

CLOSTER BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Closter, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Closter Board of Education
Closter, New Jersey
For The Fiscal Year Ended June 30, 2024**

**Prepared by
Closter Board of Education
Business Office**

**CLOSTER BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

FINANCIAL SECTION

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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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

Basic Financial Statements

A. District-wide Financial Statements

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

B. Fund Financial Statements

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	23-61
--	-------

**CLOSTER BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	62-68
C-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budgetary Basis – Special Revenue Fund	69
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	70
REQUIRED SUPPLEMENTARY INFORMATION – PART III	
L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	71
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	72
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	73
L-5 Notes to Required Supplementary Information – Net Pension Liability	74
M. Schedules Related to Accounting and Reporting for Postemployment Retirement Benefits Other Than Pensions (OPEB) (GASB 75)	
M-1 Required Supplementary Information – Schedule of District’s Proportionate Share of Total OPEB Liability	75
M-2 Notes to Required Supplementary Information – OPEB Liability	76
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules – Not Applicable	
E. Special Revenue Fund	
E-1 Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Fund – Budgetary Basis	77-78
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis – Not Applicable	
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	79
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	80
F-2a Schedule of Project Revenues, Expenditures, Project Balances and Project Status – 2023 School Bond Referendum – Facility Upgrades at Hillside Elementary School and Tenakill Middle School	81

CLOSTER BOARD OF EDUCATION TABLE OF CONTENTS

	<u>Page</u>
G. Proprietary Funds	
G-1 Combining Statement of Net Position	82
G-2 Combining Statement of Revenues, Expenses and Charges in Net Position	83
G-3 Combining Statement of Cash Flows	84
H. Fiduciary Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds Payable	85
I-2 Schedule of Financing Agreements and Leases Payable – Not Applicable	86
I-3 Debt Service Fund Budgetary Comparison Schedule	87
 J. STATISTICAL SECTION (Unaudited)	
J-1 Net Position by Component	88
J-2 Changes in Net Position	89
J-3 Fund Balances – Governmental Funds	90
J-4 Changes in Fund Balances – Governmental Funds	91
J-5 General Fund Other Local Revenue by Source	92
J-6 Assessed Value and Actual Value of Taxable Property	93
J-7 Direct and Overlapping Property Tax Rates	94
J-8 Principal Property Taxpayers	95
J-9 Property Tax Levies and Collections	96
J-10 Ratios of Outstanding Debt by Type	97
J-11 Ratios of Net General Obligation Debt Outstanding	98
J-12 Direct and Overlapping Governmental Activities Debt	99
J-13 Legal Debt Margin Information	100
J-14 Demographic and Economic Statistics	101
J-15 Principal Employers	102
J-16 Full-Time Equivalent District Employees by Function/Program	103
J-17 Operating Statistics	104
J-18 School Building Information	105
J-19 Schedule of Required Maintenance Expenditures by School Facility	106
J-20 Insurance Schedule	107

**CLOSTER BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	108-109
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	110-112
K-3	Schedule of Expenditures of Federal Awards	113
K-4	Schedule of Expenditures of State Financial Assistance	114
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	115-116
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	117-118
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	119
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	120
K-7	Summary Schedule of Prior Year Findings – Not Applicable	

INTRODUCTORY SECTION

CLOSTER PUBLIC SCHOOLS

340 Homans Avenue • Closter, New Jersey 07624



Vincent McHale
Superintendent of Schools

Floro M. Villanueva Jr.
Business Administrator/Board Secretary

October 8, 2024

Honorable President and
Members of the Board of Trustees
Closter Board of Education
Closter, New Jersey 07624

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Closter School District (the "District") for the fiscal year ended June 30, 2024 is hereby submitted. This Annual Comprehensive Financial Report includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to understand the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of NJ OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Closter Public Schools is an independent reporting entity within the criteria adopted by the GASB as established by GASB No. 34. All funds of the District are included in this report. The Closter Board of Education, Hillside Elementary School, and Tenakill Middle School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. It completed the 2023-2024 fiscal year with an enrollment of 1,222 resident students, which is eight more students than the previous year. The following details the District's student enrollment changes over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	1,120	0.18
2015-2016	1,114	(0.54)
2016-2017	1,155	3.68
2017-2018	1,167	1.04
2018-2019	1,233	5.65
2019-2020	1,223	(0.81)
2020-2021	1,179	(3.59)
2021-2022	1,189	0.85
2022-2023	1,214	2.10
2023-2024	1,222	0.65

2. ECONOMIC CONDITION AND OUTLOOK: Known as "The Historic Hub of the Northern Valley," the Borough of Closter is situated below the Palisades in the northeastern part of Bergen County, New Jersey. Closter is a stable, attractive community with an estimated population of 8,594. The median household income of its residents is \$181,652, and the average home is assessed at \$823,190. Approximately 90% of Closter's working residents benefited from various industries like healthcare, finance, technology, and retail. Its strategic location, near New York City, facilitated commuting and business engagement opportunities. Furthermore, 95% of Closter's adult population graduated from high school, and 62% have a bachelor's degree or higher. As of the 2020 United States Census, 55% of the population are Caucasians, and nearly 34% of Closter's residents are of Asian origin. Although Closter is located just 15 miles from New York City, it maintains a local pride in its community, its schools, and the many services it offers its residents.

