Education Department utilizes IEP Direct special needs students' data base software. The Student Database software provider was changed from PowerSchool to Realtime.

INTERNAL CONTROL STRUCTURE:

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America. The internal controls are 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.

The District receives federal and state financial assistance, and is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the management of the school district. The District has established policies and procedures to effectively implement and maintain an internal accounting control structure that safeguards the District's financial integrity. These policies and procedures are evaluated and revised on an on-going basis.

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

BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, the Special Revenue, and the Debt Service Funds. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund

balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2024.

The New Jersey Department of Education has prescribed forms and formats for the presentation of the annual school budget. The Board of Education adheres to Department of Education requirements for budget development, presentation, and adoption.

PROPRIETARY FUND

The Food Service Fund accounts for the operation of food service in all schools within the school district. The Enrichment Academy Fund accounts for the Before and After School program offered to the students of Carteret Public Schools.

DEBT ADMINISTRATION

The Carteret Public Schools is authorized to issue debt based on the action of voters at authorized elections where a referendum is approved. Once the voters approve the referendum, the district is authorized to issue debt, with the payment of principal and interest becoming a part of the annual budget. The School Funding Reform Act of 2008 (SFRA) provides state aid to assist in the support of the district's debt obligation.

In prior fiscal years, the District completed capital construction programs financed through certificates of participation. The balance of the certificates of participation is \$3,300,000 as of June 30, 2024.

During the FY2020, the District issued \$36,999,995 of serial bonds to construct a new junior high school for grades 7 and 8; make all necessary onsite improvements and purchase the necessary equipment, furniture, apparatus and fixtures associated with the new junior high school; and undertake various interior renovations and capital improvements to Columbus Elementary School, Minue Elementary School, Nathan Hale Elementary School, Carteret Middle School and Carteret High School consisting of, as applicable, renovations to bathrooms, stair towers/handrails and the high school auditorium, and replacement of HVAC in the gym/auditorium at Minue Elementary School and Carteret Middle School, including all fixtures, furnishings, equipment and related work. The balance of the serial bonds payable is \$34,295,000 as of June 30, 2024.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements.” The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted to protect Governmental Units from 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 of Education utilizes an insurance consultant to assist in the review and evaluation of its third party commercial insurances. 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. The statistical section of the ACFR includes a schedule that outlines the types and amounts of coverage.

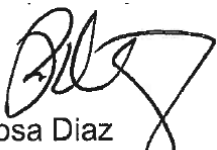
OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of PKF O'Connor Davies, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U. S. Uniform Guidance and State Treasury Circular OMB 15-08. The auditors' report on the basic financial statements and combining an individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Carteret School Board for their concern in providing fiscal accountability to the citizens and taxpayers of Carteret and thereby contributing their full support to the development and maintenance of our financial operation. We also acknowledge the efforts of the Business Office staff without which this report could not have been completed.

Respectfully Submitted,

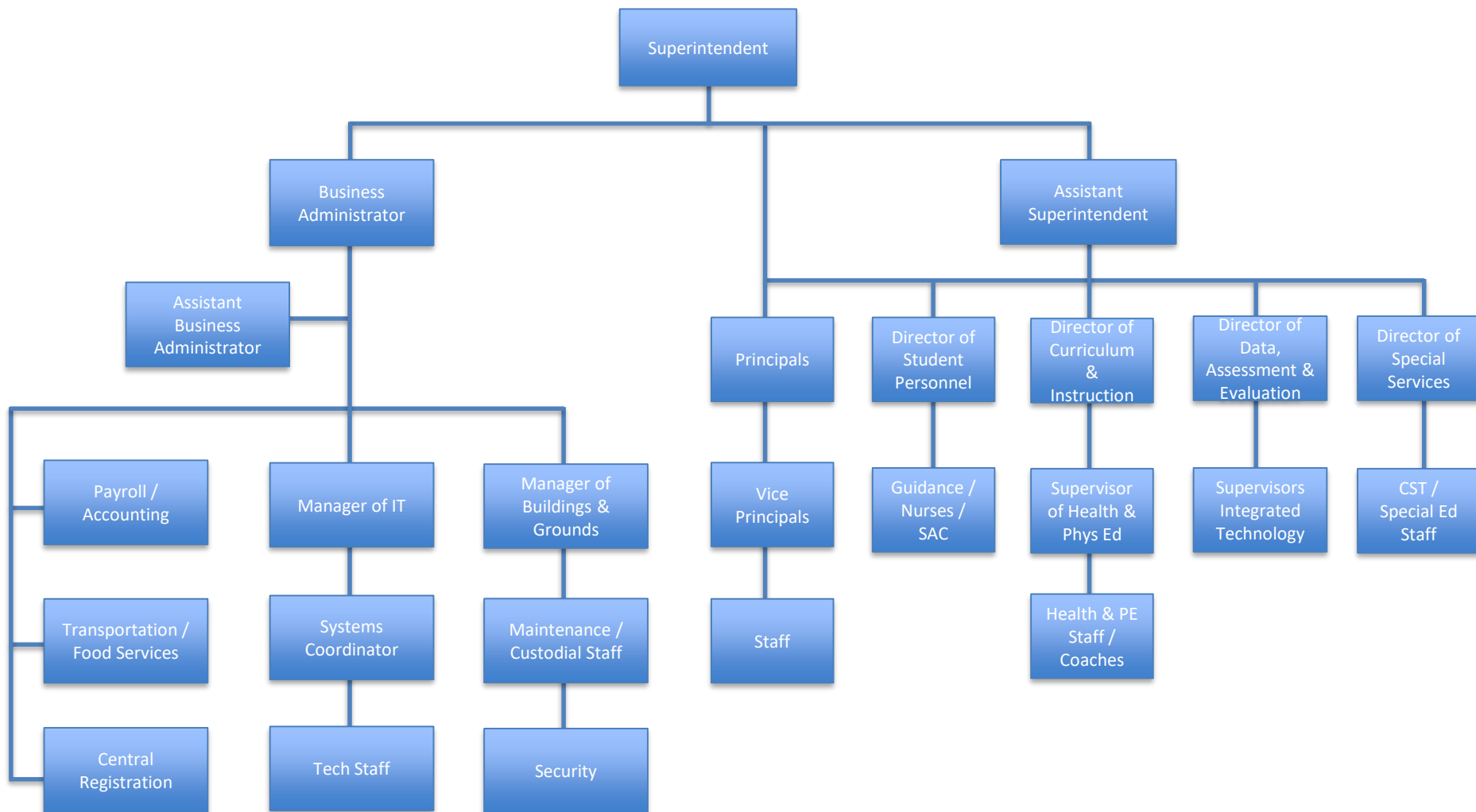


Rosa Diaz
Superintendent of Schools



Carmela Collazo
Business Administrator/Board Secretary

Carteret Public Schools



Organization Chart

**CARTERET BOARD OF EDUCATION
ROSTER OF OFFICIALS
AS OF JUNE 30, 2024**

Members of the Board of Education

Term Expires
December 31,

Martin Murray, President	2025
James P. Hart III, Vice President	2024
Dennis Cherepski	2026
Patricia Golino	2025
Taqualla Lowman	2025
Jean Bellino	2026
Jasbir Judge	2024
Joseph Gasparro	2024
Dana Archeval	2024

Other Officials

Rosa Diaz, Superintendent of Schools

Carmela Collazo, Business Administrator/Board Secretary

**CARTERET BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
AS OF JUNE 30, 2024**

AUDITORS

PKF O'CONNOR DAVIES, LLP
300 TICE BOULEVARD, SUITE 315
WOODCLIFF LAKE, NEW JERSEY 07677

ATTORNEYS

DECOTIIS, FITZPATRICK & COLE LLP
GLENPOINTE CENTRE WEST
500 FRANK W. BURR BOULEVARD, SUITE 31
TEANECK, NJ 07666

OFFICIAL DEPOSITORIES

INVESTORS BANK
101 WOOD AVENUE SOUTH
ISELIN, NJ 08830

UNITED ROOSEVELT SAVINGS BANK
11-15 COOKE AVENUE
CARTERET, NJ 07008

Financial Section

Independent Auditors' Report

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey
County of Middlesex

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Carteret Board of Education (the "Board of Education"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Board of Education as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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 (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey
County of Middlesex

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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 misstatement, 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 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.

Auditors' Responsibilities for the Audit of the 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 auditors' 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 GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* 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 GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Education's ability to continue as a going concern for a reasonable period of time.

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey
County of Middlesex

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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 management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 GAAS, 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 Board of Education's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey
County of Middlesex
Page 4

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2024. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 basic 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 10, 2025, on our consideration of the 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 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 Board of Education's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 10, 2025

Gary W. Higgins

Gary W. Higgins, CPA
Licensed Public School Accountant, No. CS00814

Required Supplementary Information – Part I

Management's Discussion and Analysis

Carteret Board of Education

Carteret, New Jersey

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

This section of Carteret Board of Education annual financial report presents our discussion and analysis of the Board's financial performance during the fiscal year that ended on June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the Board's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

- The General Fund fund balance on a GAAP basis at June 30, 2024 was \$18,136,077 which represents an increase of \$1,688,899 when compared with the beginning balance at July 1, 2023.
- The General Fund budgetary fund balance at June 30, 2024 was \$23,111,494 which represents an increase of \$2,293,244 when compared to the ending budgetary fund balance of \$20,818,250 at June 30, 2023. The difference in GAAP basis fund balance to budgetary fund balance is \$4,975,417, which represents the delay of the final 2023-2024 State aid payments, which were not realized as revenue in the GAAP basis financial statements.
- The General Fund unassigned (unreserved, undesignated) budgetary fund balance was \$1,965,181 at June 30, 2024. This represents a decrease of \$28,575 when compared to the balance of \$1,993,756 as of June 30, 2023. This amount represents the maximum unassigned balances in both years.

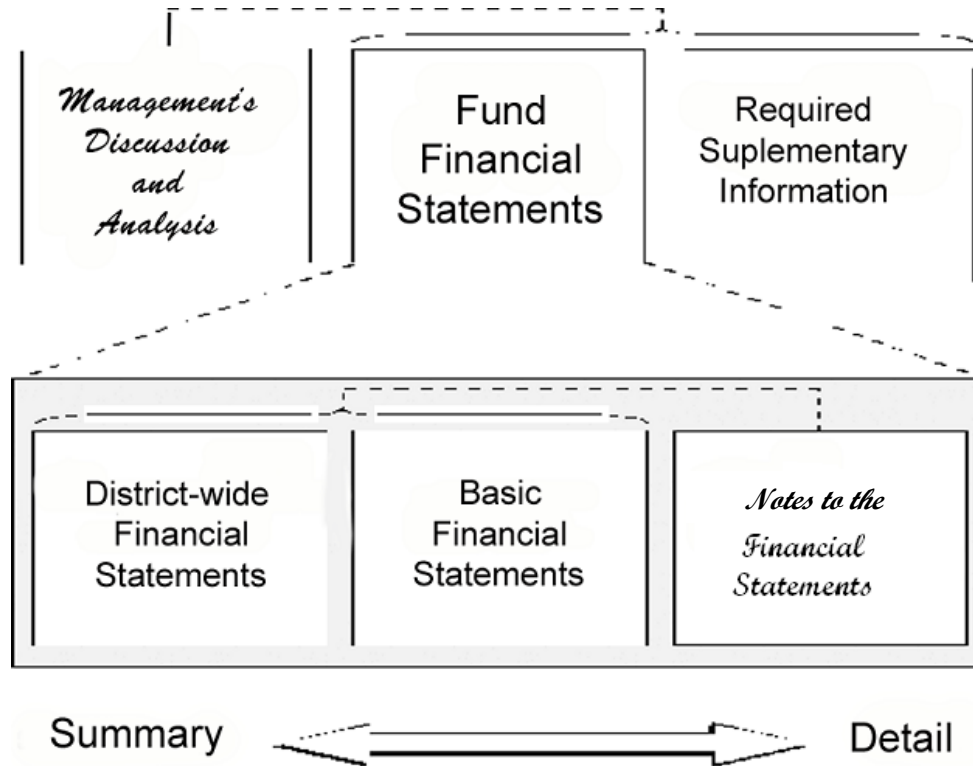
OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements including the notes to the financial statements, required supplementary information that includes schedules related to accounting and reporting for pensions and OPEB (GASB 68 and 75) and other supplementary information that includes various financial schedules. The basic financial statements include two kinds of statements that present different views of the Carteret Board of Education.

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

Figure A-1. Required Components of the Board's Annual Comprehensive Financial Report



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

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

The basic financial statements include the notes that explain some of the information in the statements and provide data that are more detailed. Figure A-2 summarizes the major features of the Carteret Board of Education's financial statements, including the portion of the Carteret Board of Education'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.

Figure A-2			
	District-wide Statements	<u>Fund Financial Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, food service, and enrichment academy	Activities the district operates similar to private businesses: Food service fund; Enrichment Academy
Required financial statements	Statements of net position	Balance sheet	Statement of net position
	Statement of activities	Statement of revenues expenditures and changes in fund balances	Statement of revenues, expenses, and changes in fund net position Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, liabilities, deferred inflows/ outflows of resources, and both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out flow 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

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

Fund Financial Statements (Continued)

The district has two types of funds:

- *Governmental funds*- Most of the Board'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 Board's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*- Services for which the Board charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide business-type statements.

FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE

Net Position. The District's net position for governmental and business type activities were \$30,208,703 and \$24,380,140 on June 30, 2024 and 2023, respectively. (See Table A-1).

**Table A-1
Statement of Net Position
As of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Current and Other Assets	\$ 32,986,621	\$ 28,887,519
Capital Assets	52,356,309	50,389,964
Total Assets	<u>85,342,930</u>	<u>79,277,483</u>
Deferred Outflows of Resources	863,386	1,164,897
Total Deferred Outflows of Resources	<u>863,386</u>	<u>1,164,897</u>
Liabilities		
Non-Current Liabilities	49,938,053	51,497,634
Other Liabilities	5,120,569	2,675,645
Total Liabilities	<u>55,058,622</u>	<u>54,173,279</u>
Deferred Inflows of Resources	938,991	1,888,961
Total Deferred Inflows of Resources	<u>938,991</u>	<u>1,888,961</u>
Net Position:		
Net Investment in Capital Assets	22,049,446	19,146,373
Restricted	16,922,974	10,195,036
Unrestricted	(8,763,717)	(4,961,270)
Total Net Position	<u>\$ 30,208,703</u>	<u>\$ 24,380,139</u>

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE
(Continued)**

Net position from current year operations for the fiscal year ended June 30, 2024 increased \$5,828,564.

The District's financial position is the product of these factors:

- Program revenues for Governmental Activities were \$25,882,624 for operating grants and contributions.
- Program revenues for business – type activities
 - ✓ Charges for services \$1,120,140.
 - ✓ Operating grants and contributions \$2,510,434.
- Combined general revenues for Governmental activities and Business-Type activities during the 2023-2024 school year were \$76,755,819.
- Expenditures were \$93,341,990 for Governmental activities and \$3,592,627 for business type activities.
- On the Statement of Activities, general revenues and beginning net position are adjusted by expenses net of program revenues to arrive at net position of \$30,208,703 at June 30, 2024.

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE
(Continued)**

**Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenues		
Program revenues		
Charges for Services	\$ 1,120,140	\$ 1,362,361
Operating Grants and Contributions	26,393,058	32,032,249
General revenues		
Property Taxes	29,929,450	29,656,414
Federal and State Aid	44,404,317	38,811,525
Other	916,216	863,376
Total Revenues	<u>102,763,181</u>	<u>102,725,925</u>
Expenses		
Instruction		
Regular	39,498,780	36,236,542
Special Education	10,967,329	9,779,059
Other Instruction	3,858,748	3,408,296
School Sponsored Activities and Athletic Support Services	837,816	761,002
Support Services		
Student and Instruction Related Services	17,941,096	17,726,904
General Administration Services	1,221,509	1,378,278
School Administration Services	4,052,851	3,964,396
Plant Operations and Maintenance	6,105,378	7,365,286
Pupil Transportation	5,608,520	5,151,649
Central Services	1,542,534	1,358,478
Charter schools	330,534	
Special schools	271,771	
Interest on Long-Term Debt	1,105,124	1,091,608
Food Service	3,333,131	2,364,481
Enrichment Academy	259,496	223,902
Total Expenses	<u>96,934,617</u>	<u>90,809,881</u>
Change in Net Position	5,828,564	11,916,044
Net Position, Beginning of Year	<u>24,380,139</u>	<u>12,464,095</u>
Net Position, End of Year	<u>\$ 30,208,703</u>	<u>\$ 24,380,139</u>

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

**FINANCIAL ANALYSIS OF THE CARTERET BOARD OF EDUCATION AS A WHOLE
(Continued)**

Changes in Net Position. The district's total revenues were \$102,763,181 and \$102,725,925 in 2024 and 2023, respectively. Property taxes of \$29,929,450 and \$29,656,414 represented 29% and 29% of revenues for the years ended June 30, 2024 and 2023, respectively. The District's state and federal aid of \$70,797,375 and \$70,843,774 represented 68% and 69% of revenues for the years ended June 30, 2024 and 2023, respectively. Charges for services of \$1,120,140 and \$1,362,361 in 2024 and 2023, respectively, and represent approximately 2% and 1% of revenues for the years ended June 30, 2024 and 2023, respectively.

The smallest component of revenues is "Other Revenue." The largest source of "Other Revenue" is miscellaneous and interest income, with \$916,216 and \$863,376 earned in the fiscal years ended June 30, 2024 and 2023, respectively.

The Board's expenses for governmental activities are predominantly related to instruction and support services. Instruction totaled \$55,162,673 and \$50,184,898 which represented 56% and 57% of total governmental expenditures for the years ended June 30, 2024 and 2023, respectively. Student support services, exclusive of administration, totaled \$17,941,096 and \$17,726,904 (18% and 20%) of total expenditures for the years ended June 30, 2024 and 2023, respectively.

Table A-3
**Total and Net Cost of Services of Governmental Activities
For the Fiscal Years Ended June 30, 2024 and 2023**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>Exhibit</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Governmental Activities					
Instruction					
Regular	A-2	\$ 39,498,780	\$ 36,236,541	\$ (30,271,902)	\$ (26,698,759)
Special Education	A-2	10,967,329	9,779,059	(4,601,306)	(3,022,893)
Other Instruction	A-2	3,858,748	3,408,296	(3,257,395)	(2,801,545)
School Sponsored Activities and Athletics	A-2	837,816	761,002	(708,846)	(630,619)
Support Services					
Student and Instruction Related Services	A-2	17,941,096	17,726,904	(13,872,032)	(11,411,702)
General Administration Services	A-2	1,221,509	1,378,278	(1,053,240)	(1,200,644)
School Administration Services	A-2	4,052,851	3,964,396	(3,443,289)	(3,267,221)
Plant Operations and Maintenance	A-2	6,105,378	7,365,286	(4,584,515)	(2,578,286)
Pupil Transportation	A-2	5,608,520	5,151,649	(5,071,629)	(4,627,479)
Charter schools	A-2	330,534		(330,534)	
Special schools	A-2	271,771		(237,536)	
Central Services	A-2	1,542,534	1,358,478	(1,215,682)	(1,102,894)
Interest on Long-Term Debt	A-2	1,105,124	1,091,608	(811,460)	(795,057)
Total Governmental Activities		\$ 93,341,990	\$ 88,221,497	\$ (69,459,366)	\$ (58,137,099)

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the Carteret Board of Education is reflected in its governmental funds as well. The district completed the fiscal years ended June 30, 2024 and 2023 with its governmental funds reporting combined fund balance (GAAP Basis) of \$26,136,567 and \$24,404,724 as of June 30, 2024 and 2023, respectively. The increase of \$1,731,843 is the net result of current year operations.

Revenues and other financing sources for the district's governmental funds were \$108,918,100 and \$105,006,949 for the fiscal years ended June 30, 2024 and 2023, respectively. Total expenditures and other financing uses were \$107,186,257 and \$103,290,570 for the fiscal years ended June 30, 2024 and 2023, respectively.

GENERAL FUND

The General Fund includes the primary operations of the district in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a summary of General Fund revenues and transfers for the fiscal years ended June 30, 2024 and 2023.

**Table A-4
Summary of General Fund Revenues and Transfers
For the Fiscal Years Ended June 30, 2024 and 2023**

General Fund Revenues and Transfers	<u>2024</u>	<u>2023</u>
Local Sources:		
Local Tax Levy	\$ 27,988,310	\$ 27,988,315
Interest Income	277,529	162,120
Miscellaneous	459,069	589,905
Total Local Sources	<u>28,724,908</u>	<u>28,740,340</u>
Intergovernmental		
State Sources	67,417,243	60,523,906
Federal Sources	109,638	157,492
Total Intergovernmental Sources	<u>67,526,881</u>	<u>60,681,398</u>
Transfers		
Transfer in - Capital Projects Fund	146,134	90,223
Total Transfers	<u>146,134</u>	<u>90,223</u>
Total Revenues and Transfers	<u>\$ 96,397,923</u>	<u>\$ 89,511,961</u>

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

GENERAL FUND (continued)

Property taxes and state formula aid accounted for 99.0 percent and 99.0 percent of total revenues for the 2024 and 2023 fiscal years, respectively. Interest income, federal revenues and miscellaneous revenues accounted for 1.0 percent and 1.0 percent of total revenues for the 2024 and 2023 fiscal years, respectively.

The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2024 and 2023.