3. MAJOR INITIATIVES and NOTABLE ACHIEVEMENTS: In the 2023-2024 school year, Closter Public Schools celebrated many accomplishments that significantly enhanced the educational environment and community involvement. The district prioritized technology accessibility, ensuring every student was equipped with necessary devices, including providing cases for middle school students. Recognition from NAMM as a Best Music Community award recipient highlighted the district's commitment to excellence in music education.

The district took a proactive approach to supporting student learning in the 2023-2024 school year, using educational tools such as LinkIt! and Aimsweb to establish benchmarks in English Language Arts and Math. After-school enrichment programs in these core subjects were also offered, demonstrating our commitment to student learning. Additionally, preparations were underway for the next academic year, with the initiation of securing modular classrooms, ensuring they were ready for the 2024-2025 school year.

Closter Public Schools welcomed new students through the Hillside Hello Program and Kindergarten Kickstart, integrating fourth graders into community leadership via the LEAD program and Hillside Helpers. The district emphasized professional development, offering courses in Conquer Math and partnering with Raritan Valley Community College for science. At the same time, TEP students participated in the NPR Student Podcast Challenge, enhancing their learning experience.

Criterion-referenced assessments were conducted across various grades, and a collaboration with the Closter Shade Tree Commission resulted in a \$47,940 grant from the Trees for Schools Program. Additionally, the

district secured a \$67,680 grant for High-Impact Tutoring for grades 3 and 4, bolstering academic support initiatives.

The district goals for the year focused on critical areas of student advocacy, creating an inclusive learning environment, and aligning resources with student needs. These goals demonstrate a commitment to improving the educational experience of all students. The focus on student advocacy was particularly noteworthy, as it empowers students to voice their concerns and needs while effectively engaging with the school community.

The year was also marked by the community's overwhelming approval of a \$6.5 million bond referendum, enabling crucial facility improvements, including roofing work at Hillside Elementary and Tenakill Middle Schools, the installation of a new HVAC unit in the Tenakill Middle School gym, window replacements, and boiler upgrades. These improvements enhanced building safety, energy efficiency, and overall learning environments, ensuring the district's facilities met modern standards and provided a secure, conducive educational setting.

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

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

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

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

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

6. CASH MANAGEMENT: The District's investment policy is primarily guided by State statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act ("GUDPA") provisions. GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, pollution liability, commercial automobile, school board legal liability, crime, cyber policy, workers' compensation, and surety bonds.

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The auditing firm selected by the Board is Lerch, Vinci and Bliss, LLP. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet NJ OMB Circular 15-08 requirements. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to Government Auditing Standards and the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our sincere appreciation to the members of the Closter Board of Education for their prudent fiscal stewardship. Their concerns for fiscal accountability and transparency on behalf of the citizens and taxpayers of Closter should be commended. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office.

Respectfully submitted,

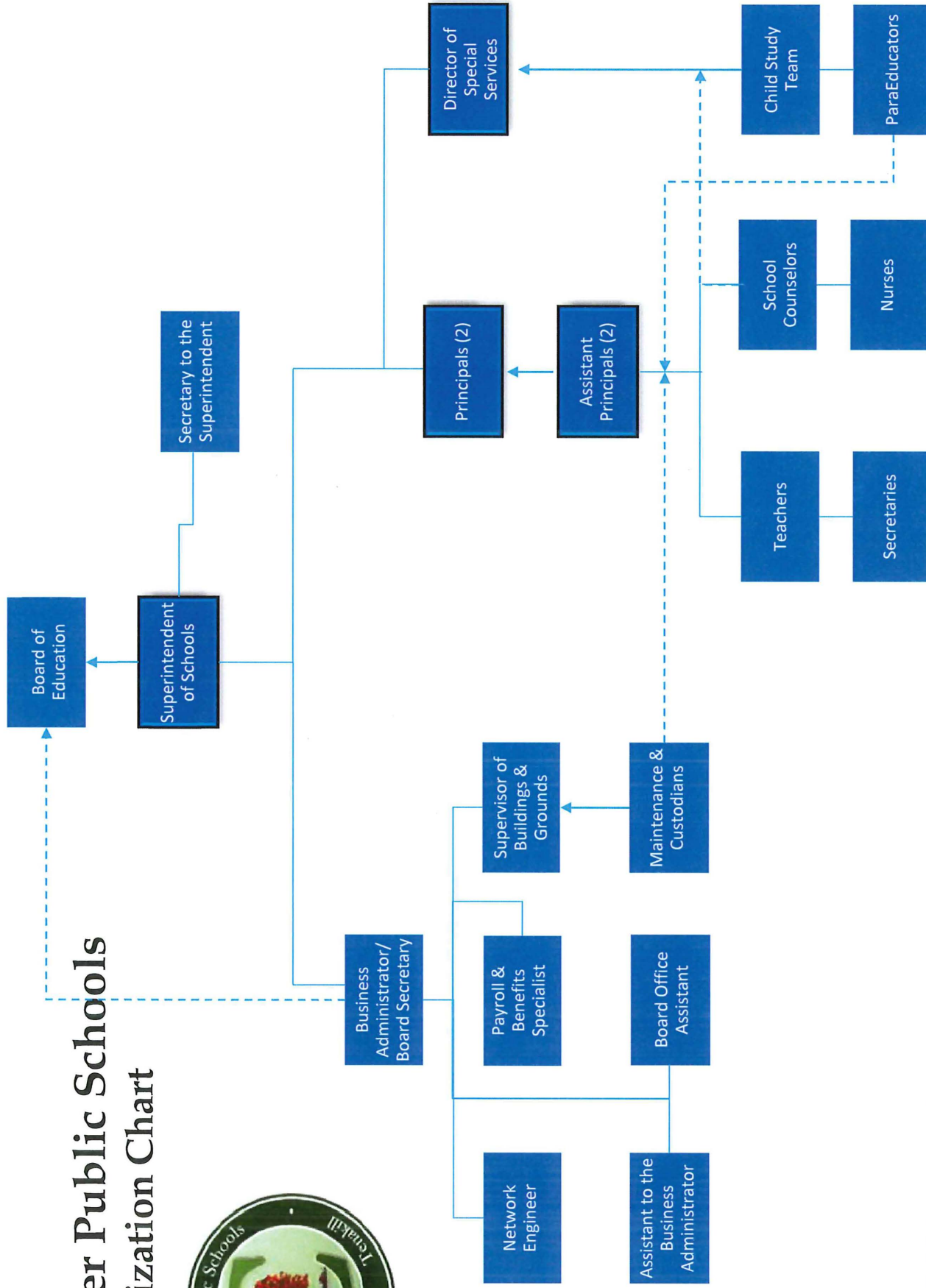


Vincent McHale
Superintendent of Schools
Closter Public Schools



Floro M. Villanueva Jr.
Business Administrator / Board Secretary
Closter Public Schools

Clster Public Schools Organization Chart



Indicates evaluative capacity as defined by ACHIEVE NJ



CLOSTER BOARD OF EDUCATION

BERGEN COUNTY, NEW JERSEY

Roster of Officials

Term Expires

President

Melody Finkelstein 2026

Vice-President

Magaly Salamea-Cross 2025

Members of the Board of Education

Edmund Choi 2026

Mary Elizabeth Fanelli 2024

Chris Kwon 2026

Jia-Dee Li 2025

Janine Micera 2025

Sheryl Wagner 2024

Janice Ja-Kyong Yeoh 2024

Superintendent of Schools

Vincent McHale

School Business Administrator/Board Secretary

Floro M. Villanueva Jr.

CLOSTER BOARD OF EDUCATION
Consultants and Advisors

Architect

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

Audit Firm

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

Attorneys

Fogarty & Hara
16-00 Route 208 South
Fair Lawn, NJ 07410

Official Depository

Capital One Bank
710 Route 46 East
Fairfield, NJ 07004

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Closter Board of Education
Closter, New Jersey

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2024 on our consideration of the Closter 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 Closter 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 Closter Board of Education's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 8, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

As management of the Closter Board of Education (the Board or District) we offer readers of the District's financial statements this narrative overview. Our discussion and analysis of the School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2024. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements including the notes to enhance their understanding of the District's financial performance.

Financial Highlights

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

- The assets and deferred outflows of resources of the Closter Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$21,026,830. (Net Position)
- The District's total net position increased by \$1,856,601, or 10%.
- Overall District revenues were \$29,928,361. General revenues accounted for \$23,331,549, or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,596,812, or 22%, of total revenues.
- The school district had \$28,043,780 in expenses for governmental activities; only \$6,578,946 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$23,331,549 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$16,971,995. Of this amount, \$12,259,484 is restricted for capital projects, \$813,985 is restricted for required maintenance of District facilities, \$1,375,000 is restricted for excess surplus, \$522,265 is restricted for other purposes, \$1,637,590 is committed or assigned for year end encumbrances and the remaining amount is the unassigned fund balance of \$363,671.
- The General Fund fund balance at June 30, 2024 was \$11,652,652, an increase of \$1,559,103 compared to the ending fund balance at June 30, 2023 of \$10,093,549.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,089,281, which represents a decrease of \$33,877 when compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$1,123,158.

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at significant funds with all other non-major funds presented in one total column. The General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023-2024? The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in its position. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- Governmental Activities – All programs and services are reported here including instruction, support services, operation and maintenance of school facilities, pupil transportation, capital outlay, and debt service activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Laptop Insurance Program and Food Service operations are reported as business-type activities.