**Table A-5
Summary of General Fund Expenditures
For the Fiscal Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Current		
Regular Instruction	\$ 39,398,774	\$ 36,291,187
Special Education Instruction	10,742,707	9,388,978
Other Special Instruction	4,268,314	3,775,891
School Sponsored Activities and Athletics	921,872	836,680
Support Services and Undistributed Costs:		
Student and Instruction Related Services	14,866,087	13,362,571
School Administration Services	4,548,166	4,452,098
General Administration Services	1,328,806	1,476,344
Plant Operations and Maintenance	7,405,856	6,364,406
Pupil Transportation	5,523,521	5,092,723
Central Services	1,606,054	1,508,796
Charter Schools	330,534	
Special Schools	298,692	
Capital Outlay	1,886,988	1,476,370
Total Expenditures	<u><u>\$ 93,126,371</u></u>	<u><u>\$ 84,026,044</u></u>

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund. Over the course of both years, the Board revised the annual operating budgets several times. These budget amendments were related to:

- ✓ Reserved for Encumbrance— The roll over of prior year assigned for encumbrances increased the district-operating budget.

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

GENERAL FUND (continued)

Actual expenditures (exclusive of on-behalf expenditures) and other financing sources were \$77,527,411 and \$67,982,860 the years ended June 30, 2024 and 2023, respectively. Revenues (exclusive of on-behalf revenues) and other financing sources were \$79,216,310 and \$73,965,730 for the fiscal years ended June 30, 2024 and 2023, respectively.

DEBT ADMINISTRATION

The amount of debt service expenditures were \$2,475,075 and \$2,499,213 for the fiscal years ended June 30, 2024 and 2023, respectively. Revenues include \$1,941,140 and \$1,668,099 from the property tax levies and miscellaneous revenue, and \$533,935 and \$539,184 coming from state aid for the fiscal years ended June 30, 2024 and 2023, respectively.

BUSINESS-TYPE ENTERPRISE FUNDS

The District's total business-type activities revenues were \$3,664,057 and \$3,331,340 for the years ended June 30, 2024 and 2023, respectively. Charges for services accounted for 32% and 27% of total revenue for the 2024 and 2023 years. Operating grants and contributions of \$2,417,693 and \$2,417,693 accounted for 68% and 73% of total revenue, for the fiscal years ended June 30, 2024 and 2023, respectively.

The total cost of all business-type activities programs and services was \$3,592,627 and \$2,588,383 for the fiscal years ended June 30, 2024 and 2023, respectively. The District's expenses are related to food service programs provided to all students and faculty and the operation of the program for enrichment academy for before and after school activities.

Total business-type activities revenues exceeded expenses during the year ended June 30, 2024 increasing net position by \$71,431 over the prior year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – Governmental Activities

As of June 30, 2024 and 2023, the district had invested \$78,410,670 and \$74,682,587, respectively, in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. (See Table A-6) More detailed information about capital assets can be found in Note 4 of the basic financial statements. Total depreciation expense for the fiscal years ended June 30, 2024 and 2023 was \$1,869,158 and \$1,367,393, respectively.

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

**Table A-6
Capital Assets - Governmental Activities
as of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Land	\$ 384,459	\$ 384,459
Land Improvements	393,249	393,249
Buildings and Building Improvements	72,654,366	68,155,243
Construction in Progress	1,837,218	2,805,898
Machinery and Equipment	3,141,378	2,943,738
Total	78,410,670	74,682,587
Less: Accumulated Depreciation	26,581,197	24,712,039
Total	<u>\$ 51,829,473</u>	<u>\$ 49,970,548</u>

Capital Assets – Business-type Activities

The District as of June 30, 2024 and 2023 had \$1,383,234 and \$1,219,734 invested in building improvements and machinery and equipment for its Food Service Fund. Depreciation was \$56,080 and \$51,922 for the fiscal years ended June 30, 2024 and 2023, respectively.

**Table A-7
Capital Assets - Business-Type Activities
as of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Building Improvements	\$ 22,069	\$ 22,069
Machinery and Equipment	1,361,165	1,197,665
	1,383,234	1,219,734
Less: Accumulated Depreciation	856,398	800,318
Total Net	<u>\$ 526,836</u>	<u>\$ 419,416</u>

Long-term Liabilities

The District had \$34,295,000 and \$35,195,000 at June 30, 2024 and 2023, respectively, in general obligation bonds, respectively. The bonds were comprised of one issue which was the 2020 school bonds.

In addition, the District had \$3,300,000 and \$3,800,000 at June 30, 2024 and 2023, respectively, in certificates of participation for various school improvements. These agreements were funded by the issuance of refunding certificates of participation ("COPS") as discussed in Note 4 to the basic financial statements.

**Carteret Board of Education
Carteret, New Jersey**

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2024**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

The District also had \$4,632,289 and \$4,343,692 at June 30, 2024 and 2023, respectively, as a liability for compensated absences. This liability represents the district's contractual obligation to compensate employees for accumulated unused sick leave and severance pay upon retirement.

The District had \$7,710,764 and \$8,158,942 at June 30, 2024 and 2023, respectively, in net pension liability regarding the Public Employees' Retirement System.

More detailed information about the district's long-term liabilities is presented in Note 4 to the basic financial statements.

**Table A-8
Long Term Debt Liabilities
as of June 30, 2024 and 2023**

Governmental Activities	<u>2024</u>	<u>2023</u>
Bonds Payable	\$ 34,295,000	\$ 35,195,000
Certificates of Participation Payable	3,300,000	3,800,000
Net Pension Liability	7,710,764	8,158,942
Compensated Absences	4,632,289	4,343,692
Total	<u>\$ 49,938,053</u>	<u>\$ 51,497,634</u>

FOR THE FUTURE

The Carteret Board of Education is in sound financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District and the increased reliance on property taxes.

In conclusion, the District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenge of the future.

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 Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Carteret Board of Education, 599 Roosevelt Avenue, Carteret, New Jersey 07008.

Contact:

Carmela Collazo, School Business Administrator/Board Secretary
Telephone: 732-541-8960 ext. 6005
Fax: 732-541-2106
Email: ccollazo@carteretschools.org

Basic Financial Statements

District-wide Financial Statements

The district-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2024.

Carteret Board of Education

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 25,090,211	\$ 2,500,486	\$ 27,590,697
Accounts receivable	4,631,575	705,483	5,337,058
Internal balances	300,446	(300,446)	
Inventories		58,866	58,866
Capital assets - non-depreciable	2,221,677		2,221,677
Capital assets - depreciable, net	49,607,796	526,836	50,134,632
Total assets	<u>81,851,705</u>	<u>3,491,225</u>	<u>85,342,930</u>
Deferred Outflows of Resources			
Pension deferrals	863,386		863,386
Total assets and deferred outflows of resources	<u>82,715,091</u>	<u>3,491,225</u>	<u>86,206,316</u>
Liabilities			
Accounts payable	1,472,215		1,472,215
Payable to other governments	20,256		20,256
Payroll deductions and withholdings payable	392,872		392,872
Unearned revenue	2,723,452	29,374	2,752,826
Accrued interest payable	482,400		482,400
Net pension liability	7,710,764		7,710,764
Current portion of long-term obligations	1,873,229		1,873,229
Noncurrent portion of long-term obligations	40,354,060		40,354,060
Total liabilities	<u>55,029,248</u>	<u>29,374</u>	<u>55,058,622</u>
Deferred Inflows of Resources			
Pension deferrals	938,991		938,991
Net Position			
Net investment in capital assets	21,522,610	526,836	22,049,446
Restricted for:			
Capital projects	784,313		784,313
Capital reserve	15,021,629		15,021,629
Emergency reserve	500,000		500,000
Unemployment reserve	392,872		392,872
Student activities and scholarships	224,160		224,160
Unrestricted (deficit)	(11,698,732)	2,935,015	(8,763,717)
Total net position	<u>\$ 26,746,852</u>	<u>\$ 3,461,851</u>	<u>\$ 30,208,703</u>

See accompanying notes to the basic financial statements .

Carteret Board of Education

Statement of Activities

Year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction:						
Regular	\$ 39,498,780		\$ 9,226,878	\$ (30,271,902)		\$ (30,271,902)
Special education	10,967,329		6,366,023	(4,601,306)		(4,601,306)
Other special instruction	3,858,748		601,353	(3,257,395)		(3,257,395)
School-sponsored activities and athletics	837,816		128,970	(708,846)		(708,846)
Support services:						
Student and instruction related services	17,941,096		4,069,064	(13,872,032)		(13,872,032)
General administration services	1,221,509		168,269	(1,053,240)		(1,053,240)
School administration services	4,052,851		609,562	(3,443,289)		(3,443,289)
Central services	1,542,534		326,852	(1,215,682)		(1,215,682)
Plant operations and maintenance	6,105,378		1,520,863	(4,584,515)		(4,584,515)
Pupil transportation	5,608,520		536,891	(5,071,629)		(5,071,629)
Charter schools	330,534			(330,534)		(330,534)
Special schools	271,771		34,235	(237,536)		(237,536)
Interest on long-term debt	1,105,124		293,664	(811,460)		(811,460)
Total governmental activities	93,341,990	-	23,882,624	(69,459,366)		(69,459,366)
Business-type activities						
Food service	3,333,131	\$ 434,056	2,510,434		\$ (388,641)	(388,641)
Enrichment academy	259,496	686,084			426,588	426,588
Total business-type activities	3,592,627	1,120,140	2,510,434	-	37,947	37,947
Total primary government	\$ 96,934,617	\$ 1,120,140	\$ 26,393,058	(69,459,366)	37,947	(69,421,419)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				27,988,310		27,988,310
Property taxes, levied for debt service				1,941,140		1,941,140
State and federal sources - unrestricted				44,164,046		44,164,046
State and federal sources - restricted				240,271		240,271
Other revenue				882,732	33,484	916,216
Total general revenues				75,216,499	33,484	75,249,983
Change in net position				5,757,133	71,431	5,828,564
Net position—beginning of year				20,989,719	3,390,420	24,380,139
Net position—end of year				\$ 26,746,852	\$ 3,461,851	\$ 30,208,703

See accompanying notes to the basic financial statements .

Fund Financial Statements

Governmental Funds

**Carteret Board of Education
Governmental Funds**

Balance Sheet

June 30, 2024

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 17,431,780	\$ 224,160	\$ 7,434,271	\$ 25,090,211
Accounts receivable:				
Federal		3,486,887		3,486,887
State	1,138,758	5,913		1,144,671
Interfund	1,204,708	239,975	784,313	2,228,996
Other	17			17
Total assets	<u>\$ 19,775,263</u>	<u>\$ 3,956,935</u>	<u>\$ 8,218,584</u>	<u>\$ 31,950,782</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 7,795	\$ 741,290		\$ 749,085
Intergovernmental payables:				
State	19,814	442		20,256
Interfunds payable	1,218,705	563,711	\$ 146,134	1,928,550
Unearned revenue		2,723,452		2,723,452
Payroll deductions and withholdings payable	392,872			392,872
Total liabilities	<u>1,639,186</u>	<u>4,028,895</u>	<u>146,134</u>	<u>5,814,215</u>
Fund balances:				
Restricted for:				
Capital reserve	9,071,629			9,071,629
Capital reserve - Designated for subsequent year's expenditures	5,950,000			5,950,000
Emergency reserve	500,000			500,000
Unemployment reserve	392,872			392,872
Student activities and scholarships		224,160		224,160
Capital projects			8,072,450	8,072,450
Committed to:				
Year end encumbrances	564,062			564,062
Assigned to:				
Year end encumbrances	4,356,223			4,356,223
Designated for Subsequent Year's Expenditures	311,527			311,527
Unassigned (deficit)	(3,010,236)	(296,120)		(3,306,356)
Total fund balances	<u>18,136,077</u>	<u>(71,960)</u>	<u>8,072,450</u>	<u>26,136,567</u>
Total liabilities and fund balances	<u>\$ 19,775,263</u>	<u>\$ 3,956,935</u>	<u>\$ 8,218,584</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$78,410,670 and the accumulated depreciation is \$26,581,197.				51,829,473
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				(482,400)
Long-term liabilities, including bonds payable, certificates of participation payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2).				(42,227,289)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.				
Deferred outflows of resources			\$ 863,386	
Deferred inflows of resources			<u>(938,991)</u>	
				(75,605)
Accrued pension contributions for the June 30, 2024 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(723,130)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.				(7,710,764)
Net position of governmental activities				<u>\$ 26,746,852</u>

See accompanying notes to the basic financial statements .

Carteret Board of Education
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2024

	Major Funds				
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local sources:					
Local tax levy	\$ 27,988,310			\$ 1,941,140	\$ 29,929,450
Interest on investments	277,529		\$ 146,134		423,663
Miscellaneous unrestricted	459,069	\$ 475,343			934,412
Total revenues—local sources	28,724,908	475,343	146,134	1,941,140	31,287,525
State sources	67,417,243	2,302,863		533,935	70,254,041
Federal sources	109,638	5,538,109			5,647,747
Total revenues	96,251,789	8,316,315	146,134	2,475,075	107,189,313
Expenditures:					
Current:					
Regular instruction	39,398,774	3,715,091			43,113,865
Special education instruction	10,742,707	1,163,545			11,906,252
Other instruction	4,268,314				4,268,314
School-sponsored activities and athletics	921,872				921,872
Undistributed - current:					
Student and instruction related services	14,866,087	3,753,512			18,619,599
General administration	1,328,806				1,328,806
School administration	4,548,166				4,548,166
Central services	1,606,054				1,606,054
Plant operations and maintenance	7,405,856				7,405,856
Pupil transportation	5,523,521				5,523,521
Transfer to charter schools	330,534				330,534
Debt Service:					
Principal				1,400,000	1,400,000
Interest				1,075,075	1,075,075
Capital outlay	1,886,988	554,504	463,272		2,904,764
Special schools	298,692				298,692
Total expenditures	93,126,371	9,186,652	463,272	2,475,075	105,251,370
Excess of revenues over expenditures	3,125,418	(870,337)	(317,138)	-	1,937,943
Other financing sources (uses):					
Transfers in	146,134	798,340	784,313		1,728,787
Transfers out	(1,582,653)		(146,134)		(1,728,787)
Cancellation of Grant Receivable		(206,100)			(206,100)
Total other financing sources (uses)	(1,436,519)	592,240	638,179	-	(206,100)
Net change in fund balances	1,688,899	(278,097)	321,041	-	1,731,843
Fund balances, July 1,	16,447,178	206,137	7,751,409	-	24,404,724
Fund balances (deficit), June 30	\$ 18,136,077	\$ (71,960)	\$ 8,072,450	\$ -	\$ 26,136,567

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

See accompanying notes to the basic financial statements .

Carteret Board of Education
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2024

Total net change in fund balances - governmental funds (B-2)	\$ 1,731,843
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets additions exceeded depreciation in the period (see Note 2).	1,858,925
The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position (see Note 2).	1,400,000
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (see Note 2).	<u>766,365</u>
Change in net position of governmental activities (A-2)	<u><u>\$ 5,757,133</u></u>

See accompanying notes to the basic financial statements .

Proprietary Funds

Carteret Board of Education
Proprietary Funds

Statement of Net Position

June 30, 2024

	Business-Type Activities Major Enterprise Funds		
	Food Service	Enrichment Academy	Total Enterprise
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,013,181	\$ 1,487,305	\$ 2,500,486
Accounts receivable:			
Federal	536,841		536,841
State	20,602		20,602
Other	104,671	43,369	148,040
Interfund receivable	193,872	545	194,417
Inventories	58,866		58,866
Total current assets	<u>1,928,033</u>	<u>1,531,219</u>	<u>3,459,252</u>
Capital assets:			
Building improvements	22,069		22,069
Machinery and equipment	1,361,165		1,361,165
Accumulated depreciation	(856,398)		(856,398)
Total capital assets	<u>526,836</u>		<u>526,836</u>
Total assets	<u>2,454,869</u>	<u>1,531,219</u>	<u>3,986,088</u>
Liabilities			
Current liabilities:			
Interfund payable	493,212	1,651	494,863
Unearned revenue	29,374		29,374
Total current liabilities	<u>522,586</u>	<u>1,651</u>	<u>524,237</u>
Net position			
Investment in capital assets	526,836		526,836
Unrestricted	1,405,447	1,529,568	2,935,015
Total net position	<u>\$ 1,932,283</u>	<u>\$ 1,529,568</u>	<u>\$ 3,461,851</u>

See accompanying notes to the basic financial statements .

Carteret Board of Education
Proprietary Funds

Statement of Revenues, Expenses and
Changes in Net Position

Year ended June 30, 2024

	Business-Type Activities Major Enterprise Funds		
	Food Service	Enrichment Academy	Total Enterprise
Operating revenues:			
Local sources:			
Daily food sales-reimbursable programs:	\$ 196,504		\$ 196,504
Daily sales non-reimbursable programs	228,928		228,928
Program fees		\$ 686,084	686,084
Miscellaneous revenue	8,624		8,624
Total operating revenues	<u>434,056</u>	<u>686,084</u>	<u>1,120,140</u>
Operating expenses:			
Cost of sales - reimbursable programs	1,286,320		1,286,320
Cost of sales - non-reimbursable programs	96,990		96,990
Salaries and employee benefits	1,619,810	256,422	1,876,232
Other purchased services	110,900	510	111,410
Insurance	135,256		135,256
Supplies and materials	25,863	1,329	27,192
Depreciation	56,080		56,080
Other	1,912	1,235	3,147
Total operating expenses	<u>3,333,131</u>	<u>259,496</u>	<u>3,592,627</u>
Operating income (loss)	<u>(2,899,075)</u>	<u>426,588</u>	<u>(2,472,487)</u>
Nonoperating revenues:			
State sources:			
State school lunch program	50,322		50,322
State school breakfast program	7,972		7,972
Breakfast after the bell program	21,527		21,527
State NJ EIE - lunch	33,079		33,079
State NJ EIE - breakfast	11,153		11,153
Federal sources:			-
School breakfast program	520,807		520,807
National school lunch program	1,468,115		1,468,115
National snack program	36,312		36,312
Healthy Hunger-Free Kids Act	34,370		34,370
P-EBT administrative cost reimbursements	3,256		3,256
COVID-19 Supply Chain Assistance	94,667		94,667
Fresh fruit and vegetable program	22,819		22,819
Food donation program	206,035		206,035
Interest income	17,572	15,912	33,484
Total nonoperating revenues	<u>2,528,006</u>	<u>15,912</u>	<u>2,543,918</u>
Change in net position	<u>(371,069)</u>	<u>442,500</u>	<u>71,431</u>
Total net position, beginning of year	<u>2,303,352</u>	<u>1,087,068</u>	<u>3,390,420</u>
Total net position, end of year	<u><u>\$ 1,932,283</u></u>	<u><u>\$ 1,529,568</u></u>	<u><u>\$ 3,461,851</u></u>

See accompanying notes to the basic financial statements .

Carteret Board of Education
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2024

	Business-Type Activities Major Enterprise Funds		
	Food Service	Enrichment Academy	Total Enterprise
Cash flows from operating activities			
Receipts from customers	\$ 383,705	\$ 642,170	\$ 1,025,875
Payments to employees	(1,619,810)	(256,422)	(1,876,232)
Payments to suppliers	(1,462,533)	(3,074)	(1,465,607)
Net cash (used in)/provided by operating activities	<u>(2,698,638)</u>	<u>382,674</u>	<u>(2,315,964)</u>
Cash flows from non-capital financing activities			
Cash received from state and federal sources	2,148,483		2,148,483
Payment of interfund	493,212		493,212
Net cash provided by non-capital financing activities	<u>2,641,695</u>		<u>2,641,695</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(163,500)		(163,500)
Net cash (used in) capital and related financing activities	<u>(163,500)</u>		<u>(163,500)</u>
Cash flows from investing activities			
Interest on deposits	17,572	15,912	33,484
Net cash provided by investing activities	<u>17,572</u>	<u>15,912</u>	<u>33,484</u>
Net increase (decrease) in cash and cash equivalents	(202,871)	398,586	195,715
Cash and cash equivalents, beginning of year	1,216,052	1,088,719	2,304,771
Cash and cash equivalents, end of year	<u>\$ 1,013,181</u>	<u>\$ 1,487,305</u>	<u>\$ 2,500,486</u>
Reconciliation of operating income/(loss) to net cash (used in)/provided by operating activities			
Operating income/(loss)	\$ (2,899,075)	\$ 426,588	\$ (2,472,487)
Adjustments to reconcile operating income/(loss) to net cash (used in)/provided by operating activities:			
Depreciation	56,080		56,080
Commodities	206,035		206,035
Change in assets and liabilities:			
(Decrease) in other accounts receivable	(52,434)	(43,369)	(95,803)
(Decrease) in interfund receivable		(545)	(545)
(Increase) in inventories (non commodities)	(11,327)		(11,327)
Increase in unearned revenue (non commodities)	2,083		2,083
Net cash (used in)/provided by operating activities	<u>\$ (2,698,638)</u>	<u>\$ 382,674</u>	<u>\$ (2,315,964)</u>

Non-cash non-capital financing activities:

The District received \$204,312 of food commodities from the U.S. Department of Agriculture and expended \$206,035 of food commodities for the year ended June 30, 2024.

See accompanying notes to the basic financial statements .

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

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent 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 Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent 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 Carteret Board of Education this includes general operations, food service, enrichment academy 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 no new GASB statements. Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements involve:

- The GASB issued Statement No. 101, “*Compensated Absences*” in June 2022. 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. The requirements of this Statement are effective for periods beginning after December 31, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial

**CARTERET 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)

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

- The GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.
- The GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing the government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.
- The GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets*" in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets including lease assets, intangible right-to-use assets, subscription assets, other intangible assets and assets held for sale. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods

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. 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.

**CARTERET 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 and proprietary activities. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and the food service and enrichment academy enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

The *enrichment academy* accounts for the activities of the District's after school activities, which provides extra-curricular activities for students as well as child care.

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".

Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2024 through January 10, 2025, the date the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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 and acquisitions under capital leases are reported as other financing sources.