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District's governmental funds include the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. The proprietary funds include the Laptop Insurance Program and Food Service Funds which are non-major funds.

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

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

Other Information

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

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

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

The District as a Whole

The Statement of Net Position provides one perspective of the District as a whole.

CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024

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

Net Position
as of June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	\$ 17,708,564	\$ 10,553,022	\$ 10,861	\$ 20,975	\$ 17,719,425	\$ 10,573,997
Capital Assets	14,133,418	13,057,748	-	-	14,133,418	13,057,748
Total Assets	<u>31,841,982</u>	<u>23,610,770</u>	<u>10,861</u>	<u>20,975</u>	<u>31,852,843</u>	<u>23,631,745</u>
Deferred Outflows of Resources						
Deferred Amount on Pension Liability	78,446	173,676	-	-	78,446	173,676
Total Deferred Outflows of Resources	<u>78,446</u>	<u>173,676</u>	<u>-</u>	<u>-</u>	<u>78,446</u>	<u>173,676</u>
Liabilities						
Long-Term Liabilities	9,674,363	3,544,015			9,674,363	3,544,015
Other Liabilities	866,559	378,971	-	-	866,559	378,971
Total Liabilities	<u>10,540,922</u>	<u>3,922,986</u>	<u>-</u>	<u>-</u>	<u>10,540,922</u>	<u>3,922,986</u>
Deferred Inflows of Resources						
Deferred Amount on Pension Liability	363,537	712,206	-	-	363,537	712,206
Total Deferred Inflows of Resources	<u>363,537</u>	<u>712,206</u>	<u>-</u>	<u>-</u>	<u>363,537</u>	<u>712,206</u>
Net Position						
Net Investment in Capital						
Assets	7,644,418	12,787,748			7,644,418	12,787,748
Restricted	13,345,734	7,874,751			13,345,734	7,874,751
Unrestricted	25,817	(1,513,245)	10,861	20,975	36,678	(1,492,270)
Total Net Position	<u>\$ 21,015,969</u>	<u>\$ 19,149,254</u>	<u>\$ 10,861</u>	<u>\$ 20,975</u>	<u>\$ 21,026,830</u>	<u>\$ 19,170,229</u>

The District's combined net position was \$21,026,830 and \$19,170,229 on June 30, 2024 and 2023, respectively.

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

CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024

The District's total net position of \$21,026,830 at June 30, 2024 represents a \$1,856,601, or 10%, increase from the prior year. The following shows changes in net position for fiscal years 2024 and 2023.

Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 571,552	\$ 581,350	\$ 12,010	\$ 24,210	\$ 583,562	\$ 605,560
Grants and Contributions	5,959,889	6,237,146	5,856	5,061	5,965,745	6,242,207
Capital Grants and Contributions	47,505	129,603			47,505	129,603
General Revenues						
Property Taxes	22,659,324	21,763,438			22,659,324	21,763,438
Other	672,225	309,903	-	-	672,225	309,903
Total Revenues	<u>29,910,495</u>	<u>29,021,440</u>	<u>17,866</u>	<u>29,271</u>	<u>29,928,361</u>	<u>29,050,711</u>
Expenses						
Instruction	17,068,249	16,753,584			17,068,249	16,753,584
Support Services						
Student and Instructional Related Svcs.	4,658,144	4,330,008			4,658,144	4,330,008
General, School and Central Administrative Svcs.	2,736,212	2,461,814			2,736,212	2,461,814
Plant Operations and Maintenance	2,826,576	2,730,767			2,826,576	2,730,767
Pupil Transportation	619,850	614,797			619,850	614,797
Interest on Debt	134,749	15,400			134,749	15,400
Laptop Insurance Program			15,000		15,000	-
Food Service	-	-	12,980	7,215	12,980	7,215
Total Expenses	<u>28,043,780</u>	<u>26,906,370</u>	<u>27,980</u>	<u>7,215</u>	<u>28,071,760</u>	<u>26,913,585</u>
Change in Net Position Before Transfer	1,866,715	2,115,070	(10,114)	22,056	1,856,601	2,137,126
Transfers	<u>-</u>	<u>2,700</u>	<u>-</u>	<u>(2,700)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Postion	1,866,715	2,117,770	(10,114)	19,356	1,856,601	2,137,126
Beginning of Year, Net Position	<u>19,149,254</u>	<u>17,031,484</u>	<u>20,975</u>	<u>1,619</u>	<u>19,170,229</u>	<u>17,033,103</u>
Ending of Year, Net Position	<u>\$ 21,015,969</u>	<u>\$ 19,149,254</u>	<u>\$ 10,861</u>	<u>\$ 20,975</u>	<u>\$ 21,026,830</u>	<u>\$ 19,170,229</u>

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

Governmental Activities

The District's total governmental activities revenues were \$29,910,495 and \$29,021,440 for the years ended June 30, 2024 and 2023, respectively. Property taxes made up 76 and 75 percent of revenues for governmental activities for the District in the fiscal years 2024 and 2023, respectively. Federal, state, and local grants and aid accounted for another 20 and 22 percent of governmental revenue for the years ended June 30, 2024 and 2023, respectively.

The total costs of all governmental programs and services was \$28,043,780 and \$26,906,370 for the years ended June 30, 2024 and 2023, respectively. Instruction costs were 61% and 62% of total expenses and support services costs were 39% and 38% of total expenses for the years ended June 30, 2024 and 2023, respectively.

For the fiscal years 2024 and 2023, governmental activities revenues and transfers in exceeded expenses increasing net position for government activities by \$1,866,715 and \$2,117,770, respectively, from the previous year.

Business-Type Activities

Revenues for the District's business-type activities (food service program and laptop insurance repairs program) were comprised of charges for services and federal reimbursements.

- Business-type activities expenses exceeded revenues by \$10,114 for the fiscal year ended June 30, 2024 whereas revenues exceeded expenses and transfers out by \$19,356 for the fiscal year ended June 30, 2023.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following shows the total cost of services and the net cost of services for the fiscal years ended June 30, 2024 and 2023. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Total and Net Cost of Services of Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction	\$ 17,068,249	\$ 16,753,584	\$ 11,710,531	\$ 11,346,367
Support Services				
Student and Instruction Related Svcs.	4,658,144	4,330,008	3,966,853	3,477,157
General, School and Central Administrative Svcs.	2,736,212	2,461,814	2,464,597	2,168,044
Plant Operations and Maintenance	2,826,576	2,730,767	2,683,836	2,443,002
Pupil Transportation	619,850	614,797	504,268	508,301
Interest and Other Charges	134,749	15,400	134,749	15,400
Total	\$ 28,043,780	\$ 26,906,370	\$ 21,464,834	\$ 19,958,271

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

Governmental Activities (Cont.)

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General, school and central administrative services include expenses associated with the overall administrative and financial supervision of the District, including information technology services.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges associated with debt of the District.

The District's Funds

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

All governmental funds (i.e., general, special revenue, capital projects and debt service funds presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$32,758,732 and \$30,998,156 and expenditures were \$32,451,374 and \$29,262,857 for the fiscal years ended June 30, 2024 and 2023, respectively. Other financing sources, net, were \$6,489,000 and \$2,700 for the fiscal years ended June 30, 2024 and 2023, respectively. During the fiscal years ended June 30, 2024 and 2023, revenues and other financing sources exceeded expenditures and other financing uses by \$6,796,358 and \$1,737,999, respectively.

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

<u>Revenue</u>	<u>Fiscal Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>June 30, 2024</u>	<u>June 30, 2023</u>		
Local Sources	\$ 24,047,043	\$ 22,788,059	\$ 1,258,984	6%
State Sources	8,059,709	7,324,758	734,951	10%
Federal Sources	<u>651,980</u>	<u>885,339</u>	<u>(233,359)</u>	-26%
Total	<u>\$ 32,758,732</u>	<u>\$ 30,998,156</u>	<u>\$ 1,760,576</u>	6%

For fiscal year 2024, total governmental funds revenues increased \$1,760,576, or 6%, from the previous year.

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

The District's Funds (Cont.)

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

<u>Expenditures</u>	<u>Fiscal Year Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>June 30, 2024</u>	<u>June 30, 2023</u>		
Current				
Instruction	\$ 19,147,180	\$ 18,283,731	\$ 863,449	5%
Support Services	10,973,686	10,165,983	807,703	8%
Capital Outlay	2,054,163	530,453	1,523,710	287%
Debt Service				
Principal	270,000	270,000	-	0%
Interest	<u>6,345</u>	<u>12,690</u>	<u>(6,345)</u>	-50%
 Total Expenditures	 <u>\$ 32,451,374</u>	 <u>\$ 29,262,857</u>	 <u>\$ 3,188,517</u>	 11%

For fiscal year 2024, governmental fund expenditures increased \$3,188,517, or 11%, from the previous year.

General Fund Budgeting Highlights

The District's annual school budget is prepared according to New Jersey Statutes. The most significant budgetary fund is the General Fund. The school budget is approved only after an exhaustive review of each appropriation account. The budget – first and foremost – supports student achievement and outstanding academic programs.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to appropriate additional restricted and unassigned fund balance and through budget transfers to prevent over expenditures in specific line item accounts.

For fiscal year 2024 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$1,517,265. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance decreased \$33,877 from an unassigned fund balance of \$1,123,158 at June 30, 2023 to \$1,089,281 at June 30, 2024. In addition at June 30, 2024 the District had balances in its capital reserve of \$7,034,561, maintenance reserve of \$813,985, emergency reserve of \$250,000, unemployment compensation reserve of \$177,845 and reserved excess surplus of \$1,375,000.

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

Capital Assets

At the end of fiscal years 2024 and 2023, the District's governmental activities had \$14,133,418 and \$13,057,748, respectively invested in land, buildings, furniture, equipment and vehicles, net of accumulated depreciation. The following shows fiscal year 2024 balances compared to fiscal year 2023 balances.