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

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

CARTERET 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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

4. *Capital Assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-20

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 assets 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

**CARTERET 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)

statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category 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 sick leave benefits and severance pay. A long-term liability of accumulated sick leave, severance pay and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

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

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

8. Long-Term Obligations

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

CARTERET 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. *Long-Term Obligations (Continued)*

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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 3).

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

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3).

Unemployment Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 5).

Student Activities and Scholarships – 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 and scholarships.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 Trustees 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 adopted 2024/2025 District budget certified for taxes.

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

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Trustees 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 school district's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government 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 revenues 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.

**CARTERET 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, unrestricted state aid, investment earnings and miscellaneous revenues.

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition 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. *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 and the enrichment academy enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(42,227,289) difference are as follows:

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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

Bonds Payable	\$ (34,295,000)
Certificates of Participation Payable	(3,300,000)
Compensated Absences	<u>(4,632,289)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (42,227,289)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the district-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$1,858,925 difference are as follows:

Capital Outlay	\$ 3,728,083
Depreciation Expense	<u>(1,869,158)</u>
Net Adjustment to increase net changes in fund balances - total government funds to arrive at changes in net position of governmental activities	<u>\$ 1,858,925</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of this \$1,400,000 difference are as follows:

Principal Repayments:	
Bonds Payable	\$ 900,000
Certificates of Participation	<u>500,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,400,000</u>

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

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities (Continued)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$766,365 difference are as follows:

Compensated Absences	\$ (288,597)
Accrued Interest	(30,047)
Pension benefit	<u>1,085,009</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 766,365</u>

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. On January 25, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget by \$6,651,075. The General Fund increased \$6,284,168 as a result of the reappropriation of prior year encumbrances. The Special Revenue Fund increased \$366,907 as a result of the net of additional state grant awards and student activity reserves and a decrease in budgeted federal awards.

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.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Capital Reserve

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

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

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

Balance, July 1, 2023		\$	9,201,994
Increased by			
Unspent Withdrawal 2023-2024	\$	410,407	
Deposits Approved by Board Resolution		<u>9,193,541</u>	
			<u>9,603,948</u>
			18,805,942
Withdrawals			
Approved in District Budget		3,000,000	
Transfers to Capital Projects Fund		<u>784,313</u>	
			<u>3,784,313</u>
Balance, June 30, 2024		\$	<u>15,021,629</u>

The withdrawals from the capital reserve were for use in Department approved facilities projects, consistent with the District's Long Range Facilities Plan. Of the \$15,021,629 capital reserve balance at June 30, 2024, \$5,950,000 was designated and appropriated for use in the 2024/2025 original budget certified for taxes. Of this amount \$4,450,000 will be utilized for the local share of capital projects and \$1,500,000 will be transferred to the debt service fund.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Emergency Reserve

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

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

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

Balance, July 1, 2023	<u>\$ 500,000</u>
Balance, June 30, 2024	<u>\$ 500,000</u>

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

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 \$27,590,697 and bank and brokerage firm balances of the Board's deposits amounted to \$28,009,918. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

FDIC	\$ 500,000
GUDPA	26,900,216
Uninsured	609,702
	<u>\$ 28,009,918</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.

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (continued)

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.

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

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

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

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Enrichment Academy</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 3,486,887	\$ 536,841		\$ 4,023,728
State	\$ 1,138,758	5,913	20,602		1,165,273
Other	17		104,671	\$ 43,369	148,057
Gross Receivables	1,138,775	3,492,800	662,114	43,369	5,337,058
Less: Allowance for Uncollectibles					
Net Total Receivables	<u>\$ 1,138,775</u>	<u>\$ 3,492,800</u>	<u>\$ 662,114</u>	<u>\$ 43,369</u>	<u>\$ 5,337,058</u>

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

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	\$ 1,477,993
Grant drawdowns year end encumbrances	<u>1,245,459</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 2,723,452</u>

D. Capital Assets

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

	Balance, July 1, 2023	Additions	Transfers	Balance, June 30, 2024
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 384,459			\$ 384,459
Construction in Progress	<u>2,805,898</u>	<u>\$ 2,568,175</u>	<u>\$ (3,536,855)</u>	<u>1,837,218</u>
Total capital assets, not being depreciated	<u>3,190,357</u>	<u>2,568,175</u>	<u>(3,536,855)</u>	<u>2,221,677</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	68,155,243	962,268	3,536,855	72,654,366
Land Improvements	393,249			393,249
Machinery and equipment	<u>2,943,738</u>	<u>197,640</u>		<u>3,141,378</u>
Total capital assets being depreciated	<u>71,492,230</u>	<u>1,159,908</u>	<u>3,536,855</u>	<u>76,188,993</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(22,037,374)	(1,758,142)		(23,795,516)
Land Improvements	(297,643)	(7,537)		(305,180)
Machinery and equipment	<u>(2,377,022)</u>	<u>(103,479)</u>		<u>(2,480,501)</u>
Total accumulated depreciation	<u>(24,712,039)</u>	<u>(1,869,158)</u>	<u>-</u>	<u>(26,581,197)</u>
Total capital assets, being depreciated, net	<u>46,780,191</u>	<u>(709,250)</u>	<u>3,536,855</u>	<u>49,607,796</u>
Governmental Activities Capital Assets, Net	<u>\$49,970,548</u>	<u>\$ 1,858,925</u>	<u>\$ -</u>	<u>\$51,829,473</u>

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

NOTE 4 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:				
Building Improvements	\$ 22,069			\$ 22,069
Machinery and equipment	<u>1,197,665</u>	<u>\$ 163,500</u>	<u>\$ -</u>	<u>1,361,165</u>
Total capital assets being depreciated	<u>1,219,734</u>	<u>163,500</u>	<u>-</u>	<u>1,383,234</u>
Less accumulated depreciation for:				
Building Improvements	(1,578)	(1,103)		(2,681)
Machinery and equipment	<u>(798,740)</u>	<u>(54,977)</u>		<u>(853,718)</u>
Total accumulated depreciation	<u>(800,318)</u>	<u>(56,080)</u>	<u>-</u>	<u>(856,398)</u>
Total capital assets, being depreciated, net	<u>419,416</u>	<u>107,420</u>	<u>-</u>	<u>526,836</u>
Business-Type Activities Capital Assets, Net	<u>\$ 419,416</u>	<u>\$ 107,420</u>	<u>\$ -</u>	<u>\$ 526,836</u>

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

Governmental Activities:

Instruction	
Regular instruction	\$ 818,290
Special education	222,915
Other special instruction	79,914
School-sponsored activities and athletics	<u>17,260</u>
Total Instruction	<u>1,138,379</u>
	-

Support Services	
Student and instruction related services	348,607
General administrative services	24,879
School administrative services	85,153
Central services	30,069
Plant operations and maintenance	138,657
Pupil transportation	<u>103,414</u>
Total Support Services	<u>730,779</u>

Total Depreciation Expense - Governmental Activities \$ 1,869,158

Business-Type Activities:

Food Service Fund	\$ 56,080
Total Depreciation Expense-Business-Type Activities	<u>\$ 56,080</u>

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

NOTE 4 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:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,204,708	\$ 1,218,705
Special Revenue Fund	239,975	563,711
Capital Projects Fund	784,313	146,134
Enterprise Fund - Food service	193,872	493,212
Enterprise Fund - Enrichment Academy	545	1,651
	<u>\$ 2,423,413</u>	<u>\$ 2,423,413</u>

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

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

	<u>Transfer In</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>Transfer Out:</u>				
General Fund		\$ 798,340	\$ 784,313	\$ 1,582,653
Capital Projects Fund	\$ 146,134	-	-	146,134
Total Transfers Out	<u>\$ 146,134</u>	<u>\$ 798,340</u>	<u>\$ 784,313</u>	<u>\$ 1,728,787</u>

The above transfers are the result of interest earned in the Capital Projects Fund that has been directed to the General Fund, transfer to Special Revenue Fund Preschool Education local share and to fund a prior year grant receivable from General Fund and the transfer of local funding to the Capital Projects Fund from General Fund.

F. Refunding Certificates of 2015

The Board of Education adopted a resolution on August 27, 2014 for the purpose of issuing Refunding Certificates of Participation (the Refunding Certificates) in order to currently refund all of the outstanding Certificates of Participation dated January 15, 2006 (the Prior Certificate) which were issued to finance building improvements.

On April 30, 2015 the Board of Education issued \$7,455,000 Refunding Certificates and the proceeds of the Refunding Certificates were deposited into an escrow fund, and together with other available funds, will be used to pay all principal and interest on the Prior Certificates.

Under the Refunding Certificates, the Board is required to pay Basic Rent due on January 15 commencing January 15, 2016. Basic Rent is composed of an interest component and a principal component. The Refunding

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Refunding Certificates of 2015 (Continued)

Certificates carry interest rates in the range of 1.25% to 4.00%; and mature on January 15, 2030. Payments of the principal and interest on the Refunding Certificates are insured by National Public Finance Guarantee. Bank of New York Mellon has been appointed to serve as a trustee in the agreement.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Certificates of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 510,000	\$ 93,800	\$ 603,800
2026	530,000	81,050	611,050
2027	540,000	67,800	607,800
2028	555,000	51,600	606,600
2029	575,000	34,950	609,950
2030 - 2034	<u>590,000</u>	<u>17,700</u>	<u>607,700</u>
Total	<u>\$ 3,300,000</u>	<u>\$ 346,900</u>	<u>\$ 3,646,900</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2024 is comprised of the following issue:

\$36,999,995, Series 2020 School Bonds, due in annual installments of \$900,000 to \$1,800,000 through February 1, 2050, interest at 2.00% to 3.00%	<u>\$34,295,000</u>
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**CARTERET BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 900,000	\$ 951,400	\$ 1,851,400
2026	905,000	933,400	1,838,400
2027	925,000	915,300	1,840,300
2028	950,000	896,800	1,846,800
2029	970,000	877,800	1,847,800
2030-2034	5,325,000	4,074,750	9,399,750
2035-2039	6,285,000	3,283,600	9,568,600
2040-2044	7,470,000	2,272,500	9,742,500
2045-2049	8,765,000	1,069,950	9,834,950
2050	1,800,000	54,000	1,854,000
Total	<u>\$ 34,295,000</u>	<u>\$ 15,329,500</u>	<u>\$ 49,624,500</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:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Certificates of Participation Payable	\$ 3,800,000		\$ (500,000)	\$ 3,300,000	\$ 510,000
Bonds Payable	35,195,000		(900,000)	34,295,000	900,000
Net Pension Liability	8,158,942		(448,178)	7,710,764	
Compensated Absences	4,343,692	\$ 480,830	(192,233)	4,632,289	463,229
Governmental Activity Long-term Liabilities	<u>\$ 51,497,634</u>	<u>\$ 480,830</u>	<u>\$ (2,040,411)</u>	<u>\$ 49,938,053</u>	<u>\$ 1,873,229</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund. The bonds payable and certificates of participation payable are liquidated by the debt service fund.

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

NOTE 5 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained 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 New Jersey Schools Insurance Group (NJSIG) (the "Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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.

NJSIG 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 Group are on file with the School's Business Administrator.

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

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

<u>Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Ending Balance</u>
2024	\$ 286,905	\$ 101,415	\$ 4,552	\$ 392,872
2023	283,232		3,673	286,905
2022	282,639		593	83,232

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.

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

NOTE 5 OTHER INFORMATION (Continued)

B. Contingent Liabilities (continued)

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

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$21,522,610 indicated as part of the Governmental Activities net position is calculated as follows:

Capital Assets, Net		\$	51,829,473
Add:			
Unexpended Bond Proceeds	\$ 7,288,137		
			<u>7,288,137</u>
			59,117,610
Less:			
Bonds Payable	34,295,000		
Certificates of Participation Payable	<u>3,300,000</u>		
			<u>37,595,000</u>
Net Investment in Capital Assets		\$	<u>21,522,610</u>

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

NOTE 6 PENSION PLANS

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

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 the age of 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 the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established in January 1955 and the contribution policy is set by the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State of New Jersey or any county, municipality, school Board or public agency, provided the employee is not a member of another State-administered retirement system or other state pension fund or local jurisdiction's pension fund. Pursuant to the provisions of P.L. 2022, C.78, the member contribution rate was 7.5% in State fiscal year 2023.

Members are classified into one of five tiers dependent upon the date of their enrollment. 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 the age of 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 the age of 62 and Tier 5 members upon reaching the age of 65. Early retirement benefits are available to Tier 1 and 2 members with 25 years or more of service credit before reaching age 60, Tier 3 and 4 members with 25 years or more of service credit before age 62 and Tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

NOTE 6 PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2024, the State of New Jersey contributed \$14,758,680 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,422,933 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2024, 2023, and 2022 were \$711,502, \$681,768, and \$656,271, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the 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.

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

Public Employees' Retirement System (PERS)

At June 30, 2024, the District reported a liability of \$7,710,764 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.0532350534 percent, which was a decrease of 0.0008285499 percent from its proportion measured as of June 30, 2022.

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

NOTE 6 PENSION PLANS (Continued)

For the year ended June 30, 2024, the District recognized full accrual pension (benefit) of (\$373,507) in the district-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 73,725	\$ 31,519
Changes of assumptions	16,939	467,305
Net difference between projected and actual earnings on pension plan investments	35,509	
Changes in proportion and differences between District contributions and proportionate share of contributions	14,083	440,167
District contributions subsequent to the measurement date	723,130	
	<u>\$ 863,386</u>	<u>\$ 938,991</u>

\$723,130 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (586,914)
2026	(348,310)
2027	229,830
2028	(91,831)
2029	(1,510)
	<u>\$ (798,735)</u>

Actuarial Assumptions

The total collective 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:

	<u>June 30, 2023</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary increases Through 2026	2.75 - 6.55% based on years of service
Investment rate of return	7.00%

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

NOTE 6 PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

NOTE 6 PENSION PLANS (Continued)

June 30, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability 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 to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the 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:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	<u>\$ 10,037,774</u>	<u>\$ 7,710,764</u>	<u>\$ 5,730,171</u>

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

NOTE 6 PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$	1,080,204,730
Deferred inflows of resources	\$	1,780,216,457
Net pension liability	\$	14,606,489,066
District's proportion		0.0532350534%

Collective pension benefit for the Local Group for the measurement period ended June 30, 2023 is \$79,181,803.00.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2023, 2022, 2021, 2020, 2019, and 2018 is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years, respectively.

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

NOTE 6 PENSION PLANS (Continued)

Special Funding Situation

A special funding situation exists for certain Local employers of the PERS. The State of New Jersey, a non-employer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). AS of June 30, 2023, there was no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The District's expense related to the special funding situation is \$24,047.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$133,638,391. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2023, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2618683127 percent, which was a decrease of 0.0030334222% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue in the district-wide financial statements of \$6,444,171 for contributions incurred by the State.

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. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

NOTE 6 PENSION PLANS (Continued)

	June 30, 2023
Inflation	
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 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% 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.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

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

NOTE 6 PENSION PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in 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>
US Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability 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.

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

NOTE 6 PENSION PLANS (Continued)

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate

The following presents the District’s proportionate share of the net pension liability as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the District’s proportionate share of the 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:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's proportionate share of the net pension liability associated with the District	\$ 157,583,914	\$ 133,638,391	\$ 113,470,570

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$ 2,498,730,891
Deferred inflows of resources	\$ 14,719,080,314
Net pension liability	\$ 51,032,669,551
State's proportionate share associated with the District	0.2618683127%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2023 is \$1,292,291,943.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, and 2017 is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years, respectively.

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

NOTE 7 POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits.

The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

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

NOTE 7 POST-RETIREMENT BENEFITS (Continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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 is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation. The State’s contributions to the SHBP Fund for TPAF retirees’ post-retirement medical benefits on behalf of the District for the years ended June 30, 2024, 2023, and 2022 were \$3,156,446, \$2,851,283, and \$2,583,817, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District’s proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State’s proportionate share of the OPEB liability associated with the District as of June 30, 2023 was \$115,790,760. Additional information can be obtained from the State of New Jersey’s annual comprehensive financial report.

Additional information on pensions and OPEB can be assessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Actuarial assumptions and other inputs

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023 and included in the June 30, 2023 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	TPAF	PERS
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on years of service	based on years of service

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

NOTE 7 POST-RETIREMENT BENEFITS (Continued)

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF/ABP) 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 actual experience studies for 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 was (1.99%) in fiscal year 2023, increasing to 13.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 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.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

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

NOTE 7 POST-RETIREMENT BENEFITS (Continued)

	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
Net OPEB Liability (Allocable to the District and Responsibility of the State)	<u>\$ 135,744,787</u>	<u>\$ 115,790,760</u>	<u>\$ 99,769,992</u>

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2023 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% Decrease	At Healthcare Cost Trent Rate	At 1% Increase
Net OPEB Liability (Allocable to the District and Responsibility of the State)	<u>\$ 96,124,183</u>	<u>\$ 115,790,760</u>	<u>\$ 141,524,527</u>

Changes in the Total Non-employer OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2024:

Beginning Total OPEB Liability, June 30, 2023	\$ 110,364,829
Changes for the year:	
Service Cost	4,667,925
Interest	4,078,009
Differences between expected and actual experier	(479,020)
Changes in assumptions	233,386
Member contributions	104,505
Changes of benefit terms	-
Benefit payments	(3,178,874)
Ending Total OPEB Liability, June 30, 2024	<u>\$ 115,790,760</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

Local Education	June 30, 2023
Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Total Plan Members	<u>369,595</u>

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

NOTE 7 POST-RETIREMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the district-wide financial statements of \$3,586,865 for OPEB expenses incurred by the State. Collective balances of the Local Education Group at June 30, 2023 are as follows:

Deferred outflows of resources	\$17,347,811,894
Deferred inflows of resources	\$30,503,688,706
Collective OPEB expense	\$ 1,369,124,126
District's Proportion	0.22%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

NOTE 8 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 Carteret Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

Required Supplementary Information – Part II

Schedules Related to Accounting and Reporting for Pensions and
OPEBs
(GASB 68 and GASB 75)

**CARTERET 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)	0.05324%	0.05406%	0.05603%	0.05588%	0.05729%	0.06074%	0.06031%	0.06089%	0.05747%	0.05844%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 7,710,764</u>	<u>\$ 8,158,942</u>	<u>\$ 6,638,550</u>	<u>\$ 9,112,984</u>	<u>\$ 10,322,642</u>	<u>\$ 11,960,022</u>	<u>\$ 14,040,040</u>	<u>\$ 18,034,970</u>	<u>\$ 12,900,005</u>	<u>\$ 10,941,522</u>
District's Covered Payroll	<u>\$ 4,210,091</u>	<u>\$ 4,092,833</u>	<u>\$ 3,937,780</u>	<u>\$ 4,153,997</u>	<u>\$ 4,008,614</u>	<u>\$ 4,094,130</u>	<u>\$ 4,299,920</u>	<u>\$ 4,203,373</u>	<u>\$ 4,136,669</u>	<u>\$ 4,081,927</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	183%	199%	169%	219%	258%	292%	327%	429%	312%	268%
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%	47.92%	52.08%

* 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. 68.

Notes to Required Supplementary Information:

Benefit Changes

There were none.

Changes of Assumptions

The discount rate was 7.00% as of June 30, 2022 and June 30, 2023.

**CARTERET BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years
Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 711,502	\$ 681,768	\$ 656,271	\$ 611,327	\$ 557,255	\$ 604,198	\$ 558,741	\$ 540,971	\$ 494,055	\$ 481,768
Contributions in Relation to the Contractually Required Contributions	<u>711,502</u>	<u>681,768</u>	<u>656,271</u>	<u>611,327</u>	<u>557,255</u>	<u>604,198</u>	<u>558,741</u>	<u>540,971</u>	<u>494,055</u>	<u>481,768</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 4,268,965</u>	<u>\$ 4,210,091</u>	<u>\$ 4,092,833</u>	<u>\$ 3,937,780</u>	<u>\$ 4,153,997</u>	<u>\$ 4,008,614</u>	<u>\$ 4,094,130</u>	<u>\$ 4,299,920</u>	<u>\$ 4,203,373</u>	<u>\$ 4,136,669</u>
Contributions as a Percentage of Covered Payroll	16.67%	16.19%	16.03%	15.52%	13.41%	15.07%	13.65%	12.58%	11.75%	11.65%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.

**CARTERET 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 *
Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>133,638,391</u>	<u>136,674,503</u>	<u>126,652,171</u>	<u>167,555,684</u>	<u>159,124,413</u>	<u>160,493,860</u>	<u>167,047,650</u>	<u>174,200,588</u>	<u>140,909,092</u>	<u>122,101,519</u>
Total	<u>\$ 133,638,391</u>	<u>\$ 136,674,503</u>	<u>\$ 126,652,171</u>	<u>\$ 167,555,684</u>	<u>\$ 159,124,413</u>	<u>\$ 160,493,860</u>	<u>\$ 167,047,650</u>	<u>\$ 174,200,588</u>	<u>\$ 140,909,092</u>	<u>\$ 122,101,519</u>
District's Covered Payroll	<u>\$ 32,636,817</u>	<u>\$ 31,561,032</u>	<u>\$ 30,701,221</u>	<u>\$ 29,546,106</u>	<u>\$ 28,626,757</u>	<u>\$ 27,164,014</u>	<u>\$ 27,224,857</u>	<u>\$ 25,807,372</u>	<u>\$ 25,029,848</u>	<u>\$ 22,245,908</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68.

Notes to Required Supplementary Information:

Benefit Changes
There were none.

Changes of Assumptions
The discount rate was 7.00% as of June 30, 2022 and June 30, 2023.