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

	<u>2024</u>	<u>2023</u>
Land	\$ 26,600	\$ 26,600
Construction in Progress	1,825,278	16,080
Improvements Other Than Buildings	243,456	260,456
Buildings and Improvements	11,545,499	12,293,926
Machinery and Equipment	<u>492,585</u>	<u>460,686</u>
Total	<u>\$ 14,133,418</u>	<u>\$ 13,057,748</u>

Overall capital assets, net of accumulated depreciation, increased \$1,075,670 from fiscal year 2023 to fiscal year 2024 as a result of capital asset additions exceeding capital asset deletions and depreciation during the current year.

The Capital Assets of the Business Type Activities of \$15,173 have been fully depreciated as of June 30, 2024 and 2023.

Additional information on Closter School District's Capital Assets can be found in Note 3 of this report.

Debt Administration

At June 30, 2024 and 2023, the District had \$9,674,363 and \$3,544,015, respectively of long-term liabilities. The following reflects the District's outstanding liabilities at June 30, 2024 and 2023.

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

	<u>2024</u>	<u>2023</u>
Bonds Payable	\$ 6,489,000	\$ 270,000
Net Pension Liability	2,851,527	2,941,893
Compensated Absences	<u>333,836</u>	<u>332,122</u>
Total	<u>\$ 9,674,363</u>	<u>\$ 3,544,015</u>

Overall long-term liabilities increased \$6,130,348 at June 30, 2024 from the previous year. During fiscal year 2024 the District issued school bonds in the amount \$6,489,000.

At June 30, 2024, the District's overall remaining legal debt margin was \$71,948,124.

Additional information on Closter School District's Long-Term Debt can be found in Note 3 of this report.

**CLOSTER BOARD OF EDUCATION
Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2024**

For the Future

The Closter Public Schools are thankful for the community's support and for the continued generosity of the Closter PTO. The district's most important goal is student achievement. To that end, the Closter Public Schools make every effort to meet the needs of all its children, despite significant cuts in state aid and unfunded mandates.

The Closter Public Schools are committed to educational excellence and fiscal integrity. Our system for financial planning, budgeting, and internal financial controls is audited annually. The Closter Public Schools shall continue to manage its financial resources prudently in order to meet the education challenges of the 21st century.

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

These indicators were considered when adopting the budget for fiscal year 2024-2025. Budgeted expenditures in the General Fund decreased approximately 1% to \$26,467,378 for fiscal year 2024-2025. A reduction in budgeted capital outlay projects was the main factor for the decrease.

Contacting the District's Financial Management

If you have questions about this report or need additional information, please contact the School Business Administrator, Closter Board of Education, 340 Homans Avenue, Closter, NJ 07624.

DISTRICT WIDE FINANCIAL STATEMENTS

**CLOSTER BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,529,383	\$ 10,561	\$ 17,539,944
Receivables, net			
Receivables from Other Governments	158,326		158,326
Other Accounts Receivable	20,855	300	21,155
Capital Assets, Not Being Depreciated	1,851,878		1,851,878
Capital Assets, Being Depreciated	12,281,540		12,281,540
	<u>31,841,982</u>	<u>10,861</u>	<u>31,852,843</u>
Total Assets			
	<u>31,841,982</u>	<u>10,861</u>	<u>31,852,843</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	78,446		78,446
	<u>78,446</u>	<u>-</u>	<u>78,446</u>
Total Deferred Outflows of Resources			
	<u>78,446</u>	<u>-</u>	<u>78,446</u>
Total Assets and Deferred Outflows of Resources	31,920,428	10,861	31,931,289
	<u>31,920,428</u>	<u>10,861</u>	<u>31,931,289</u>
LIABILITIES			
Accounts Payable & Other Liabilities	551,265		551,265
Payable to Other Governments	13,162		13,162
Unearned Revenue	172,142		172,142
Accrued Interest Payable	129,990		129,990
Noncurrent Liabilities			
Due Within One Year	214,000		214,000
Due Beyond One Year	9,460,363		9,460,363
	<u>10,540,922</u>	<u>-</u>	<u>10,540,922</u>
Total Liabilities			
	<u>10,540,922</u>	<u>-</u>	<u>10,540,922</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Net Pension Liability	363,537		363,537
	<u>363,537</u>	<u>-</u>	<u>363,537</u>
Total Deferred Inflows of Resources			
	<u>363,537</u>	<u>-</u>	<u>363,537</u>
Total Liabilities and Deferred Inflows of Resources	10,904,459	-	10,904,459
	<u>10,904,459</u>	<u>-</u>	<u>10,904,459</u>
NET POSITION			
Net Investment in Capital Assets	7,644,418		7,644,418
Restricted for:			
Capital Projects	12,259,484		12,259,484
Plant Maintenance	813,985		813,985
Unemployment Compensation	177,845		177,845
Student Activities	94,420		94,420
Unrestricted	25,817	10,861	36,678
	<u>21,015,969</u>	<u>10,861</u>	<u>21,026,830</u>
Total Net Position	<u>\$ 21,015,969</u>	<u>\$ 10,861</u>	<u>\$ 21,026,830</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 10,330,318	\$ 263,894	\$ 1,814,631	\$ 18,655	\$ (8,233,138)		\$ (8,233,138)
Special Education	5,340,768	57,327	2,729,466		(2,553,975)		(2,553,975)
Other Instruction	1,066,826		227,982		(838,844)		(838,844)
School Sponsored Activities and Athletics	330,337	242,171	253	3,339	(84,574)		(84,574)
Support Services							
Student and Instruction Related Svcs.	4,658,144		687,049	4,242	(3,966,853)		(3,966,853)
General Administration Services	755,305		56,041		(699,264)		(699,264)
School Administration Services	1,240,557		169,848		(1,070,709)		(1,070,709)
Central Administrative Services	740,350		45,726		(694,624)		(694,624)
Plant Operations and Maintenance	2,826,576		121,471	21,269	(2,683,836)		(2,683,836)
Pupil Transportation	619,850	8,160	107,422		(504,268)		(504,268)
Interest on Long-Term Debt	134,749				(134,749)		(134,749)
Total Governmental Activities	28,043,780	571,552	5,959,889	47,505	(21,464,834)	-	(21,464,834)
Business-Type Activities							
Laptop Insurance Program	15,000	4,680				\$ (10,320)	(10,320)
Food Service	12,980	7,330	5,856	-	-	206	206
Total Business-Type Activities	27,980	12,010	5,856	-	-	(10,114)	(10,114)
Total Primary Government	\$ 28,071,760	\$ 583,562	\$ 5,965,745	\$ 47,505	\$ (21,464,834)	\$ (10,114)	\$ (21,474,948)
General Revenues:							
Property Taxes, Levied for General Purposes					22,382,979		22,382,979
Property Taxes Levied for Debt Service					276,345		276,345
Interest Earnings					562,126		562,126
Miscellaneous Income					110,099		110,099
Total General Revenues and Transfers					23,331,549	-	23,331,549
Change in Net Position					1,866,715	(10,114)	1,856,601
Net Position, Beginning of Year					19,149,254	20,975	19,170,229
Net Position, End of Year					\$ 21,015,969	\$ 10,861	\$ 21,026,830

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

FUND FINANCIAL STATEMENTS

**CLOSTER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 12,114,236	\$ 190,224	\$ 5,224,923		\$ 17,529,383
Receivables					
Receivables From Other Governments	53,934	104,392			158,326
Accounts Receivable	1,030	19,825	-	-	20,855
Total Assets	<u>\$ 12,169,200</u>	<u>\$ 314,441</u>	<u>\$ 5,224,923</u>	<u>\$ -</u>	<u>\$ 17,708,564</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 423,186	\$ 34,717			\$ 457,903
Accrued Salaries and Wages	5,590				5,590
Payable to State Government		13,162			13,162
Payroll Deductions and Withholdings	9,416				9,416
Other Liabilities	78,356				78,356
Unearned Revenue	-	172,142	-	-	172,142
Total Liabilities	<u>516,548</u>	<u>220,021</u>	<u>-</u>	<u>-</u>	<u>736,569</u>
Restricted:					
Capital Reserve	6,684,561				6,684,561
Capital Reserve - Designated for Subsequent					
Year's Expenditures	350,000				350,000
Maintenance Reserve	473,985				473,985
Maintenance Reserve - Designated for Subsequent					
Year's Expenditures	340,000				340,000
Emergency Reserve	250,000				250,000
Unemployment Compensation Reserve	177,845				177,845
Excess Surplus	675,000				675,000
Excess Surplus - Designated for Subsequent					
Year's Expenditures	700,000				700,000
Student Activities		94,420			94,420
Capital Projects			5,224,923		5,224,923
Committed:					
Year-End Encumbrances	1,514,342				1,514,342
Assigned:					
Year-End Encumbrances	123,248				123,248
Unassigned Fund Balance	363,671	-	-	-	363,671
Total Fund Balances	<u>11,652,652</u>	<u>94,420</u>	<u>5,224,923</u>	<u>-</u>	<u>16,971,995</u>
Total Liabilities and Fund Balances	<u>\$ 12,169,200</u>	<u>\$ 314,441</u>	<u>\$ 5,224,923</u>	<u>\$ -</u>	<u>17,708,564</u>

**CLOSTER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

Total Fund Balances-Governmental Funds (Exhibit B-1) **\$ 16,971,995**

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$29,934,592 and the accumulated depreciation is \$15,801,174.