**CARTERET 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*

	Year Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 4,667,925	\$ 6,236,739	\$ 7,063,198	\$ 3,875,668	\$ 3,659,946	\$ 4,054,143	\$ 4,877,797
Interest on the Total OPEB Liability	4,078,009	2,924,790	3,457,666	3,269,020	3,946,072	4,153,369	3,596,203
Differences Between Expected and Actual Experience	(479,020)	324,450	(23,448,937)	26,268,645	(15,129,822)	(7,792,216)	
Changes of Assumptions	233,386	(29,606,356)	131,500	27,192,169	1,353,397	(11,434,740)	(14,960,197)
Gross Benefit Payments	(3,178,874)	(2,897,091)	(2,723,673)	(2,591,584)	(2,786,387)	(2,664,467)	(2,757,013)
Changes of Benefit Terms	-		(141,870)				
Contribution from the Member	104,505	92,940	88,396	78,551	82,596	92,088	101,520
Net Change in Total OPEB Liability	5,425,931	(22,924,528)	(15,573,720)	58,092,469	(8,874,198)	(13,591,823)	(9,141,690)
Total OPEB Liability - Beginning	<u>110,364,829</u>	<u>133,289,357</u>	<u>148,863,077</u>	<u>90,770,608</u>	<u>99,644,806</u>	<u>113,236,629</u>	<u>122,378,319</u>
Total OPEB Liability - Ending	<u>\$ 115,790,760</u>	<u>\$ 110,364,829</u>	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
 District's Proportionate Share	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share	<u>\$ 115,790,760</u>	<u>\$ 110,364,829</u>	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
Total OPEB Liability - Ending	<u>\$ 115,790,760</u>	<u>\$ 110,364,829</u>	<u>\$ 133,289,357</u>	<u>\$ 148,863,077</u>	<u>\$ 90,770,608</u>	<u>\$ 99,644,806</u>	<u>\$ 113,236,629</u>
 Covered Payroll	 <u>\$ 36,846,908</u>	 <u>\$ 35,653,865</u>	 <u>\$ 34,659,001</u>	 <u>\$ 33,700,103</u>	 <u>\$ 32,635,371</u>	 <u>\$ 31,258,144</u>	 <u>\$ 31,524,777</u>
District's Proportionate Share of OPEB							
Liability as a Percentage of Covered Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

Required Supplementary Information – Part III

Budgetary Comparison Schedule
(Budgetary Basis)

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,988,313		\$ 27,988,313	\$ 27,988,310	\$ 272,977
Interest on investments				272,977	(1,500)
Interest Earned on Current Expense Emergency Reserve	1,500		1,500		(1,500)
Interest Earned on Capital Reserve Funds	1,500		1,500		4,552
Other Restricted Miscellaneous Revenues				4,552	459,069
Miscellaneous				459,069	733,598
Total - Local Sources	27,991,313		27,991,313	28,724,908	
State Sources:					
Categorical Special Education Aid	2,809,761		2,809,761	2,809,761	
Transportation Aid	511,027		511,027	511,027	
Security Aid	1,526,650		1,526,650	1,526,650	
Equalization Aid	44,973,782		44,973,782	44,973,782	
Extraordinary Aid	600,000		600,000	975,530	375,530
Additional Non-Public Transportation Aid				43,225	43,225
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				11,597,615	11,597,615
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)				3,156,446	3,156,446
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				4,619	4,619
TPAF Social Security (Reimbursed - Non-Budgeted)				2,422,933	2,422,933
Total State Sources	50,421,220		50,421,220	68,021,588	17,600,368
Federal Sources:					
Medical reimbursement	103,415		103,415	109,638	6,223
Total - Federal Sources	103,415		103,415	109,638	6,223
Total Revenues	78,515,948		78,515,948	96,856,134	18,340,186
EXPENDITURES:					
Current Expense:					
Regular Programs - Preschool					
Preschool - Salaries of Teachers	173,652		173,652		173,652
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,211,085	561	1,211,646	1,118,537	93,109
Grades 1-5 - Salaries of Teachers	7,850,055	9,508	7,859,563	6,983,362	876,201
Grades 6-8 - Salaries of Teachers	4,679,599		4,679,599	4,481,109	198,490
Grades 9-12 - Salaries of Teachers	6,517,326	2,035	6,519,361	6,469,556	49,805
Regular Programs - Home Instruction					
Salaries of Teachers	55,000	(15,084)	39,916	37,679	2,237
Purchased Professional-Educational Services	10,000	16,343	26,343	24,708	1,635
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	226,371	46,000	272,371	236,191	36,180
Purchased Professional-Educational Services	838,250		838,250	600,740	237,510
Communications/Telephone	282,875	(109,988)	172,887	81,349	91,538
Travel		5,875	5,875	1,689	4,186
General Supplies	1,443,520	37,191	1,480,711	1,240,880	239,831
Textbooks	48,650	(1,000)	47,650		47,650
Other Objects	2,618,534	2,655,858	5,274,392	2,619,252	2,655,140
TOTAL REGULAR PROGRAMS - INSTRUCTION	25,954,917	2,647,299	28,602,216	23,895,052	4,707,164
Learning and/or Language Disabilities- Mild or Moderate					
Salaries of Teachers	187,771	119,303	307,074	307,069	5
Other Salaries for Instruction	43,457	(24,400)	19,057		19,057
Purchased Professional-Educational Services	124,000	105,097	229,097	106,370	122,727
Total Learning and/or Language Disabilities- Mild or Moderate	355,228	200,000	555,228	413,439	141,789
Learning and/or Language Disabilities- Severe					
Salaries of Teachers	216,930	4,318	221,248	98,069	123,179
Other Salaries for Instruction	43,457	(4,318)	39,139	39,111	28
Total Learning and/or Language Disabilities- Severe	260,387	-	260,387	137,180	123,207

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Emotional Regulation Impairment					
Salaries of Teachers	\$ 150,039	\$ (24,500)	\$ 125,539		\$ 125,539
Purchased Professional-Educational Services	481,300	24,500	505,800	\$ 505,800	
Total Emotional Regulation Impairment	<u>631,339</u>	<u>-</u>	<u>631,339</u>	<u>505,800</u>	<u>125,539</u>
Multiple Disabilities					
Salaries of Teachers	665,373	(77,844)	587,529	442,289	145,240
Other Salaries for Instruction	130,371		130,371	130,371	
Purchased Professional-Educational Services	101,259	300,000	401,259	364,680	36,579
Total Multiple Disabilities	<u>897,003</u>	<u>222,156</u>	<u>1,119,159</u>	<u>937,340</u>	<u>181,819</u>
Resource Room/Resource Center					
Salaries of Teachers	3,543,848	21,785	3,565,633	3,513,576	52,057
Other Salaries for Instruction	173,328		173,328	173,328	
Purchased Professional-Educational Services	422,100	(21,785)	400,315	213,578	186,737
Total Resource Room/Resource Center	<u>4,139,276</u>	<u>-</u>	<u>4,139,276</u>	<u>3,900,482</u>	<u>238,794</u>
Special Education- Autism					
Salaries of Teachers	134,990		134,990	121,491	13,499
Other Salaries for Instruction	38,404		38,404		38,404
Purchased Professional-Educational Services	105,462		105,462	62,048	43,414
Total Special Education- Autism	<u>278,856</u>	<u>-</u>	<u>278,856</u>	<u>183,539</u>	<u>95,317</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	294,782		294,782	252,484	42,298
Other Salaries for Instruction	39,642		39,642		39,642
Purchased Professional-Educational Services	193,752	232,300	426,052	358,477	67,575
Other Objects		35,003	35,003	31,055	3,948
Total Preschool Disabilities - Full-Time	<u>528,176</u>	<u>267,303</u>	<u>795,479</u>	<u>642,016</u>	<u>153,463</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>7,090,265</u>	<u>689,459</u>	<u>7,779,724</u>	<u>6,719,796</u>	<u>1,059,928</u>
Bilingual Education - Instruction					
Salaries of Teachers	2,503,497	(166,137)	2,337,360	2,095,439	241,921
Other Salaries for Instruction	83,534	(15,087)	68,447	43,457	24,990
Purchased Professional-Educational Services	441,000	21,000	462,000	424,822	37,178
Other Objects		165,300	165,300	-	165,300
Total Bilingual Education - Instruction	<u>3,028,031</u>	<u>5,076</u>	<u>3,033,107</u>	<u>2,563,718</u>	<u>469,389</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	107,676	16,717	124,393	124,393	
Total School-Spon. Cocurricular Actvts. - Inst.	<u>107,676</u>	<u>16,717</u>	<u>124,393</u>	<u>124,393</u>	<u>-</u>
School-Spon. Athletics					
Salaries	294,892	23,459	318,351	318,351	
Purchased Services	46,450	(1,925)	44,525	36,441	8,084
Travel	-	1,242	1,242	1,225	17
Supplies and Materials	73,450	13,134	86,584	65,877	20,707
Other Objects	26,625	(2,247)	24,378	21,845	2,533
Total School-Spon. Athletics	<u>441,417</u>	<u>33,663</u>	<u>475,080</u>	<u>443,739</u>	<u>31,341</u>
Total Instruction	<u>36,622,306</u>	<u>3,392,214</u>	<u>40,014,520</u>	<u>33,746,698</u>	<u>6,267,822</u>

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 50,500	\$ 10,991	\$ 61,491	\$ 55,973	\$ 5,518
Tuition to Other LEAs Within the State - Special	715,419	(114,471)	600,948	413,238	187,710
Tuition to CSSD & Regional Day Schools	2,449,283	500,519	2,949,802	2,679,478	270,324
Tuition to Private Schools for the Disabled - Within State	1,655,118	415,448	2,070,566	1,709,501	361,065
Tuition - State Facilities		6,777	6,777		6,777
Total Undistributed Expenditures - Instruction	4,870,320	819,264	5,689,584	4,858,190	831,394
Undistributed Expenditures - Attend. and Social Work					
Salaries	440,382	375	440,757	393,058	47,699
Purchased Services- Performing Arts	44,432		44,432	31,838	12,594
Supplies and Materials	6,000		6,000	4,448	1,552
Total Undistributed Expenditures - Attend. and Social Work	490,814	375	491,189	429,344	61,845
Undistributed Expenditures- Health Services					
Salaries	554,265	(4,000)	550,265	547,220	3,045
Purchased Professional and Technical Services	18,500	2,600	21,100	20,040	1,060
Supplies and Materials	18,020	1,803	19,823	17,699	2,124
Other Objects	500		500		500
Total Undistributed Expenditures - Health Services	591,285	403	591,688	584,959	6,729
Undistributed Expenditures - Other Supp. Serv. Students - Speech, OT, PT and Related Services					
Salaries	431,045	8,167	439,212	437,869	1,343
Purchased Professional - Educational Services	-	16,029	16,029	13,200	2,829
Supplies and Materials	40,000	1,485	41,485	29,465	12,020
Total Undist. Expend. - Other Supp. Serv. Students - Speech, OT,	471,045	25,681	496,726	480,534	16,192
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	843,272	(99,599)	743,673	700,194	43,479
Salaries of Secretarial and Clerical Assistants	67,429		67,429	67,429	
Purchased Professional - Educational Services		10,000	10,000	1,200	8,800
Other Purchased Prof. and Tech. Services	711,993	(99,045)	612,948	432,258	180,690
Other Purchased Services	16,800	3,003	19,803	11,118	8,685
Supplies and Materials	145,775	61,038	206,813	140,704	66,109
Other Objects	31,200	2,557	33,757	17,301	16,456
Total Undist. Expend. - Guidance	1,816,469	(122,046)	1,694,423	1,370,204	324,219
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	1,603,032	82,940	1,685,972	1,685,806	166
Salaries of Secretarial and Clerical Assistants	137,358		137,358	128,792	8,566
Purchased Prof. - Educational Services	250,000	432,148	682,148	241,099	441,049
Other Purchased Prof. and Tech. Services	1,102,484	(71,767)	1,030,717	938,269	92,448
Other Purchased Services	5,000	(502)	4,498	4,498	
Supplies and Materials	54,000	(33,824)	20,176	19,834	342
Other Objects	20,000	(9,441)	10,559		10,559
Total Undistributed Expenditures - Child Study Teams	3,171,874	399,554	3,571,428	3,018,298	553,130
Undistributed Expenditures - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	70,000	(6,052)	63,948	9,405	54,543
Salaries of Other Professional Staff	40,000		40,000		40,000
Salaries of Secretarial and Clerical Assistants	47,468	3,000	50,468	49,862	606
Salaries of Facilitators, Math Coaches, Literacy Coaches and Master	470,225	3,052	473,277	473,276	1
Purchased Prof. - Educational Services	1,000	5,000	6,000		6,000
Other Purchased Services	6,800	130	6,930	990	5,940
Supplies and Materials	2,000	897	2,897	1,266	1,631
Other Objects		331	331	331	
Total Undistributed Expenditures - Improvement of Inst. Serv.	637,493	6,358	643,851	535,130	108,721

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Purchased Professional and Technical Services	\$ 3,300		\$ 3,300		\$ 3,300
Supplies and Materials	1,000	\$ 4	1,004	\$ 51	953
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>4,300</u>	<u>4</u>	<u>4,304</u>	<u>51</u>	<u>4,253</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	5,000		5,000		5,000
Purchased Professional - Educational Services	53,500	(13,057)	40,443	11,087	29,356
Other Purchased Prof. and Tech. Services	5,000	8,057	13,057	13,057	
Total Undist. Expend. - Instructional Staff Training Serv	<u>63,500</u>	<u>(5,000)</u>	<u>58,500</u>	<u>24,144</u>	<u>34,356</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	552,760	24,895	577,655	577,655	
Legal Services	155,000	(19,214)	135,786	76,239	59,547
Audit Fees	50,000	32,800	82,800	69,923	12,877
Architectural/Engineering Services	120,000	37,499	157,499	9,325	148,174
Other Purchased Professional Services	35,560		35,560	6,380	29,180
Communications/Telephone	68,446	(5,188)	63,258	38,943	24,315
Travel		21,755	21,755	14,714	7,041
Board of Education Other Purchased Services	9,000	6,250	15,250	7,909	7,341
Miscellaneous Purchased Services	27,800	(20,458)	7,342	1,936	5,406
General Supplies	4,500	2,900	7,400	3,549	3,851
Judgements Against the School District	10,000	(1,098)	8,902	30	8,872
Miscellaneous Expenditures	8,500	98,585	107,085	33,477	73,608
Board of Education Dues and Fees	22,500	4,695	27,195	27,195	
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>1,064,066</u>	<u>183,421</u>	<u>1,247,487</u>	<u>867,275</u>	<u>380,212</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	2,206,009	100,000	2,306,009	2,277,430	28,579
Salaries of Secretarial and Clerical Assistants	285,224		285,224	258,807	26,417
Travel	3,150	1,225	4,375	1,459	2,916
Supplies and Materials	26,145	6,295	32,440	9,832	22,608
Other Objects	700		700		700
Total Undist. Expend. - Support Serv. - School Admin.	<u>2,521,228</u>	<u>107,520</u>	<u>2,628,748</u>	<u>2,547,528</u>	<u>81,220</u>
Undist. Expend. - Central Services					
Salaries	410,240		410,240	409,349	891
Purchased Professional Services	80,041		80,041	44,329	35,712
Purchased Technical Services	40,000	(1,695)	38,305	22,333	15,972
Miscellaneous Purchased Services		8,000	8,000		8,000
Supplies and Materials	13,661	10,239	23,900	23,900	
Miscellaneous Expenditures	7,430	30,077	37,507	31,143	6,364
Total Undist. Expend. - Central Services	<u>551,372</u>	<u>46,621</u>	<u>597,993</u>	<u>531,054</u>	<u>66,939</u>
Undist. Expend. - Technology Admin.					
Salaries	399,902	15,925	415,827	415,760	67
Travel	6,925	(6,925)			
Total Undist. Expend. - Technology Admin	<u>406,827</u>	<u>9,000</u>	<u>415,827</u>	<u>415,760</u>	<u>67</u>

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	\$ 796,389	\$ (72,345)	\$ 724,044	\$ 669,194	\$ 54,850
Cleaning, Repair and Maintenance Services	1,664,468	1,281,481	2,945,949	1,864,160	1,081,789
Travel		1,565	1,565	1,563	2
General Supplies	72,500	(615)	71,885	183	71,702
Other Objects	106,800	(104,840)	1,960	1,046	914
Total Undist. Expend. - Required Maint. for Sch. Facil.	2,640,157	1,105,246	3,745,403	2,536,146	1,209,257
Undist. Expend. - Custodial Services					
Salaries	1,595,464	(29,589)	1,565,875	1,181,920	383,955
Purchased Professional - Technical Services	17,000		17,000		17,000
Cleaning, Repair and Maintenance Services	37,000		37,000	(2,549)	39,549
Other Purchased Property Services	157,000	7,000	164,000	127,413	36,587
Insurance	662,220	(49,946)	612,274	595,583	16,691
Travel		116	116	116	
General Supplies	120,000	81,974	201,974	114,552	87,422
Natural Gas	192,000	128,409	320,409	209,644	110,765
Electricity	495,000	208,719	703,719	570,451	133,268
Total Undist. Expend. - Custodial Services	3,275,684	346,683	3,622,367	2,797,130	825,237
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	75,056	(35,000)	40,056		40,056
Cleaning, Repair and Maintenance Services		35,000	35,000	33,900	1,100
General Supplies	33,000		33,000	3,815	29,185
Other Objects	8,000		8,000	414	7,586
Total Undist. Expend. - Care and Upkeep of Grounds	116,056	-	116,056	38,129	77,927
Undist. Expend. - Security					
Salaries	420,000	5,142	425,142	425,065	77
Purchased Professional and Technical Services	36,300	(3,400)	32,900	2,500	30,400
General Supplies	13,000		13,000	(8,995)	21,995
Total Undist. Expend. - Security	469,300	1,742	471,042	418,570	52,472
Undist. Expend. - Student Transportation Serv.					
Salaries for Pupil Trans. (Between Home & School) - Regular	83,087	1	83,088	83,088	
Management Fees - ESC & CTSA Transportation Programs	123,000	22,000	145,000	143,337	1,663
Contracted Services Aid In Lieu of Payment for Non-public School Stu	142,222	3,066	145,288	127,703	17,585
Contracted Services (Between Home and School) - Vendors	1,444,554	2,037,866	3,482,420	3,468,822	13,598
Contracted Services (Other than Between Home and School) - Vendo	370,261	(104,014)	266,247	220,098	46,149
Contracted Services (Special Education Students) - Vendors	394,393	(394,393)			
Contracted Services (Regular Students) - ESCs	150,000	275,233	425,233	425,233	
Contracted Services (Special Education Students) - ESCs	3,347,835	(2,345,640)	1,002,195	994,671	7,524
Other Objects	11,000	(8,550)	2,450	2,450	
Total Undist. Expend. - Student Transportation Serv.	6,066,352	(514,431)	5,551,921	5,465,402	86,519
Unallocated Benefits					
Social Security Contributions	595,000	119,000	714,000	713,779	221
Other Retirement Contributions - Regular	736,336	(17,000)	719,336	711,502	7,834
Workmen's Compensation	317,822	14,110	331,932	331,928	4
Health Benefits	11,825,688	(321,081)	11,504,607	10,861,340	643,267
Tuition Reimbursement	125,000		125,000	85,925	39,075
Other Employee Benefits	282,060	799	282,859	184,099	98,760
Total Unallocated Benefits	13,881,906	(204,172)	13,677,734	12,888,573	789,161
On-Behalf Contributions					
TPAF Pension Contribution (On-Behalf - Non-Budgeted)				11,597,615	(11,597,615)
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)				3,156,446	(3,156,446)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				4,619	(4,619)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,422,933	(2,422,933)
Total On-behalf Contributions	-	-	-	17,181,613	(17,181,613)
TOTAL UNDISTRIBUTED EXPENDITURES	43,110,048	2,206,223	45,316,271	56,988,034	(11,671,763)
Interest earned on current expense emergency reserve	1,500		1,500		1,500
TOTAL GENERAL CURRENT EXPENSE	79,733,854	5,598,437	85,332,291	90,734,732	(5,402,441)

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Required Maintenance for School Facilities					
Non-Instructional equipment	\$ 100,000	\$ 115,000	\$ 215,000	\$ 170,114	\$ 44,886
Total Required Maintenance for School Facilities	<u>100,000</u>	<u>115,000</u>	<u>215,000</u>	<u>170,114</u>	<u>44,886</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		263,450	263,450	163,125	100,325
Construction Services	3,000,000	(572,455)	2,427,545	1,553,401	874,144
School Security		57,654	57,654		57,654
Other Objects	348		348	348	
Interest Deposit to Capital Reserve	1,500		1,500		1,500
Other Objects - Transfer to Capital Projects		784,313	784,313		784,313
Total Facilities Acquisition and Construction Services	<u>3,001,848</u>	<u>532,962</u>	<u>3,534,810</u>	<u>1,716,874</u>	<u>1,817,936</u>
TOTAL CAPITAL OUTLAY	<u>3,101,848</u>	<u>647,962</u>	<u>3,749,810</u>	<u>1,886,988</u>	<u>1,862,822</u>
SPECIAL SCHOOLS					
Instructional Alternative Education Programs - Instruction					
Salaries	72,000	46,176	118,176	117,525	651
Other Salaries for Instruction	80,000	(35,000)	45,000	43,854	1,146
Total Instructional Alternative Education Programs - Instruction	<u>152,000</u>	<u>11,176</u>	<u>163,176</u>	<u>161,379</u>	<u>1,797</u>
Support Services Alternative Education Programs - Instruction					
Purchased Professional and Technical Services	25,000	(12,394)	12,606	10,005	2,601
Other Objects	1,520	1,218	2,738	2,733	5
Total Support Services Alternative Education Programs - Instruction	<u>26,520</u>	<u>(11,176)</u>	<u>15,344</u>	<u>12,738</u>	<u>2,606</u>
TOTAL SPECIAL SCHOOLS	<u>178,520</u>	<u>-</u>	<u>178,520</u>	<u>174,117</u>	<u>4,403</u>
Total Contribution to Charter Schools	<u>504,965</u>	<u>37,769</u>	<u>542,734</u>	<u>330,534</u>	<u>212,200</u>
TOTAL EXPENDITURES	<u>83,519,187</u>	<u>6,284,168</u>	<u>89,803,355</u>	<u>93,126,371</u>	<u>(3,323,016)</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(5,003,239)</u>	<u>(6,284,168)</u>	<u>(11,287,407)</u>	<u>3,729,763</u>	<u>15,017,170</u>
Other Financing Sources/(Uses):					
Transfer In - Capital Projects Fund				146,134	146,134
Transfer Out - Capital Projects Fund				(784,313)	(784,313)
Transfer Out - Special Revenue Fund				(206,100)	(206,100)
Transfer Out - Special Revenue Fund - Preschool	(592,240)		(592,240)	(592,240)	
Total Other Financing (Uses)	<u>(592,240)</u>	<u>-</u>	<u>(592,240)</u>	<u>(1,436,519)</u>	<u>(844,279)</u>
Change in fund balance	<u>(5,595,479)</u>	<u>(6,284,168)</u>	<u>(11,879,647)</u>	<u>2,293,244</u>	<u>14,172,891</u>
Fund Balance, July 1	<u>20,818,250</u>	<u>-</u>	<u>20,818,250</u>	<u>20,818,250</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 15,222,771</u>	<u>\$ (6,284,168)</u>	<u>\$ 8,938,603</u>	<u>\$ 23,111,494</u>	<u>\$ 14,172,891</u>

CARTERET BOARD OF EDUCATION
Budgetary Comparison Schedule
(Budgetary Basis)
General Fund
Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of (Deficiency) Excess of Revenues and (Under) Over Expenditures:					
Adjustment for Prior Year Encumbrances		\$ (6,284,168)	\$ (6,284,168)	\$ (6,284,168)	
Budgeted Fund Balance	\$ (2,595,479)		(2,595,479)	12,397,424	\$ 14,992,903
Withdrawal Capital Reserve	(3,000,000)		(3,000,000)	(2,589,593)	410,407
Transfer from Capital Outlay to Capital Projects Fund				(784,313)	(784,313)
Transfer from Capital Projects Fund to Capital Outlay				146,134	146,134
Transfer to Special Revenue Fund				(592,240)	(592,240)
Total	<u>\$ (5,595,479)</u>	<u>\$ (6,284,168)</u>	<u>\$ (11,879,647)</u>	<u>\$ 2,293,244</u>	<u>\$ 14,172,891</u>
Recapitulation of Fund Balance:					
Assigned to:					
Designated for subsequent year's expenditures				\$ 311,527	
Year end encumbrances				4,356,223	
Committed to:					
Year end encumbrances				564,062	
Restricted for:					
Unemployment reserve				392,872	
Emergency reserve				500,000	
Capital reserve				9,071,629	
Capital reserve- designated for subsequent year's expenditures				5,950,000	
Unassigned fund balance				1,965,181	
				<u>23,111,494</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance					
Last State Aid Payments Not Recognized on GAAP Basis				<u>(4,975,417)</u>	
Fund balance per Governmental Funds (GAAP)				<u>\$ 18,136,077</u>	

**CARTERET BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES					
Local sources	\$ 5,000	\$ (2,915)	\$ 2,085	\$ 460,093	\$ (458,008)
State sources	4,164,707	(180,498)	3,984,209	2,512,796	1,471,413
Federal sources	6,425,724	550,320	6,976,044	6,423,340	552,704
Total revenues	<u>10,595,431</u>	<u>366,907</u>	<u>10,962,338</u>	<u>9,396,229</u>	<u>1,566,109</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	3,532,146	(1,084,125)	2,448,021	2,402,399	45,622
Other salaries for instruction	142,371		142,371	86,479	55,892
Purchased professional and technical services	1,108,543	(799,742)	308,801	304,371	4,430
Purchased professional and educational services	30,000		30,000		30,000
Other purchased professional Services	270,478	38,248	308,726	308,726	
Other purchased services	48,396	2,079	50,475	50,475	
Tuition to Other LEAs within the State - special education		175,780	175,780	175,780	
Tuition to County Special Services Districts and Regional Day School		186,395	186,395	186,395	
Tuition to Private Schools for the Disabled within the State		574,979	574,979	574,979	
General supplies	123,811	1,204,365	1,328,176	1,032,615	295,561
Textbooks	6,204	(76)	6,128	6,128	
Other objects		467,512	467,512		467,512
Total instruction	<u>5,261,949</u>	<u>765,415</u>	<u>6,027,364</u>	<u>5,128,347</u>	<u>899,017</u>
Support services:					
Salaries of supervisors of instruction	112,177	390,568	502,745	430,064	72,681
Salaries of program directors	10,000	45,766	55,766	55,766	
Salaries of other professional staff	132,269		132,269	13,952	118,317
Salaries of secretarial and clerical asst.	1,000		1,000		1,000
Salaries of master teachers	216,930		216,930	216,930	
Personnel services - salaries	3,000		3,000		3,000
Other salaries		182	182	182	
Salaries of family - parent liason	95,797		95,797	20,223	75,574
Personal services - employee benefits	678,438	831,186	1,509,624	1,095,456	414,168
Purchased professional and technical services	101,007	340,164	441,171	435,661	5,510
Purchased professional-educational services	69,889	279,719	349,608	319,515	30,093
Other Purchased Professional – Education Services.	540,240		540,240	445,178	95,062
Other purchased professional services	55,000		55,000	40,202	14,798
Cleaning repairs and maintenance	633,718	(633,718)			
Other Purchased services	750	40,435	41,185	39,185	
Miscellaneous Purchases	200,000	(175,419)	24,581	6,015	18,566
Supplies and materials	125,000	156,416	281,416	91,476	189,940
Student activity disbursements				442,070	(442,070)
Other objects	125,030	(98,446)	26,584	26,130	454
Total support services	<u>3,100,245</u>	<u>1,176,853</u>	<u>4,277,098</u>	<u>3,678,005</u>	<u>597,093</u>
Facilities acquisition and construction services:					
Instructional equipment	2,825,477	(1,725,361)	1,100,116	1,030,384	69,732
Noninstructional equipment		150,000	150,000	133,710	16,290
Total facilities acquisition and construction services	<u>2,825,477</u>	<u>(1,575,361)</u>	<u>1,250,116</u>	<u>1,164,094</u>	<u>86,022</u>
Total Expenditures	<u>11,187,671</u>	<u>366,907</u>	<u>11,554,578</u>	<u>9,970,446</u>	<u>1,584,132</u>
Excess (deficiency) of revenues over (under) expenditures	(592,240)	-	(592,240)	(574,217)	(18,023)
Other Financing Sources (Uses)					
Transfers in from General Fund				206,100	206,100
Cancellation of grants				(206,100)	(206,100)
General Fund Contribution to Preschool Education	592,240	-	592,240	592,240	-
Total other financing uses	<u>592,240</u>	<u>-</u>	<u>592,240</u>	<u>592,240</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	-	-	-	18,023	(18,023)
Fund Balance July 1	<u>206,137</u>	<u>-</u>	<u>206,137</u>	<u>206,137</u>	<u>-</u>
Fund Balance June 30	<u>\$ 206,137</u>	<u>\$ -</u>	<u>\$ 206,137</u>	<u>\$ 224,160</u>	<u>\$ (18,023)</u>
Recapitulation:					
Restricted:					
Student Activities and Scholarships				\$ 224,160	
Reconciliation to Governmental Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis				(296,120)	
Fund balance (deficit) per Governmental Funds (GAAP) (B-1)				<u>\$ (71,960)</u>	

CARTERET BOARD OF EDUCATION
Note to Required Supplementary Information
Budget to GAAP Reconciliation
Year ended June 30, 2024

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenues"			
from the budgetary comparison schedule	[C-1, C-2]	\$ 96,856,134	\$ 9,396,229
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year			(1,245,459)
Prior Year, net of cancellations			461,665
Local contribution - Transfer to Grants and Entitlements			
Preschool Education Aid			(592,240)
The last State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		(4,975,417)	(296,120)
The prior year's last State aid payment are recognized for GAAP statements, not recognized for budgetary purposes.		4,371,072	
Transfers from other funds are presented as inflows of resources but are not revenues for financial reporting purposes.			592,240
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 96,251,789	\$ 8,316,315
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1, C-2]	\$ 93,126,371	\$ 9,970,446
Differences - budget to GAAP:			
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Current Year			(1,245,459)
Prior Year			461,665
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 93,126,371	\$ 9,186,652

Special Revenue Fund

**BOROUGH OF CARTERET SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	CHAPTER 192					CHAPTER 193		
	NON PUBLIC NURSING	NON PUBLIC TEXTBOOKS	NON PUBLIC SECURITY	NON PUBLIC TECH INITIATIVE	NON PUBLIC CORRECTIVE SPEECH	NON PUBLIC EXAM & CLASSIFICATION	NON PUBLIC TRANSPORTATION	NON PUBLIC ESL
REVENUES:								
Local sources	\$ 16,440	\$ 6,128	\$ 28,085	\$ 5,194	\$ 4,650	\$ 13,269	\$ 4,512	\$ 916
State sources								
Federal sources								
Total revenues	16,440	6,128	28,085	5,194	4,650	13,269	4,512	916
EXPENDITURES:								
Instruction:								
Salaries of teachers	-	-	-	-	-	-	-	-
Other salaries for instruction	-	-	-	-	-	-	-	-
Purchased prof. and technical services	-	-	-	-	-	-	-	-
Other purchased Professional Services	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-
Tuition to Other LEAs within the State- Special education	-	-	-	-	-	-	-	-
Tuition to County Special Services Districts and Regional Day School	-	-	-	-	-	-	-	-
Tuition to Private Schools for the Disabled within the State	-	-	-	-	-	-	-	-
General supplies	-	-	28,085	5,194	-	-	-	-
Textbooks	-	6,128	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total instruction	-	6,128	28,085	5,194	-	-	-	-
Support services:								
Personnel services - salaries	-	-	-	-	-	-	-	-
Salaries of program directors	-	-	-	-	-	-	-	-
Salaries of other professional staff	-	-	-	-	-	-	-	-
Other salaries	-	-	-	-	-	-	-	-
Student activity disbursements	-	-	-	-	-	-	-	-
Salaries of master teachers	-	-	-	-	-	-	-	-
Personal services - employee benefits	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	-	-	-	-	-	-	-
Purchased professional-educational services	16,440	-	-	-	4,650	13,269	4,512	916
Other Purchased Professional – Education Services.	-	-	-	-	-	-	-	-
Other purchased professional services	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-	-
Miscellaneous Purchases	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total support services	16,440	-	-	-	4,650	13,269	4,512	916
Facilities acquisition and construction services:								
Instructional equipment	-	-	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-	-	-
Noninstructional equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-	-
Total expenditures	16,440	6,128	28,085	5,194	4,650	13,269	4,512	916
Other financing sources:								
General Fund Contribution to Preschool Education								
Total other financing sources								
Net changes in fund balance								
Fund balance, July 1								
Fund balance, June 30								

**BOROUGH OF CARTERET SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

REVENUES:

Local sources
State sources
Federal sources

Total revenues

EXPENDITURES:

Instruction:
Salaries of teachers
Other salaries for instruction
Purchased prof. and technical services
Other purchased Professional Services
Other purchased services
Tuition to Other LEAs within the State- Special education
Tuition to County Special Services Districts and Regional Day School
Tuition to Private Schools for the Disabled within the State
General supplies
Textbooks
Other objects

Total instruction

Support services:

Personnel services - salaries
Salaries of program directors
Salaries of other professional staff
Other salaries
Student activity disbursements
Salaries of master teachers
Personal services - employee benefits
Purchased professional and technical services
Purchased professional-educational services
Other Purchased Professional – Education Services.
Other purchased professional services
Other purchased services
Miscellaneous Purchases
Supplies and materials
Other objects

Total support services

Facilities acquisition and construction services:

Instructional equipment
Instructional equipment
Noninstructional equipment
Total facilities acquisition and construction services

Total expenditures

Other financing sources:

General Fund Contribution to Preschool Education
Total other financing sources

Net changes in fund balance

Fund balance, July 1

Fund balance, June 30

TITLE IV	CRRSA ESSER II		ARP ESSER III	ARP ESSER III				
	LEARNING ACCELERATION	MENTAL HEALTH		LEARNING ACCELERATION	SUMMER LEARNING	BEYOND THE SCHOOL DAY	MENTAL HEALTH (NJTSS)	HOMELESS
\$ 47,183	\$ 72,994	\$ 10,719	\$ 2,962,385	\$ 251,289	\$ 10,910	\$ 25,131	\$ 5,000	\$ 8,771
47,183	72,994	10,719	2,962,385	251,289	10,910	25,131	5,000	8,771
-	-	-	358,118	-	-	-	-	-
6,300	-	7,200	6,300	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
11,448	72,994	-	703,740	-	10,910	25,131	-	657
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
17,748	72,994	7,200	1,068,158	-	10,910	25,131	-	657
435	-	67	176,017	115,363	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	289,433	62,700	-	-	-	-
29,000	-	3,452	209,710	69,843	-	-	5,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	28,477	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	365	3,383	-	-	-	8,114
-	-	-	26,131	-	-	-	-	-
29,435	-	3,519	730,133	251,289	-	-	5,000	8,114
-	-	-	1,030,384	-	-	-	-	-
-	-	-	133,710	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,164,094	-	-	-	-	-
47,183	72,994	10,719	2,962,385	251,289	10,910	25,131	5,000	8,771

**BOROUGH OF CARTERET SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	ADDITIONAL OR COMPENSATORY					
	SPECIAL EDUCATION & RELATED SERVICES	PRESCHOOL EDUCATION AID	HIGH IMPACT TUTORING	SCHOOL BASED YOUTH SERVICES	STUDENT ACTIVITIES	TOTALS
REVENUES:						
Local sources					\$ 460,093	\$ 460,093
State sources		\$ 2,083,661	\$ 279,598	\$ 308,726		2,512,796
Federal sources	\$ 17,900					6,423,340
Total revenues	17,900	2,083,661	279,598	308,726	460,093	9,396,229
EXPENDITURES:						
Instruction:						
Salaries of teachers	-	1,367,378	32,197	-	-	2,402,399
Other salaries for instruction	-	86,479	-	-	-	86,479
Purchased prof. and technical services	-	-	243,294	-	-	304,371
Other purchased Professional Services	-	-	-	308,726	-	308,726
Other purchased services	14,692	-	-	-	-	50,475
Tuition to Other LEAs within the State- Special education	-	-	-	-	-	175,780
Tuition to County Special Services Districts and Regional Day School	-	-	-	-	-	186,395
Tuition to Private Schools for the Disabled within the State	-	-	-	-	-	574,979
General supplies	-	14,167	3,357	-	-	1,032,615
Textbooks	-	-	-	-	-	6,128
Other objects	-	-	-	-	-	-
Total instruction	14,692	1,468,024	278,848	308,726	-	5,128,347
Support services:						
Personnel services - salaries	-	-	-	-	-	430,064
Salaries of program directors	-	55,766	-	-	-	55,766
Salaries of other professional staff	-	13,952	-	-	-	13,952
Other salaries	-	-	-	-	-	182
Student activity disbursements	-	-	-	-	-	-
Salaries of master teachers	-	216,930	-	-	-	216,930
Personal services - employee benefits	-	354,166	-	-	-	1,095,456
Purchased professional and technical services	-	-	-	-	-	435,660
Purchased professional-educational services	-	-	-	-	-	319,515
Other Purchased Professional – Education Services.	-	445,178	-	-	-	445,178
Other purchased professional services	-	40,202	-	-	-	40,202
Other purchased services	3,208	-	750	-	-	39,185
Miscellaneous Purchases	-	-	-	-	-	6,015
Supplies and materials	-	61,460	-	-	-	91,476
Other objects	-	-	-	-	442,070	468,201
Total support services	3,208	1,207,877	750	-	442,070	3,678,005
Facilities acquisition and construction services:						
Instructional equipment	-	-	-	-	-	1,030,384
Instructional equipment	-	-	-	-	-	133,710
Noninstructional equipment	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	1,164,094
Total expenditures	17,900	2,675,901	279,598	308,726	442,070	9,970,446
Other financing sources:						
General Fund Contribution to Preschool Education		592,240			-	592,240
Total other financing sources		592,240			-	592,240
Net changes in fund balance		-			18,023	18,023
Fund balance, July 1		-			206,137	206,137
Fund balance, June 30	\$	-			\$ 224,160	\$ 224,160

**BOROUGH OF CARTERET SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	FINAL BUDGET	PRESCHOOL ACTUAL	VARIANCE
EXPENDITURES:			
Instruction:			
Salaries of teachers	\$ 1,367,378	\$ 1,367,378	
Other salaries for instruction	142,371	86,479	\$ 55,892
Purchased prof. and educational services	30,000		30,000
General supplies	121,648	14,167	107,481
Other objects	466,012		466,012
Total instruction	<u>2,127,409</u>	<u>1,468,024</u>	<u>659,385</u>
Support services:			
Salaries of supervisors of instruction	10,000		10,000
Salaries of program directors	55,766	55,766	
Salaries of other professional staff	132,269	13,952	118,317
Salaries of secretarial and clerical asst.	1,000		1,000
Other salaries	3,000		3,000
Salaries of Family/Parent Liaison and Community Parent Involvement Specialist	95,797	20,223	75,574
Salaries of master teachers	216,930	216,930	
Personal services - employee benefits	674,362	354,166	320,196
Other Purchased Professional – Education Services.	540,240	445,178	95,062
Other purchased professional services	55,000	40,202	14,798
Supplies and materials	225,000	61,460	163,540
Total support services	<u>2,009,364</u>	<u>1,207,877</u>	<u>801,487</u>
Total expenditures	<u>\$ 4,136,773</u>	<u>\$ 2,675,901</u>	<u>\$ 1,460,872</u>
CALCULATION OF BUDGET AND CARRYOVER:			
Total revised 2023-24 Preschool Education Aid Allocation	\$ 2,961,200		
Add: Actual PEA Carryover (June 30, 2023)	583,333		
Add: Budgeted Transfer from the General Fund 2023-24	<u>592,240</u>		
Total Preschool Education Aid Available for 2023-24 Budget	4,136,773		
Less: 2023-24 Modified Budgeted Preschool Education Aid (including Prior year budget carryover)	<u>(4,136,773)</u>		
Available & Unbudgeted PEA Funds as of June 30, 2024	-		
Add: June 30, 2024 Unexpended PEA	<u>1,460,872</u>		
2023-24 Carryover - Preschool Aid Programs	<u>\$ 1,460,872</u>		
2023-24 PEA Carryover Budgeted for 2024-25 Preschool Programs	<u>\$ -</u>		

Capital Projects Fund

**Carteret Board of Education
Capital Projects Fund**

Summary Schedule of Project Expenditures

Year ended June 30, 2024

Issue/Project Title	Approval Date	Appropriations	Revised Appropriations	Expenditures to Date		Unexpended Balance
				Prior Year	Current Year	
2020 Referendum Projects	9/24/2019	\$ 36,999,995	\$ 36,999,995	\$ 29,248,586	\$ 463,272	\$ 7,288,137
Roof Replacements at Carteret High School	12/7/2023	229,486	229,486			229,486
Roof Replacements at Carteret Middle School	12/7/2023	1,168,842	1,168,842			1,168,842
Roof Replacements at Columbus School	12/7/2023	95,128	95,128			95,128
Roof Replacements at Private Nicholas Minue School	12/7/2023	281,326	281,326			281,326
		<u>\$ 38,774,777</u>	<u>\$ 38,774,777</u>	<u>\$ 29,248,586</u>	<u>\$ 463,272</u>	<u>\$ 9,062,919</u>

Fund Balance, June 30, 2024 (Budgetary Basis) \$ 9,062,919

Less: Unearned Revenue - SDA Grants 990,469

Fund Balance, June 30, 2024 (GAAP Basis) \$ 8,072,450

Recapitulation of Fund Balance - June 30, 2024 (Budgetary Basis)

Restricted:

Year-End Encumbrances \$ 4,699,418

Available for Capital Projects 4,363,501

Total Fund Balance - Restricted for Capital Projects \$ 9,062,919

Carteret Board of Education
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures,
And Changes in Fund Balance
(Budgetary Basis)
Year ended June 30, 2024

	<u>Current Year</u>
Revenues and Other Financing Sources	
State Sources - SDA Grant - Regular Operating Districts	\$ 990,469
Interest Earned	146,134
Transfers from General Fund	<u>784,313</u>
Total Revenues and Other Financing Sources	<u>1,920,916</u>
Expenditures and Other Financing Uses	
Purchased Professional Services	187,165
Construction Services	276,107
Transfers to General Fund	<u>146,134</u>
Total Expenditures and Other Financing Uses	<u>609,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,311,510
Fund Balance, July 1	<u>7,751,409</u>
Fund Balance, June 30	<u><u>\$ 9,062,919</u></u>
<u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance - June 30, 2024, Budgetary Basis	\$ 9,062,919
Less: Unearned Revenue SDA Grant not recognized on a GAAP basis	<u>(990,469)</u>
Fund Balance - June 30, 2024 GAAP Basis	<u><u>\$ 8,072,450</u></u>

**Carteret Board of Education
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

2020 Referendum Projects

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Bond Sale Proceeds	\$ 36,999,995		\$ 36,999,995	\$ 36,999,995
Transfers from Capital Reserve				
Total Revenues	36,999,995		36,999,995	36,999,995
Expenditures and Other Financing Uses				
Purchased Professional Services	4,235,904	\$ 187,165	4,423,069	2,927,450
Construction Services	25,012,682	276,107	25,288,789	34,072,545
Total Expenditures	29,248,586	463,272	29,711,858	36,999,995
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,751,409	\$ (463,272)	\$ 7,288,137	\$ -
Additional project information				
Project number	Various			
Grant date	N/A			
Referendum date	September 24, 2019			
Bond authorization date	April 29, 2020			
Bonds Authorized	\$ 36,999,995			
Bonds Issued	36,999,995			
Original Authorized Cost	36,999,995			
Additional Authorized Cost				
Revised Authorized Cost	36,999,995			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage completion				
	80.30%			
Original target completion date	September 2022			
Revised target completion date	September 2023			

**Carteret Board of Education
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

Roof Replacements at Carteret High School

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 128,072	\$ 128,072	\$ 128,072
Bond Sale Proceeds		101,414	101,414	101,414
Transfers from Capital Reserve				
Total Revenues	-	229,486	229,486	229,486
Expenditures and Other Financing				
Purchased Professional Services				229,486
Construction Services				
Total Expenditures	-	-	-	229,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 229,486	\$ 229,486	\$ -
Additional project information				
Project number	0750-030-23-G5VQ			
Grant date	April 11, 2024			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$	229,486		
Additional Authorized Cost				
Revised Authorized Cost		229,486		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		0.00%		
Original target completion date	June 30, 2025			
Revised target completion date	June 30, 2025			

**Carteret Board of Education
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

Roof Replacements at Carteret Middle School

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ -	\$ 652,306	\$ 652,306	\$ 652,306
Bond Sale Proceeds		516,536	516,536	516,536
Transfers from Capital Reserve				
Total Revenues	-	1,168,842	1,168,842	1,168,842
Expenditures and Other Financing				
Purchased Professional Services				1,168,842
Construction Services				
Total Expenditures	-	-	-	1,168,842
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,168,842	\$ 1,168,842	\$ -
Additional project information				
Project number	0750-055-23-G5CY			
Grant date	April 11, 2024			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,168,842			
Additional Authorized Cost				
Revised Authorized Cost	1,168,842			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	0.00%			
Original target completion date	June 30, 2025			
Revised target completion date	June 30, 2025			

**Carteret Board of Education
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

Roof Replacements at Columbus School

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - SDA Grant	\$ -	\$ 53,089	\$ 53,089	\$ 53,089
Bond Sale Proceeds		42,039	42,039	42,039
Transfers from Capital Reserve				
Total Revenues	-	95,128	95,128	95,128
Expenditures and Other Financing				
Purchased Professional Services				95,128
Construction Services				95,128
Total Expenditures	-	-	-	95,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 95,128	\$ 95,128	\$ -
Additional project information				
Project number	0750-050-23-G5VR			
Grant date	April 11, 2024			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 95,128			
Additional Authorized Cost				
Revised Authorized Cost	95,128			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage completion	0.00%			
Original target completion date	June 30, 2025			
Revised target completion date	June 30, 2025			

**Carteret Board of Education
Capital Projects Fund**

**Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)**

Roof Replacements at Private Nicholas Minue School

From Inception and for the year ended June 30, 2024

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing				
Sources				
State Sources - SDA Grant	\$ -	\$ 157,002	\$ 157,002	\$ 157,002
Bond Sale Proceeds				
Transfers from Capital Reserve		124,324	124,324	124,324
Total Revenues	-	281,326	281,326	281,326
Expenditures and Other Financing				
Purchased Professional Services				281,326
Construction Services				281,326
Total Expenditures	-	-	-	281,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 281,326	\$ 281,326	\$ -
Additional project information				
Project number	0750-057-23-G5VS			
Grant date	April 11, 2024			
Bond authorization date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$	281,326		
Additional Authorized Cost				
Revised Authorized Cost		281,326		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		0.00%		
Original target completion date	June 30, 2025			
Revised target completion date	June 30, 2025			

Long-Term Debt

**Carteret Board of Education
Long-Term Debt**

Schedule of Serial Bonds Payable

Year ended June 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance
			Date	Amount		June 30, 2023		June 30, 2024
School Bonds, Series 2020	June 2, 2020	\$ 36,999,995	2/1/2025	\$ 900,000	2.00%	\$ 35,195,000	\$ 900,000	\$ 34,295,000
			2/1/2026	905,000	2.00%			
			2/1/2027	925,000	2.00%			
			2/1/2028	950,000	2.00%			
			2/1/2029	970,000	2.00%			
			2/1/2030	1,000,000	2.00%			
			2/1/2031	1,030,000	2.00%			
			2/1/2032	1,065,000	2.00%			
			2/1/2033	1,095,000	3.00%			
			2/1/2034	1,135,000	3.00%			
			2/1/2035	1,170,000	3.00%			
			2/1/2036	1,215,000	3.00%			
			2/1/2037	1,255,000	3.00%			
			2/1/2038	1,300,000	3.00%			
			2/1/2039	1,345,000	3.00%			
			2/1/2040	1,395,000	3.00%			
			2/1/2041	1,440,000	3.00%			
			2/1/2042	1,490,000	3.00%			
			2/1/2043	1,545,000	3.00%			
			2/1/2044	1,600,000	3.00%			
			2/1/2045	1,655,000	3.00%			
			2/1/2046	1,720,000	3.00%			
			2/1/2047	1,790,000	3.00%			
			2/1/2048	1,800,000	3.00%			
			2/1/2049	1,800,000	3.00%			
			2/1/2050	1,800,000	3.00%			
						\$ 35,195,000	\$ 900,000	\$ 34,295,000

**Carteret Board of Education
Long-Term Debt**

Schedule of Obligations Under Certificates of Participation

Year ended June 30, 2024

<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Interest Rate Payable On Remaining Balance</u>	<u>Balance June 30, 2023</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
2015 Refunding (COP)	\$ 7,455,000	2.00 - 3.00%	\$ 3,800,000	\$ 500,000	\$ 3,300,000
			<u>\$ 3,800,000</u>	<u>\$ 500,000</u>	<u>\$ 3,300,000</u>

Note: COP Indicates Certificate of Participation

**Carteret Board of Education
Debt Service Fund**

Budgetary Comparison Schedule

Year ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,941,140		\$ 1,941,140	\$ 1,941,140	
State Sources:					
Debt Service Aid Type II	533,935		533,935	533,935	
Total Revenues	<u>2,475,075</u>		<u>2,475,075</u>	<u>2,475,075</u>	
Expenditures:					
Regular Debt Service:					
Principal on Lease Purchase - COPS	500,000		500,000	500,000	
Interest on Lease Purchase - COPS	105,675		105,675	105,675	
Interest on Bonds	969,400		969,400	969,400	
Principal on Bonds	900,000		900,000	900,000	
Total expenditures	<u>2,475,075</u>		<u>2,475,075</u>	<u>2,475,075</u>	
Excess of revenues over expenditures	-		-	-	
Fund balance, July 1	-		-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section

Statistical Section
Unaudited

Contents

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.

Revenue Capacity

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

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.

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.

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.

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

Carteret Board of Education
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2015	2016	2017	2018	2019	June 30, 2020 (Restated)	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 10,581,863	\$ 12,139,789	\$ 12,881,900	\$ 13,253,738	\$ 14,050,425	\$ 13,501,178	\$ 13,639,848	\$ 14,840,382	\$ 18,726,957	\$ 21,522,610
Restricted	92	650,501	1,400,500	519,188	509,470	2,629,450	3,773,513	6,509,743	10,195,036	16,922,974
Unrestricted (deficit)	(16,938,060)	(17,048,567)	(18,219,952)	(17,355,694)	(17,620,341)	(17,837,961)	(14,620,152)	(11,533,494)	(7,932,274)	(11,698,732)
Total governmental activities net position	<u>\$ (6,356,105)</u>	<u>\$ (4,258,277)</u>	<u>\$ (3,937,552)</u>	<u>\$ (3,582,768)</u>	<u>\$ (3,060,446)</u>	<u>\$ (1,707,333)</u>	<u>\$ 2,793,209</u>	<u>\$ 9,816,631</u>	<u>\$ 20,989,719</u>	<u>\$ 26,746,852</u>
Business-type activities:										
Investment in capital assets	\$ 440,820	\$ 399,111	\$ 357,402	\$ 315,692	\$ 281,340	\$ 239,878	\$ 366,538	\$ 337,928	\$ 419,416	\$ 526,836
Unrestricted (deficit)	216,204	655,448	41,062	308,566	815,153	1,214,678	1,323,457	2,309,536	2,971,005	2,935,015
Total business-type activities net position	<u>\$ 657,024</u>	<u>\$ 1,054,559</u>	<u>\$ 398,464</u>	<u>\$ 624,258</u>	<u>\$ 1,096,493</u>	<u>\$ 1,454,556</u>	<u>\$ 1,689,995</u>	<u>\$ 2,647,464</u>	<u>\$ 3,390,421</u>	<u>\$ 3,461,851</u>
District-wide:										
Net investment in capital assets	\$ 11,022,683	\$ 12,538,900	\$ 13,239,302	\$ 13,569,430	\$ 14,331,765	\$ 13,741,056	\$ 14,006,386	\$ 15,178,310	\$ 19,146,373	\$ 22,049,446
Restricted	92	650,501	1,400,500	519,188	509,470	2,629,450	3,773,513	6,509,743	10,195,036	16,922,974
Unrestricted (deficit)	(16,721,856)	(16,393,119)	(18,178,890)	(17,047,128)	(16,805,188)	(16,623,283)	(13,296,695)	(9,223,958)	(4,961,270)	(8,763,717)
Total district net position	<u>\$ (5,699,081)</u>	<u>\$ (3,203,718)</u>	<u>\$ (3,539,088)</u>	<u>\$ (2,958,510)</u>	<u>\$ (1,963,953)</u>	<u>\$ (252,777)</u>	<u>\$ 4,483,204</u>	<u>\$ 12,464,095</u>	<u>\$ 24,380,139</u>	<u>\$ 30,208,703</u>

Source: ACFR Schedule A-1 and District records.

Note 1. GASB No. 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$174,136.

Carteret Board of Education
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 29,302,793	\$ 29,859,830	\$ 32,796,929	\$ 35,287,441	\$ 35,738,554	\$ 35,770,081	\$ 40,488,877	\$ 36,938,917	\$ 36,236,541	\$ 39,498,780
Special education	12,989,622	12,959,900	14,049,462	15,684,751	15,456,654	14,347,977	13,410,986	10,370,488	9,779,059	10,967,329
Other special education	2,343,564	2,332,775	2,889,622	3,287,124	3,255,382	3,504,382	3,802,158	3,731,982	3,408,296	3,858,748
School sponsored activities and athletics	505,909	579,426	588,697	662,544	677,616	652,932	382,317	745,657	761,002	837,816
Support Services:										
Tuition										
Student & instruction related services	7,025,149	7,754,543	8,805,795	8,173,073	7,989,432	8,521,121	9,915,466	15,010,565	17,726,904	17,941,096
School administrative services	3,127,633	3,384,585	4,117,025	4,072,383	3,541,865	3,554,257	4,103,085	1,715,148	1,378,278	1,221,509
General administration services	1,257,571	1,113,582	1,236,146	1,350,446	1,474,490	1,563,327	1,416,925	3,651,110	3,964,396	4,052,851
Central services	1,251,322	1,338,402	1,419,864	1,357,978	1,359,246	1,356,407	1,536,247	1,392,128	1,358,478	1,542,534
Plant operations and maintenance	6,310,838	5,966,909	6,625,429	7,577,581	6,458,542	5,918,261	6,028,833	6,072,987	7,365,286	6,105,378
Pupil transportation	2,788,611	2,736,599	2,685,999	2,948,428	3,465,427	3,244,933	2,859,554	4,202,642	5,151,649	5,608,520
Charter schools										330,534
Special schools										271,771
Interest on long-term debt	439,892	490,930	391,191	512,680	228,302	262,048	1,163,737	1,131,591	1,091,608	1,105,124
Total governmental activities expense:	67,342,904	68,517,481	75,616,159	80,914,429	79,651,671	78,698,567	85,108,185	84,963,215	88,221,497	93,341,990
Business-type activities										
Food service	1,908,223	1,729,508	2,543,630	2,354,336	2,169,812	1,813,753	1,237,519	2,276,634	2,364,481	3,333,131
Enrichment academy	350,901	157,520	634,847	178,231	218,137	175,680	53,472	179,959	223,902	259,496
Total business-type activities expense:	2,259,124	1,887,028	3,178,277	2,532,567	2,387,949	1,989,433	1,290,991	2,456,593	2,588,383	3,592,627
Total district expenses:	\$ 69,602,028	\$ 70,404,509	\$ 78,794,436	\$ 83,446,996	\$ 82,039,620	\$ 80,688,000	\$ 86,399,176	\$ 87,419,808	\$ 90,809,880	\$ 96,934,617
Program Revenues										
Governmental activities										
Charges for services					\$ 47,076		\$ 102,444	\$ 334,231	\$ 448,714	
Grants and contributions	\$ 17,548,589	\$ 19,660,547	\$ 24,427,731	\$ 27,668,511	26,459,790	\$ 25,027,913	32,104,218	28,390,858	29,635,684	\$ 23,882,624
Total governmental activities program revenue:	17,548,589	19,660,547	24,427,731	27,668,511	26,506,866	25,027,913	32,206,662	28,725,089	30,084,398	23,882,624
Business-type activities										
Charges for services										
Food service	484,155	510,115	486,285	485,618	509,755	360,835	2,925	48,613	419,458	434,056
Enrichment academy	352,854	332,133	279,174	353,899	386,537	326,757	129,914	412,612	494,189	686,084
Operating grants and contributions	1,337,516	1,442,315	1,756,723	1,918,844	1,963,892	1,659,904	1,393,311	2,952,451	2,386,565	2,510,434
Total business type activities program revenue	2,174,525	2,284,563	2,522,182	2,758,361	2,860,184	2,347,496	1,526,150	3,413,676	3,310,212	3,630,574
Total district program revenues	\$ 19,723,114	\$ 21,945,110	\$ 26,949,913	\$ 30,426,872	\$ 29,367,050	\$ 27,375,409	\$ 33,732,812	\$ 32,138,765	\$ 33,394,610	\$ 27,513,198
Net (Expense)/Revenue										
Governmental activities:	\$ (48,966,087)	\$ (48,856,934)	\$ (51,188,428)	\$ (53,245,918)	\$ (53,144,805)	\$ (53,670,654)	\$ (52,901,523)	\$ (56,238,126)	\$ (58,137,099)	\$ (69,459,366)
Business-type activities:	(84,599)	397,535	(656,095)	225,794	472,235	358,063	235,159	957,083	721,829	37,947
Total district-wide net expense	\$ (49,050,686)	\$ (48,459,399)	\$ (51,844,523)	\$ (53,020,124)	\$ (52,672,570)	\$ (53,312,591)	\$ (52,666,364)	\$ (55,281,043)	\$ (57,415,270)	\$ (69,421,419)
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 24,451,486	\$ 24,940,515	\$ 25,230,391	\$ 26,527,244	\$ 27,057,788	\$ 27,098,944	\$ 27,711,201	\$ 27,988,313	\$ 27,988,315	\$ 27,988,310
Taxes levied for debt service	1,414,072	1,392,490	1,414,624	1,388,324	1,388,109	597,036	1,551,076	1,863,047	1,668,099	1,941,140
Unrestricted grants and contributions	24,050,778	24,092,213	24,239,661	24,898,203	24,452,817	26,476,209	27,841,567	32,961,771	38,403,982	44,164,046
Restricted grants and contributions	464,209	450,133	541,716	568,477	590,947	173,622	97,880	294,507	407,543	240,271
Investment income	10,340	14,665	25,080							
Miscellaneous income	40,946	64,746	57,681	218,454	177,466	200,914	200,341	153,910	842,248	882,732
Total governmental activities	50,431,831	50,954,762	51,509,153	53,600,702	53,667,127	54,546,725	57,402,065	63,261,548	69,310,187	75,216,499
Business-type activities										
Investment earnings							280	386	21,128	33,484
Total business-type activities:	-	-	-	-	-	-	-	-	21,128	33,484
Total district-wide	\$ 50,431,831	\$ 50,954,762	\$ 51,509,153	\$ 53,600,702	\$ 53,667,127	\$ 54,546,725	\$ 57,402,345	\$ 63,261,934	\$ 69,331,315	\$ 75,249,983
Change in Net Position										
Governmental activities:	\$ 1,465,744	\$ 2,097,828	\$ 320,725	\$ 354,784	\$ 522,322	\$ 876,071	\$ 4,500,542	\$ 7,023,422	\$ 11,173,088	\$ 5,757,133
Business-type activities:	(84,599)	397,535	(656,095)	225,794	472,235	358,063	235,439	957,469	742,957	71,431
Total district	\$ 1,381,145	\$ 2,495,363	\$ (335,370)	\$ 580,578	\$ 994,557	\$ 1,234,134	\$ 4,735,981	\$ 7,980,891	\$ 11,916,045	\$ 5,828,564

Source: ACFR Schedule A-2 and District records.

Carteret Board of Education
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	2015	2016	2017	2018	2019	June 30, 2020 (Restated)	2021	2022	2023	2024
General Fund:										
Restricted		\$ 650,000	\$ 1,400,000	\$ 607,411	\$ 607,411	\$ 2,925,577	\$ 3,791,157	\$ 6,020,112	\$ 9,988,899	\$ 15,914,501
Committed	\$ 356,969	463,977				441,527	193,500	1,375,453	557,313	564,062
Assigned	950,000	1,900,107	2,196,387	2,216,988	2,712,981	1,208,023	4,066,068	4,253,596	8,278,282	4,667,750
Unassigned (deficit)	(2,443,606)	(3,243,219)	(3,179,233)	(2,239,026)	(2,799,053)	(2,560,367)	(1,553,749)	(687,902)	(2,377,318)	(3,010,236)
Total general fund	<u>\$ (1,136,637)</u>	<u>\$ (229,135)</u>	<u>\$ 417,154</u>	<u>\$ 585,373</u>	<u>\$ 521,339</u>	<u>\$ 2,014,760</u>	<u>\$ 6,496,976</u>	<u>\$ 10,961,259</u>	<u>\$ 16,447,176</u>	<u>\$ 18,136,077</u>
All Other Governmental Funds:										
Restricted	\$ 92	\$ 501	\$ 500	\$ 19,188	\$ 9,470	\$ 34,755,918	\$ 26,742,745	\$ 11,727,084	\$ 7,957,546	\$ 8,296,610
Unassigned (deficit)	(75,694)	(73,591)	(60,609)			172,436				(296,120)
Total all other governmental funds	<u>\$ (75,602)</u>	<u>\$ (73,090)</u>	<u>\$ (60,109)</u>	<u>\$ 19,188</u>	<u>\$ 9,470</u>	<u>\$ 34,928,354</u>	<u>\$ 26,742,745</u>	<u>\$ 11,727,084</u>	<u>\$ 7,957,546</u>	<u>\$ 8,000,490</u>

Source: ACFR Schedule B-1 and District records.

Note 1: GASB No. 84 was implemented during the 2021 fiscal year, which required the restatement of the beginning fund balances in the general and special revenue funds.

Note 2: The deficits in the general fund and special revenue fund are the result of the last two state aid payments being deferred until the subsequent fiscal year. See notes to the basic financial statements for additional information.

Carteret Board of Education
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 25,865,558	\$ 26,333,005	\$ 26,645,015	\$ 27,915,568	\$ 28,445,897	\$ 27,695,980	\$ 29,262,277	\$ 29,851,360	\$ 29,656,414	\$ 29,929,450
Tuition charges					47,076					
Interest on investments	10,340	13,701	25,080					16,806	252,343	419,111
Miscellaneous	72,696	85,827	86,355	218,779	191,806	200,914	330,033	470,742	1,034,946	934,412
State sources	35,228,250	35,017,174	36,486,597	38,818,535	42,713,030	45,035,183	48,846,049	58,803,281	64,248,706	70,254,041
Federal sources	2,266,934	2,333,822	2,391,881	2,101,371	2,332,287	2,567,952	3,216,644	5,017,363	9,720,644	5,647,747
Other restricted miscellaneous								593	3,673	4,552
Total revenue	63,443,778	63,783,529	65,634,928	69,054,253	73,730,096	75,500,029	81,655,003	94,160,145	104,916,726	107,189,313
Expenditures										
Instruction:										
Regular Instruction	25,393,741	25,630,959	26,738,831	28,419,185	32,037,837	33,358,631	35,856,442	38,508,930	39,804,558	43,113,865
Special education instruction	12,038,045	11,913,810	12,382,075	13,754,179	14,414,657	13,742,262	12,285,140	10,780,374	10,634,616	11,906,252
Other special instruction	1,999,567	1,981,530	2,317,837	2,644,168	2,872,467	3,240,391	3,331,882	3,913,245	3,775,891	4,268,314
School sponsored activities, athletics	449,509	509,622	497,152	540,071	609,245	607,770	350,572	778,884	836,680	921,872
Support Services:										
Student & inst. related services	6,129,023	6,834,983	7,382,189	6,706,856	7,176,377	7,973,655	8,892,246	14,610,750	17,356,092	18,619,599
General administrative services	1,036,166	1,046,138	1,087,078	1,215,174	1,381,284	1,518,344	1,315,559	1,754,263	1,476,344	1,328,806
School administrative services	2,696,264	2,899,248	3,309,470	3,230,729	3,124,989	3,295,398	3,595,882	3,841,070	4,452,098	4,548,166
Central services	1,165,728	1,241,408	1,190,380	1,143,774	1,218,814	1,276,094	1,364,329	1,459,476	1,508,796	1,606,054
Plant operations and maintenance	5,228,265	4,946,201	5,137,887	6,099,968	5,292,532	5,093,049	5,100,573	6,224,619	6,364,406	7,405,856
Pupil transportation	2,781,769	2,728,951	2,667,902	2,943,307	3,458,607	3,245,780	2,852,645	4,164,199	5,092,723	5,523,521
Special Schools								120,403	262,522	298,692
Charter Schools								216,701	348,267	330,534
Capital outlay	1,466,608	160,101	205,332	59,482	155,227	2,399,324	8,926,998	15,821,101	8,788,141	2,904,764
Debt service:										
Principal	1,659,169	2,653,860	1,720,000	1,760,000	1,830,000	650,000	675,000	1,384,995	1,395,000	1,400,000
Interest and other charges	796,005	327,668	339,525	289,844	231,812	164,063	811,128	1,132,513	1,104,213	1,075,075
Total expenditures	62,839,859	62,874,479	64,975,658	68,806,737	73,803,848	76,564,761	85,358,396	104,711,523	103,200,347	105,251,370
Excess (Deficiency) of revenues over (under) expenditures	603,919	909,050	659,270	247,516	(73,752)	(1,064,732)	(3,703,393)	(10,551,378)	1,716,379	1,937,943
Other Financing sources (uses)										
Cancellation of Grant Receivable										(206,100)
Refund of prior year revenue	7,455,000									
Payments To Escrow Agent	(7,165,000)									
Serial Bonds Issued						36,999,995				
Discount of Issuance of Refunding Bonds	(28,357)									
Capital leases (non-budgeted)	756,129					5,046	87,045			
Transfers in	(5,046)	964				(5,046)	(87,045)	28,169	90,223	1,728,787
Transfers out								(28,169)	(90,223)	(1,728,787)
Total other financing sources (uses)	1,012,726	964	-	-	-	36,999,995	-	-	-	(206,100)
Net change in fund balances	\$ 1,616,645	\$ 910,014	\$ 659,270	\$ 247,516	\$ (73,752)	\$ 35,935,263	\$ (3,703,393)	\$ (10,551,378)	\$ 1,716,379	\$ 1,731,843
Debt service as a percentage of noncapital expenditures	4.00%	4.75%	3.18%	2.98%	2.80%	1.10%	1.94%	2.83%	2.65%	2.42%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Carteret Board of Education
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Interest Earned	\$ 277,529	\$ 162,120	\$ 16,806	\$ 52,618	\$ 79,093	\$ 85,703	\$ 67,298	\$ 25,080	\$ 13,701	\$ 10,340
Tuition						47,076				
Miscellaneous	459,069	589,905	108,935	60,678	116,775	91,763	131,968	57,681	64,746	40,946
Total	<u>\$ 736,598</u>	<u>\$ 752,025</u>	<u>\$ 125,741</u>	<u>\$ 113,296</u>	<u>\$ 195,868</u>	<u>\$ 224,542</u>	<u>\$ 199,266</u>	<u>\$ 82,761</u>	<u>\$ 78,447</u>	<u>\$ 51,286</u>

Source: District's Revenue Report

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 49,410,800	\$ 1,066,310,457	\$ 225,843,500	\$ 458,755,983	\$ 92,762,400	\$ 1,893,083,140	\$ 2,444,838	\$ 1,895,527,978	\$ 2,181,976,879	\$ 1.376
2016	40,092,400	1,066,429,882	209,102,500	489,878,983	92,762,400	1,898,266,165	2,494,459	1,900,760,624	2,151,155,075	1.394
2017 (b)	54,547,300	1,245,829,200	279,228,900	741,107,283	129,192,300	2,449,904,983	2,818,532	2,452,723,515	2,171,901,581	1.113
2018	50,741,800	1,243,002,320	274,207,900	729,064,683	125,749,800	2,422,766,503	2,965,620	2,425,732,123	2,289,561,570	1.162
2019	51,245,300	1,247,946,920	286,254,000	730,098,283	125,820,400	2,441,364,903	-	2,441,364,903	2,566,484,822	1.150
2020	54,464,200	1,249,377,800	284,947,300	732,548,583	125,476,700	2,446,814,583	-	2,446,814,583	2,749,814,139	1.145
2021	96,505,500	1,251,734,250	282,177,300	740,013,583	125,652,100	2,496,082,733	-	2,496,082,733	2,880,018,631	1.203
2022	100,477,300	1,253,453,300	276,160,900	739,326,583	120,514,100	2,489,932,183	-	2,489,932,183	3,122,966,078	1.195
2023	101,289,700	1,262,428,200	289,242,700	817,788,783	120,700,900	2,591,450,283	-	2,591,450,283	3,728,768,752	1.150
2024	66,984,700	1,268,897,200	274,496,200	863,645,783	127,293,300	2,601,317,183	-	2,601,317,183	3,850,780,696	1.127

Source: County Abstract of Ratables

a Tax rates are per \$100

b The Borough undertook a reassessment of real property which was effective in calendar year 2017.

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

Assessment Year	Total Direct School Tax Rate	Overlapping Rates					County Open Space	Total Direct and Overlapping Tax Rate
		<u>Carteret Municipality</u>	<u>Municipal Open Space</u>	<u>Municipal Library</u>	<u>County</u>			
2015	\$ 1.376	\$ 1.222	\$ 0.030	\$ 0.038	\$ 0.420	\$ 0.035		\$ 3.121
2016	1.394	1.258	0.030	0.037	0.413	0.035		3.167
2017 (A)	1.113	1.101	0.030	0.029	0.330	0.027		2.630
2018	1.162	1.134	0.030	0.031	0.342	0.028		2.727
2019	1.150	1.175	0.030	0.034	0.372	0.032		2.793
2020	1.145	1.225	0.030	0.036	0.406	0.034		2.876
2021	1.203	1.261	0.030	0.037	0.422	0.035		2.988
2022	1.195	1.269	0.030	0.042	0.446	0.038		3.020
2023	1.150	1.343	0.030	0.046	0.494	0.043		3.106
2024	1.127	1.431	0.030	0.049	0.505	0.046		3.188

Source: The Borough Tax Duplicate

(A) The Borough undertook a reassessment of real property which was effective in calendar year 2017.

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

	2024					2015			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value			Taxable Assessed Value	Rank	% Total of District Net Assessed Value	
GATX/Kinder Morgan -503, 3	\$ 132,000,000	1	5.09%		GATX/Kinder Morgan -503, 3	\$ 109,810,000	1	5.82%	
KTR Carteret	83,171,583	2	3.21%		KTR Carteret	43,055,383	2	2.28%	
50 Bryla HPFVIII Urban Renewal LLC	72,551,900	3	2.80%		Federal Blvd LLC	37,818,600	3	2.00%	
KTR NJ Urban Renewal c/o Prologis Tax Team	58,981,800	4	2.28%		Bristol Tic LLC Etal	29,963,300	4	1.59%	
Federal Blvd LLC	48,792,100	5	1.88%		Cypres Amax c/o Freeport	26,989,500	5	1.43%	
Bristol Tic LLC Etal	41,748,000	6	1.61%		Keystone c/o Prologis Tax	24,879,900	6	1.32%	
Port Carteret Fee Exchange/Prologis	41,081,600	7	1.59%		AJ Richard & Sons Inc	21,547,500	7	1.14%	
Keystone c/o Prologis Tax	40,033,500	8	1.54%		Centerpoint Roosevelt LLC	19,960,500	8	1.06%	
Nuveen	38,296,500	9	1.48%		200 Middlesex LLC c/o Ryan LLC	19,776,200	9	1.05%	
GATX/Kinder Morgan Tax Department	34,129,500	10	1.32%		KTR Carteret	19,402,570	10	1.03%	
Total	<u>\$ 590,786,483</u>		<u>22.80%</u>		Total	<u>\$ 353,203,453</u>		<u>18.72%</u>	

Source: Municipal Tax Assessor

**CARTERET 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	\$ 25,865,558	\$ 25,865,558	100.00%	
2016	26,333,005	26,333,005	100.00%	
2017	26,645,015	26,645,015	100.00%	
2018	27,915,568	27,915,568	100.00%	
2019	28,445,897	28,445,897	100.00%	
2020	27,695,980	27,695,980	100.00%	
2021	29,262,277	28,316,318	96.77%	\$ 945,959
2022	29,851,360	29,851,360	100.00%	
2023	29,656,414	29,656,414	100.00%	
2024	29,929,450	29,929,450	100.00%	

**CARTERET 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	Certificates of Participation	Financed Purchase Payables	Bond Anticipation Notes (BANs)			
2015	\$ 1,115,000	\$ 12,025,000	\$ 923,860	\$ 3,516,636	\$ 17,580,496	23,697	\$ 742
2016	945,000	10,465,000			11,410,000	23,621	483
2017	770,000	8,920,000			9,690,000	23,604	411
2018	590,000	7,340,000			7,930,000	23,514	337
2019	400,000	5,700,000			6,100,000	23,393	261
2020	37,204,995	5,245,000			42,449,995	23,383	1,815
2021	36,999,995	4,775,000			41,774,995	25,152	1,661
2022	36,095,000	4,295,000			40,390,000	25,176	1,604
2023	35,195,000	3,800,000			38,995,000	25,281	1,542
2024	34,295,000	3,300,000			37,595,000	25,281 (A)	1,487

Source: District records

N/A : Not Applicable

(A) -Estimated

**CARTERET 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	\$ 1,115,000		\$ 1,115,000	0.06%	\$ 47
2016	945,000		945,000	0.05%	40
2017	770,000		770,000	0.03%	33
2018	590,000		590,000	0.02%	25
2019	400,000	\$ 9,470	390,530	0.02%	17
2020	37,204,995	9,470	37,195,525	1.52%	1,591
2021	36,999,995	291,930	36,708,065	1.47%	1,459
2022	36,095,000	291,930	35,803,070	1.44%	1,422
2023	35,195,000		35,195,000	1.36%	1,392
2024	34,295,000		34,295,000	1.32%	1,357

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**CARTERET BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
MUNICIPAL DEBT: (1)			
Borough of Carteret	\$ 132,256,944	\$ 65,329,317	\$ 66,927,628
Carteret Board of Education	<u>34,295,000</u>	<u>34,295,000</u>	<u>-</u>
	<u>\$ 166,551,944</u>	<u>\$ 99,624,317</u>	<u>66,927,628</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY			
Middlesex County			
County of Middlesex (A)			15,750,934
Middlesex County Utilities Authority (B)			<u>2,529,550</u>
			<u>18,280,484</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 85,208,112</u>

SOURCE:

(1) Borough of Carteret Annual Debt Statement and School District Financial Records

(A) The debt information for this entity was obtained from the Middlesex County Treasurer's office and was apportioned to the Borough of Carteret by dividing the municipality's 2023 equalized value by the total 2023 equalized value for Middlesex County.

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

Source: Borough of Carteret Chief Financial Officer and Middlesex County Treasurer's Office.

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized Valuation Basis

2023	\$ 3,795,328,475
2022	3,547,417,272
2021	3,096,492,660
	[A]
	<u>\$ 10,439,238,407</u>

Average Equalized Valuation of Taxable Property

[A/3] \$ 3,479,746,136

Debt Limit (4.0% of average

[B] \$ 139,189,845

Total Net Debt Applicable to Limit

[C] 34,295,000

Legal debt margin

[B-C] \$ 104,894,845

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 83,475,544	\$ 83,178,360	\$ 90,269,173	\$ 91,740,739	\$ 96,729,684	\$ 100,118,630	\$ 106,886,705	\$ 114,618,113	\$ 125,776,750	\$ 139,189,845
Total Net Debt Applicable to Limit	-	-	-	-		36,999,995	36,999,995	35,803,070	35,195,000	34,295,000
Legal Debt Margin	<u>\$ 83,475,544</u>	<u>\$ 83,178,360</u>	<u>\$ 90,269,173</u>	<u>\$ 91,740,739</u>	<u>\$ 96,729,684</u>	<u>\$ 63,118,635</u>	<u>\$ 69,886,710</u>	<u>\$ 78,815,043</u>	<u>\$ 90,581,750</u>	<u>\$ 104,894,845</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	36.96%	34.62%	31.24%	27.98%	24.64%

Source: Annual Debt Statements

**CARTERET BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	23,697	\$ 54,542	5.00%
2016	23,621	56,207	5.40%
2017	23,604	57,889	5.30%
2018	23,514	60,547	4.70%
2019	23,393	62,665	4.20%
2020	23,383	66,640	11.60%
2021	25,152	70,221	7.60%
2022	25,176	70,951	4.60%
2023	25,281	70,951 (A)	5.90%
2024	25,281 (A)	70,951 (A)	5.90% (A)

(A) - Estimated

Source: New Jersey State Department of Education

Source: Information was not available

CARTERET 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	236.00	241.00	250.00	264.00	254.00	255.00	255.00	260.00	260.00	285.00
Special education	81.00	83.00	81.00	62.00	60.00	60.00	60.00	63.00	64.00	66.00
Other special education	25.00	27.00	28.00	35.00	35.00	34.00	34.00	35.00	35.00	28.00
Adult/continuing education programs										
Support Services:										
Student & instruction related services	26.00	26.00	21.00	24.00	24.00	26.00	21.00	21.00	21.00	20.00
General administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
School administrative services	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	25.00
Other administrative services										3.00
Central services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administrative Information Technology	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.00
Plant operations and maintenance	26.00	27.00	27.00	24.00	25.00	24.00	24.00	21.00	21.00	28.00
Total	<u>428.00</u>	<u>438.00</u>	<u>441.00</u>	<u>443.00</u>	<u>432.00</u>	<u>433.00</u>	<u>428.00</u>	<u>434.00</u>	<u>435.50</u>	<u>469.00</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	3,828	\$ 58,811,118	\$ 15,363	-0.59%	305	12:1	13:1	11:1	3,724	3,550	-2.95%	95.33%
2016	3,808	59,732,850	15,686	2.11%	312	11:1	13:1	11:1	3,715	3,542	-0.24%	95.34%
2017	3,832	62,710,801	16,365	4.33%	306	12:1	13:1	12:1	3,713	3,555	-0.05%	95.74%
2018	3,840	66,697,411	17,369	6.14%	318	13:1	13:1	13:1	3,701	3,700	-0.32%	99.97%
2019	3,890	71,586,809	18,403	5.95%	314	13:1	13:1	13:1	3,955	3,763	6.86%	95.15%
2020	3,933	73,351,374	18,650	1.34%	315	13:1	13:1	13:1	3,905	3,741	-1.26%	95.80%
2021	3,804	74,945,270	19,702	5.64%	315	13:1	13:1	13:1	3,804	3,611	-2.59%	94.93%
2022	3,882	86,372,914	22,250	19.30%	323	11:1	13:1	12:1	3,826	3,562	-2.02%	93.10%
2023	3,892	91,912,993	23,616	6.14%	324	11:1	13:1	13:1	3,809	3,552	0.13%	93.25%
2024	3,975	99,871,531	25,125	6.39%	351	10:1	13:1	13:1	4,042	3,770	5.65%	93.27%

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.

**CARTERET 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>										
<u>Elementary</u>										
<u>Columbus School</u>										
Square Feet	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539	51,539
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment	675	680	707	728	771	742	683	697	584	646
<u>Minue School</u>										
Square Feet	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705	69,705
Capacity (students)	457	457	457	457	457	457	457	457	457	457
Enrollment	695	648	665	680	660	654	597	638	521	532
<u>Nathan Hale School (Reopened Sept. 2001)</u>										
Square Feet	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858	57,858
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	531	504	518	498	492	490	459	469	455	447
<u>Middle School</u>										
Square Feet	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595	78,595
Capacity (students)	544	544	544	544	544	544	544	544	544	544
Enrollment	864	878	832	861	844	895	915	933	573	585
<u>Junior High School (Opened Sept. 2022)</u>										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60,861	60,861
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	639	639
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	633	583
<u>High School</u>										
Square Feet	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745	157,745
Capacity (students)	765	765	765	765	765	765	765	765	765	765
Enrollment	1,009	1,012	1,020	997	1,053	1,032	985	1,045	1,132	1,182
<u>Other</u>										
Square Feet - Stadium	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104	10,104
Square Feet - Administration Building	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248	17,248

Number of Schools at June 30, 2024

Elementary = 3

Middle School = 2

Senior High School = 1

Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**CARTERET BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

	<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>
<u>*School Facilities</u>										
Columbus School	\$ 137,279	\$ 109,640	\$ 131,420	\$ 100,585	\$ 148,985	\$ 138,844	\$ 128,878	\$ 326,592	\$ 264,577	\$ 462,919
Nicholas Minue School	149,532	193,243	231,632	177,284	262,590	244,718	227,151	224,869	228,477	399,757
Nathan Hale School	175,302	200,854	240,755	184,266	272,933	254,355	236,097	293,809	261,002	456,664
Middle School	269,434	120,657	144,626	110,692	163,956	152,796	141,828	258,492	227,636	398,285
Junior High School									172,992	302,677
High School	<u>388,820</u>	<u>339,147</u>	<u>406,520</u>	<u>311,137</u>	<u>460,853</u>	<u>429,484</u>	<u>398,655</u>	<u>701,815</u>	<u>294,825</u>	<u>515,843</u>
Total School Facilities	1,120,367	963,541	1,154,953	883,964	1,309,317	1,220,197	1,132,609	1,805,577	1,449,509	2,536,146
Other Facilities	<u>240,902</u>	<u>119,315</u>	<u>143,017</u>	<u>109,461</u>	<u>162,131</u>	<u>151,097</u>	<u>140,251</u>	<u>198,697</u>	-	-
Grand Total	<u>\$ 1,361,269</u>	<u>\$ 1,082,856</u>	<u>\$ 1,297,970</u>	<u>\$ 993,425</u>	<u>\$ 1,471,448</u>	<u>\$ 1,371,294</u>	<u>\$ 1,272,860</u>	<u>\$ 2,004,274</u>	<u>\$ 1,449,509</u>	<u>\$ 2,536,146</u>

Source: District Records

**CARTERET BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Property/EDP/Equipment		
Blanket Building and Contents (Per Fund)	\$ 143,683,383	\$ 5,000
Electronic Data Processing Equipment	included in above	
Equipment Breakdown/Boiler & Machinery	100,000,000	25,000
Crime		
Public Employee Dishonesty with Faithful Performance	250,000	1,000
General Liability		
Each Occurrence	11,000,000	N/A
Medical Expense (Per person)	11,000,000	N/A
Personal Injury and Advertising Injury	11,000,000	N/A
Employee Benefits Liability	11,000,000	N/A
Automobile Liability		
Combined Single Limit	1,000,000	N/A
Bodily Personal Injury Protection	N/A	N/A
Workers Compensation & Employers Liability		
E.L. Each Accident	3,000,000	N/A
E.L. Disease - Each Employee	3,000,000	N/A
E.L. Disease - Aggregate Limit	3,000,000	N/A
Surety Bonds		
Board Secretary	340,000	N/A
School Board Legal Leaders Errors and Omissions		
Legal Liability - QBE	1,000,000/3,000,000	10,000
Legal Liability - NJSIG	10,000,000	
Cyber Liability	2,000,000	varies

Source: District's records

Single Audit Section

**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 Auditors' Report

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities and each major fund of the Carteret Board of Education, in the County of Middlesex, New Jersey (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned cost as item 2024-001.

Carteret Board of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 10, 2025

Gary Higgins

Gary Higgins, CPA
Licensed Public School Accountant No. CS00814

**Report on Compliance for Each Major Federal and State
Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance and NJ OMB Circular 15-08**

Independent Auditors' Report

Honorable President and Members
of the Board of Trustees
Carteret Board of Education
Carteret, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Carteret Board of Education's, in the County of Middlesex, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the 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 New Jersey OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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PKF O'Connor Davies LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

We are required to be independent of the District 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 District'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, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' 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 District'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 GAAS, *Government Auditing Standards*, the 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 omissions, misrepresentations, or the override of internal control. Non-compliance 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment 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 District'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 District'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 Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

Other Matters

The result of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District is also responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The District's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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 a 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 Auditors' 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.

Purpose of This Report

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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 10, 2025

Gary Higgins

Gary Higgins, CPA
Licensed Public School Accountant No. CS00814

CARTERET BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title/Cluster	Federal Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Cash Received	Total Budgetary Expenditures	Adjustments	Provided to Subrecipients	Balance at June 30, 2024		
					From	To						(Accounts Receivable)	Unearned Revenue	Due to Grantor
General Fund:														
U.S. Department of Health and Human Services - Passed Through State Department of Education														
Medicaid Cluster:														
Medical Assistance Program (SEMI)	93.558	2405NJ5MAP	100-054-7540-211	\$ 109,638	7/1/23	6/30/24		\$ 109,638	\$ (109,638)					
U.S. Department of Homeland Security - Passed Through State Department of Law and Public Safety:														
Public Assistance Grants - New Jersey Remnants of Hurricane Ida	97.036	N/A	N/A	37,004	7/1/23	6/30/24		37,004	(37,004)					
Total General Fund								146,642	(146,642)					
Special Revenue Fund:														
U.S. Department of Education - Passed Through State Department of Education														
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	NCLB-2940-08	1,673,879	7/1/22	9/30/23	\$ (574,088)	911,462	(337,374)					
Title I, Part A, Grants to Local Educational Agencies	84.010A	S010A200030	NCLB-2940-08	1,362,948	7/1/23	9/30/24		348,738	(893,434)			\$ (544,696)		
Title I, Part A, SIA	84.010A	S010A200030	NCLB-2940-08	144,100	7/1/22	9/30/23	(32,694)	52,075	(19,381)					
Title I, Part A, SIA	84.010A	S010A200030	NCLB-2940-08	58,437	7/1/23	9/30/24			(27,142)				(27,142)	
Subtotal of Title I Part A							(606,782)	1,312,275	(1,277,331)				(571,838)	
Special Education Cluster:														
IDEA Special Education Grants to States	84.027A	H027A200100	FT294008	1,063,104	7/1/22	9/30/23	(747,931)	758,832	(10,901)					
IDEA Special Education Grants to States	84.027A	H027A200100	FT294008	1,149,811	7/1/23	9/30/24		706,123	(1,099,660)				(393,537)	
IDEA Special Education Grants to States - Preschool	84.173	H173A200114	PS294007	35,783	7/1/23	9/30/24			(35,783)				(35,783)	
IDEA ARP Basic	84.027X	H027A200100	FT294008	213,855	7/1/21	9/30/23	(169,947)	169,947						
IDEA ARP Preschool	84.173X	H173A200114	PS294007	18,125	7/1/21	9/30/23	(18,125)	18,125						
Subtotal of Special Education Cluster:							(936,003)	1,653,027	(1,146,344)				(429,320)	
Title II, Part A, Improving Teacher Quality State Grants	84.367A	S367A200029	NCLB-2940-07	258,123	7/1/22	9/30/23	(125,747)	176,695	(50,948)					
Title II, Part A, Improving Teacher Quality State Grants	84.367A	S367A200029	NCLB-2940-07	212,328	7/1/23	9/30/24		62,148	(116,807)				(54,659)	
Subtotal of Title II Part A							(125,747)	238,843	(167,755)				(54,659)	
Title III	84.365	S365A200030	NCLB-2940-07	168,712	7/1/22	9/30/23	(77,424)	81,788	(4,364)					
Title III	84.365	S365A200030	NCLB-2940-07	140,128	7/1/23	9/30/24		43,506	(113,916)				(70,410)	
Title III Immigrant	84.365	S365A200030	NCLB-2940-07	26,987	7/1/23	9/30/24		21,750	(21,750)					
Subtotal of Title III							(77,424)	147,044	(140,030)				(70,410)	
Title IV, Part A	84.424A	S424A200031	NCLB-2940-08	146,382	7/1/22	9/30/23	(6,312)	14,354	(8,042)					
Title IV, Part A	84.424A	S424A200031	NCLB-2940-08	105,423	7/1/23	9/30/24		25,693	(39,141)				(13,448)	
Subtotal of Title IV							(6,312)	40,047	(47,183)				(13,448)	
Elementary and Secondary School Emergency Relief (ESSER):														
COVID-19 - CRRSA - ESSER II	84.425D	S425D210027	N/A	3,222,920	3/13/20	9/30/23	(150,588)	260,614					\$ 110,026	
COVID-19 - CR Learning Acceleration (ESSER II)	84.425D	S425D210027	N/A	206,830	3/13/20	9/30/23	(11,469)		(72,994)				(84,463)	
COVID-19 - CR Mental Health (ESSER II)	84.425D	S425D210027	N/A	45,000	3/13/20	9/30/23	(19,627)		(10,719)				(30,346)	
COVID-19 - American Rescue Plan - ESSER III	84.425U	S425U210027	N/A	7,243,305	3/13/20	9/30/24	(852,307)	1,800,184	(2,962,385)				(2,014,508)	
COVID-19 - Accelerated Learning Coach and Educator Support (ARP ESSER III)	84.425U	S425U210027	N/A	425,636	3/13/20	9/30/24	(72,321)	261,770	(251,289)				(61,840)	
COVID-19 - Evidence Based Summer Learning and Enrichment (ARP ESSER III)	84.425U	S425U210027	N/A	40,000	3/13/20	9/30/24	(5,634)	5,122	(10,910)				(11,422)	
COVID-19 - Evidence Based Comprehensive Beyond School Day (ARP ESSER III)	84.425U	S425U210027	N/A	40,000	3/13/20	9/30/24			(25,131)	\$ 9,028			(16,103)	
COVID-19 - NJTSS Mental Health Support Staffing (ARP ESSER III)	84.425U	S425U210027	N/A	45,000	3/13/20	9/30/24	(17,781)	22,781	(5,000)					
COVID-19 - Emergency Relief Fund -Homeless Children and Youth (ARP-HCY)	84.425W	S425W210031	N/A	36,667	3/13/20	9/30/24	(14,016)	13,992	(8,771)	(1,758)			(10,553)	
Subtotal ESSER							(1,143,743)	2,364,463	(3,347,199)	7,270			(2,229,235)	110,026
U.S. Department of the Treasury - Passed Through State Department of Education														
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	N/A	N/A	229,278	7/1/22	6/30/23	(114,639)	114,639						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	N/A	N/A	17,900	7/1/23	9/30/24		12,204	(17,900)				(5,696)	
COVID-19 COVID ARP Learning Acceleration - NJ High Impact Tutoring Competitive	21.027	N/A	N/A	305,767	7/1/23	9/30/24		167,317	(279,598)				(112,281)	
Subtotal of Coronavirus Relief Fund							(114,639)	294,160	(297,498)	-	-		(117,977)	
Total Special Revenue Fund								(3,010,650)	6,049,859	(6,423,340)	7,270		(3,486,887)	110,026
Enterprise Fund:														
U.S. Department of Agriculture-Passed-Through NJ Department of Agriculture														
Child Nutrition Cluster:														
Food Donation Program (NC)	10.555	231NJ304N1099	N/A	198,769	7/1/22	6/30/23	17,145		(17,145)					
Food Donation Program (NC)	10.555	241NJ304N1099	N/A	204,312	7/1/23	9/30/24		204,312	(188,890)					15,422
National School Lunch Program	10.555	231NJ304N1099	N/A	1,492,310	7/1/22	6/30/23	(298,794)						(298,794)	
National School Lunch Program	10.555	241NJ304N1099	N/A	1,468,115	7/1/23	9/30/24		1,367,197	(1,468,115)				(100,918)	
National Snack Program	10.555	231NJ304N1099	N/A	30,729	7/1/22	6/30/23	(4,545)						(4,545)	
National Snack Program	10.555	241NJ304N1099	N/A	36,312	7/1/23	9/30/24		34,469	(36,312)				(1,843)	
Healthy Hunger-Free Kids Act	10.555	231NJ304N1099	N/A	32,549	7/1/22	6/30/23	(6,398)						(6,398)	
Healthy Hunger-Free Kids Act	10.555	241NJ304N1099	N/A	34,370	7/1/23	9/30/24		32,029	(34,370)				(2,341)	
COVID-19 Supply Chain Assistance	10.555	221NJ304N8903	N/A	94,667	7/1/23	9/30/24		94,667						
School Breakfast Program	10.553	231NJ304N1099	N/A	388,739	7/1/22	6/30/23	(81,556)						(81,556)	
School Breakfast Program	10.553	241NJ304N1099	N/A	520,808	7/1/23	9/30/24		485,318	(520,808)				(35,490)	
Fresh Fruits and Vegetable Program	10.582	231NJ304L1603	N/A	13,854	7/1/22	6/30/23	(1,806)	1,806						
Fresh Fruits and Vegetable Program	10.582	241NJ304L1603	N/A	22,819	7/1/23	9/30/24		17,863	(22,819)				(4,956)	
Subtotal Child Nutrition Cluster:							(375,954)	2,237,661	(2,383,126)				(536,841)	15,422
COVID-19 Pandemic EBT Administration	10.649	202421S900941	N/A	3,256	7/1/23	9/30/24		3,256	(3,256)					
Total Enterprise Fund								(375,954)	2,240,917	(2,386,382)			(536,841)	15,422
Total Federal Awards								\$ (3,386,604)	\$ 8,437,418	\$ (8,956,364)	\$ 7,270		\$ (4,023,728)	\$ 125,448

NC-non cash expenditures.

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

CARTERET BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	To	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2024			MEMO		
					Unearned Revenue (Accounts Receivable)	Due to Grantor					Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
General Fund:																
State Department of Education:																
Equalization Aid	24-495-034-5120-078	\$ 44,973,782	7/1/2023	6/30/2024			\$ 40,482,457	\$ (44,973,782)						\$ (4,491,325)	\$ (44,973,782)	
Equalization Aid	23-495-034-5120-078	38,986,361	7/1/2022	6/30/2023	\$ (3,887,691)		3,887,691									
Transportation Aid	24-495-034-5120-014	511,027	7/1/2023	6/30/2024			459,993	(511,027)						(51,034)	(511,027)	
Transportation Aid	23-495-034-5120-014	511,027	7/1/2022	6/30/2023	(50,960)		50,960									
Special Education Categorical Aid	24-495-034-5120-089	2,809,761	7/1/2023	6/30/2024			2,529,163	(2,809,761)						(280,598)	(2,809,761)	
Special Education Categorical Aid	23-495-034-5120-089	2,809,761	7/1/2022	6/30/2023	(280,187)		280,187									
Security Aid	24-495-034-5120-084	1,526,650	7/1/2023	6/30/2024			1,374,190	(1,526,650)						(152,460)	(1,526,650)	
Security Aid	23-495-034-5120-084	1,526,650	7/1/2022	6/30/2023	(152,236)		152,236									
Extraordinary Aid	24-495-034-5120-044	975,530	7/1/2023	6/30/2024				(975,530)			\$ (975,530)			(975,530)	(975,530)	
Extraordinary Aid	23-495-034-5120-044	1,207,579	7/1/2022	6/30/2023	(1,207,579)		1,207,579									
Additional Nonpublic School Transportation Costs	24-495-034-5120-014	43,225	7/1/2023	6/30/2024				(43,225)			(43,225)			(43,225)	(43,225)	
Additional Nonpublic School Transportation Costs	23-495-034-5120-014	26,520	7/1/2022	6/30/2023	(26,520)		26,520									
On-Behalf TPAF Medical Contributions (NC)	24-495-034-5094-001	3,156,446	7/1/2023	6/30/2024			3,156,446	(3,156,446)								(3,156,446)
On-Behalf TPAF Long-Term Disability Insurance (NC)	24-495-034-5094-004	4,619	7/1/2023	6/30/2024			4,619	(4,619)								(4,619)
On-Behalf TPAF Pension and Annuity Fund (NC)	24-495-034-5094-002	11,597,615	7/1/2023	6/30/2024			11,597,615	(11,597,615)								(11,597,615)
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	2,422,933	7/1/2023	6/30/2024			2,302,930	(2,422,933)			(120,003)			(120,003)	(2,422,933)	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	2,333,850	7/1/2022	6/30/2023	(115,118)		115,118									
Total General Fund					(5,720,291)		67,627,704	(68,021,588)			(1,138,758)			(6,114,175)	(68,021,588)	
Special Revenue Fund:																
State Department of Human Services:																
School Based Youth Services	23-100-054-7570-389	153,051	7/1/2022	6/30/2023	\$ 4,000							\$ 4,000				
School Based Youth Services	24-100-054-7570-389	308,726	7/1/2023	6/30/2024			308,726	(308,726)								(308,726)
State Department of Health:																
Empower Grant	N/A	19,420	7/1/2022	6/30/2023	2,085							2,085				
State Department of Education:																
Climate Change Education Grants to Schools	N/A	6,660	7/1/2022	6/30/2023	(5,913)									(5,913)		
Preschool Education Aid	24-495-034-5120-86	2,961,200	7/1/2023	6/30/2024			3,840,653	(2,675,901)				1,460,872		(296,120)	(2,675,901)	
Preschool Education Aid	23-495-034-5120-86	2,672,794	7/1/2022	6/30/2023	316,053		267,279	(583,332)							(583,332)	
N.J. Nonpublic Aid:																
Textbook Aid	24-100-034-5120-064	6,128	7/1/2023	6/30/2024			6,128	(6,128)								(6,128)
Textbook Aid	23-100-034-5120-064	6,204	7/1/2022	6/30/2023		\$ 324				\$ (324)						
Nursing	24-100-034-5120-070	16,440	7/1/2023	6/30/2024			16,440	(16,440)								(16,440)
Nursing	23-100-034-5120-070	10,528	7/1/2022	6/30/2023		6,894				(6,894)						
Technology	24-100-034-5120-373	5,194	7/1/2023	6/30/2024			5,194	(5,194)								(5,194)
Technology	23-100-034-5120-373	3,948	7/1/2022	6/30/2023		1,429				(1,429)						
Security	24-100-034-5120-509	28,085	7/1/2023	6/30/2024			28,085	(28,085)								(28,085)
Auxiliary Services:																
Compensatory Education	24-100-034-5120-067	31,468	7/1/2023	6/30/2024			31,468	(31,468)								(31,468)
Compensatory Education	23-100-034-5120-067	29,352	7/1/2022	6/30/2023		3,466				(3,466)						
English as a Second Language	24-100-034-5120-067	916	7/1/2023	6/30/2024			916	(916)								(916)
Transportation	24-100-034-5120-068	4,512	7/1/2023	6/30/2024			4,512	(4,512)								(4,512)
Total Nonpublic Auxiliary Service Aid (Chap 192) Cluster:						3,466	36,896	(36,896)		(3,466)	-	-	-	-		(36,896)
Handicapped Services:																
Supplementary Instruction	24-100-034-5120-066	9,809	7/1/2023	6/30/2024			9,809	(9,747)					62			(9,747)
Examination and Classification	24-100-034-5120-066	13,649	7/1/2023	6/30/2024			13,649	(13,269)					380			(13,269)
Corrective Speech	24-100-034-5120-066	4,650	7/1/2023	6/30/2024			4,650	(4,650)								(4,650)
Total Nonpublic Handicapped Service Aid (Chap 193) Cluster:					-	-	28,108	(27,666)	-	-	-	-	442	-		(27,666)
Total Special Revenue Fund					316,225	12,113	4,537,509	(3,688,368)	-	(12,113)	-	1,466,957	442	(302,033)	(3,688,368)	
Capital Projects Fund:																
School Development Authority:																
School Security Aid - Alyssa's Law	20E00312	206,100	7/1/2020	6/30/2023	(206,100)				\$ 206,100							
Total Capital Projects Fund					(206,100)				206,100							
Debt Service Fund:																
Debt Service Aid	24-495-034-5120-075	533,935	7/1/2023	6/30/2024			533,935	(533,935)								(533,935)
Total Debt Service Fund							533,935	(533,935)								(533,935)
Enterprise Fund:																
State Department of Agriculture:																
School Lunch Program (State Share)	24-100-010-3350-023	50,322	7/1/2023	6/30/2024			46,893	(50,322)			(3,429)			(3,429)		(50,322)
School Lunch Program (State Share)	23-100-010-3350-023	43,115	7/1/2022	6/30/2023	(8,487)					(8,487)				(8,487)		
School Breakfast Program (State Share)	24-100-010-3350-495	7,972	7/1/2023	6/30/2024			7,412	(7,972)			(560)			(560)		(7,972)
School Breakfast Program (State Share)	23-100-010-3350-023	3,951	7/1/2022	6/30/2023	(917)					(917)				(917)		
Breakfast After the Bell Program	24-100-010-3350-495	21,527	7/1/2023	6/30/2024			20,081	(21,527)			(1,446)			(1,446)		(21,527)
Breakfast After the Bell Program	23-100-010-3350-495	11,653	7/1/2022	6/30/2023	(2,280)					(2,280)				(2,280)		
Working Class Families State Supplement - Breakfast	24-100-010-3350-495	11,153	7/1/2023	6/30/2024			10,349	(11,153)			(804)			(804)		(11,153)
Working Class Families State Supplement - Lunch	24-100-010-3350-495	33,079	7/1/2023	6/30/2024			30,400	(33,079)			(2,679)			(2,679)		(33,079)
Total Enterprise Fund					(11,684)	-	115,135	(124,053)	-	-	(20,602)	-	-	(20,602)	(124,053)	
Total State Financial Assistance					(5,621,850)	12,113	72,814,283	(72,367,944)	206,100	(12,113)	(1,159,360)	1,466,957	442	(6,436,810)	(72,367,944)	
State Financial Assistance Not Subject to Single Audit Determination:																
General Fund:																
On-Behalf TPAF Medical Contributions (NC)	24-495-034-5094-001	3,156,446	7/1/2023	6/30/2024			(3,156,446)	3,156,446								3,156,446
On-Behalf TPAF Long-Term Disability Insurance (NC)	24-495-034-5094-004	4,619	7/1/2023	6/30/2024			(4,619)	4,619								4,619
On-Behalf TPAF Pension and Annuity Fund (NC)	24-495-034-5094-002	11,597,615	7/1/2023	6/30/2024			(11,597,615)	11,597,615								11,597,615
Total State Financial Assistance Subject to Single Audit Determination					\$ (5,621,850)	\$ 12,113	\$ 58,055,603	\$ (57,609,264)	\$ 206,100	\$ (12,113)	\$ (1,159,360)	\$ 1,466,957	\$ 442	\$ (6,436,810)	\$ (57,609,264)	

NC-non cash expenditures.

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

**CARTERET 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 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Carteret Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 bases of accounting are described in Note 2 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of basic financial statements.

NOTE 3 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 \$604,405 for the general fund and a decrease of \$1,079,914 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 109,638	\$ 67,417,243	\$ 67,526,881
Special Revenue Fund	5,538,109	2,302,863	7,840,972
Debt Service Fund		533,935	533,935
Food Service Fund	<u>2,386,381</u>	<u>124,053</u>	<u>2,510,434</u>
Total Financial Assistance	<u>\$ 8,034,128</u>	<u>\$ 70,378,094</u>	<u>\$ 78,412,222</u>

**CARTERET 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 4 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 5 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 \$2,422,933 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 \$11,597,615, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,156,446 and TPAF Long-Term Disability Insurance in the amount of \$4,619 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

NOTE 6 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 7 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.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Are any material weaknesses identified?	<u> </u> Yes	<u> X </u>	No
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None Reported
Is any noncompliance material to financial statements noted?	<u> X </u> Yes	<u> </u>	No

Federal Awards

Internal control over major federal programs:			
Are any material weaknesses identified?	<u> </u> Yes	<u> X </u>	No
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None Reported
Type of auditors’ report issued on compliance for major federal programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> Yes	<u> </u>	No

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part I – Summary of Auditors Results (continued)

Federal Awards Section (continued)

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>FAIN</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster:</u>
10.555	231NJ304N1099	Food Donation Program
10.555	231NJ304N1099	National School Lunch Program
10.555	231NJ304N1099	Healthy Hunger-Free Kids Act
10.555	231NJ304N1199	COVID-19 Supply Chain Assistance
10.553	231NJ304N1099	School Breakfast Program
10.582	231NJ304L1603	Fresh Fruit and Vegetables Program

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes

 No

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Type of auditors’ report issued on compliance for major state programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	<u>State Aid Cluster:</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Educational Categorical Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid

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

_____ \$1,728,278

Auditee qualified as low-risk auditee? X Yes _____ No

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part II – Schedule of Financial Statement Findings

Finding 2024-001 (Other Matter):

The District's net cash resources in the Food Service Fund exceeded three months average expenditures.

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Questioned Costs:

None.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$363,466, as of June 30, 2024.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

The School District had remote learning for students in place during the recent pandemic years. This caused a drop in operating expenditures and also a sharp increase in revenues due to all student meals being classified as free meals for federal reimbursement.

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of Responsible Officials:

Management agrees with above finding and has taken necessary corrective action, including the purchase of a food service vehicle, upgrade of equipment and the purchase of new equipment.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part III – Schedule of Federal Awards and State Financial Assistance 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 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

FEDERAL AWARD PROGRAMS

Finding 2024-001 (Other Matter):

The District's net cash resources in the Food Service Fund exceeded three months average expenditures.

Prior Year Finding: See Prior Year Finding 2023-002.

Federal Program Information:

Child Nutrition Cluster

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Questioned Costs:

None.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined that the District's net cash resources exceeded the three months average expenditures by \$363,466, as of June 30, 2024.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part III – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

Cause:

The School District had remote learning for students in place during the recent pandemic years. This caused a drop in operating expenditures and also a sharp increase in revenues due to all student meals being classified as free meals for federal reimbursement.

Recommendation:

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditures or other improvements to the Food Service Program.

Views of Responsible Officials:

Management agrees with above finding and has taken necessary corrective action, including the purchase of a food service vehicle, upgrade of equipment and the purchase of new equipment.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

**Part III – Schedule of Federal Awards and State Financial Assistance Findings and
Questioned Costs**

STATE FINANCIAL ASSISTANCE PROGRAMS

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

Carteret Board of Education

Schedule of Findings and Questioned Costs

June 30, 2024

Part I – Summary of Auditor’s Results

STATUS OF PRIOR YEAR FINDINGS

FEDERAL AWARD PROGRAMS

Finding 2023-001 (Significant Deficiency):

It was noted the District did not have formal written policies that address Uniform Grant Guidance requirements, such as:

- determining the allowability of costs in accordance with federal cost principles the and the terms and conditions of the federal award; and
- the mandatory disclosure of all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award.

Federal Program Information:

Applicable to all federal programs.

Condition:

The District did not formally document the policies in accordance with Uniform Grant Guidance requirements.

Current Year Status:

This finding was corrected for the year ended June 30, 2024.

Corrective Action Taken:

The District updated the policies subsequent to year end and submitted them to the NJDOE.

Finding 2023-002 (Other Matter):

The District’s net cash resources in the Food Service Fund exceeded three months average expenditures.

Federal Program Information:

Child Nutrition Cluster

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Current Year Status:

This finding was not corrected for the year ended June 30, 2024.

Carteret Board of Education

Summary Schedule of Prior Audit Findings

June 30, 2024

Corrective Action Taken:

Management has taken necessary corrective action, including the purchase of a food service vehicle, upgrade of equipment and the purchase of new equipment.

Finding 2023-003 (Significant Deficiency):

The District's final federal grant expenditure reports do not agree to the grant expenditures recorded in the special revenue fund general ledger.

Federal Program Information:

- Title I-A 84.010
- Title ISIA Part A 84.010
- Title IIA 84.367A
- Title III 84.365
- IDEA – Basic 84.027A

Condition:

The final expenditure reports did not agree to the actual grant expenditures recorded in the special revenue fund general ledger by \$78,824.

Current Year Status:

This finding was corrected for the year ended June 30, 2024.

Corrective Action Taken:

The District reconciled all special revenue fund expenditures, including encumbrances, to the final expenditure reports to verify they agree.

STATE FINANCIAL ASSISTANCE

No matters were reported in prior year.