14,133,418

The District has financed capital assets through the issuance of Serial Bonds. The interest accrual at year end is:

(129,990)

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

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 78,446
(363,537)

(285,091)

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

Long-term liabilities at year end consist of the following:

Bonds Payable
Compensated Absences
Net Pension Liability

(6,489,000)
(333,836)
(2,851,527)

(9,674,363)

Total net position of governmental activities (Exhibit A-1)

\$ 21,015,969

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	\$ 22,382,979			\$ 276,345	\$ 22,659,324
Tuition	321,221				321,221
Interest	419,022		\$ 143,104		562,126
Miscellaneous	118,259	\$ 386,113	-	-	504,372
Total - Local Sources	23,241,481	386,113	143,104	276,345	24,047,043
State Sources	8,014,825	44,884			8,059,709
Federal Sources	-	651,980	-	-	651,980
Total Revenues	31,256,306	1,082,977	143,104	276,345	32,758,732
EXPENDITURES					
Current					
Instruction					
Regular Instruction	11,451,406	225,098			11,676,504
Special Education Instruction	5,668,911	232,550			5,901,461
Other Instruction	1,175,594	54,294			1,229,888
School Sponsored Activities and Athletics	109,488	229,839			339,327
Support Services					
Student and Instruction Related Services	4,899,690	254,031			5,153,721
General Administration Services	818,213				818,213
School Administration Services	1,400,843				1,400,843
Central Administrative Services	821,765				821,765
Plant Operations and Maintenance	2,130,205	27,328			2,157,533
Pupil Transportation	621,611				621,611
Debt Service					
Principal				270,000	270,000
Interest and Other Charges				6,345	6,345
Capital Outlay	742,581	47,505	1,264,077	-	2,054,163
Total Expenditures	29,840,307	1,070,645	1,264,077	276,345	32,451,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,415,999	12,332	(1,120,973)	-	307,358
Other Financing Sources (Uses)					
Transfer In	143,104				143,104
Transfer Out			(143,104)		(143,104)
Bonds Issued	-	-	6,489,000	-	6,489,000
Total Other Financing Sources (Uses)	143,104	-	6,345,896	-	6,489,000
Net Changes in Fund Balances	1,559,103	12,332	5,224,923	-	6,796,358
Fund Balance, Beginning of Year	10,093,549	82,088	-	-	10,175,637
Fund Balance, End of Year	\$ 11,652,652	\$ 94,420	\$ 5,224,923	\$ -	\$ 16,971,995

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

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

Total net change in fund balances - governmental funds (Exhibit B-2)	\$	6,796,358
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Amounts reported for governmental activities in the statement of activities are different because:

Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceed depreciation expense in the period.

Capital Outlay	\$ 2,054,163	
Depreciation Expense	<u>(978,493)</u>	
		1,075,670

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

Increase in Compensated Absences	(1,714)	
Decrease in Pension Expense	<u>343,805</u>	
		342,091

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

Debt Issued		
Bonds	(6,489,000)	
Principal Repayments		
Bonds	<u>270,000</u>	
		(6,219,000)

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

Increase in accrued interest		<u>(128,404)</u>
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Change in net position of governmental activities (A-2 Exhibit)	\$	<u>1,866,715</u>
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**CLOSTER BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Business-Type Activities Enterprise Funds <hr/> Total Non-Major Enterprise Funds <hr/>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 10,561
Intergovernmental Accounts Receivable	<u>300</u>
Total Current Assets	<u>10,861</u>
Noncurrent Assets	
Machinery and Equipment	15,173
Less: Accumulated Depreciation	<u>(15,173)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>10,861</u>
NET POSITION	
Unrestricted	<u>10,861</u>
Total Net Position	<u><u>\$ 10,861</u></u>

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

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

	Business-Type Activities Enterprise Fund
	Total Non-Major Enterprise Funds
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 7,330
Program Fees	<u>4,680</u>
Total Operating Revenues	<u>12,010</u>
OPERATING EXPENSES	
Salaries and Wages	4,000
Cost of Sales - Reimbursable Programs	8,980
Supplies and Materials	<u>15,000</u>
Total Operating Expenses	<u>27,980</u>
Operating (Loss)	<u>(15,970)</u>
NONOPERATING REVENUES	
Federal Sources	
Special Milk Program	<u>5,856</u>
Total Nonoperating Revenues	<u>5,856</u>
Change in Net Position	(10,114)
Net Position, Beginning of Year	<u>20,975</u>
Net Position, End of Year	<u><u>\$ 10,861</u></u>

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

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

	Business-Type Activities - Enterprise Funds
	Total Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from (Paid to) Customers	\$ 12,010
Payments to Employees for Salaries and Benefits	(4,000)
Cash Payments to Suppliers for Goods and Services	<u>(23,980)</u>
Net Cash (Used) by Operating Activities	<u>(15,970)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash Received from State and Federal Reimbursements	<u>5,866</u>
Net Cash Provided by Non-Capital Financing Activities	<u>5,866</u>
Net (Decrease) in Cash and Cash Equivalents	(10,104)
Cash and Cash Equivalents — Beginning of Year	<u>20,665</u>
Cash and Cash Equivalents — End of Year	<u>\$ 10,561</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:	
Operating (Loss)	\$ <u>(15,970)</u>
Net Cash (Used) by Operating Activities	<u>\$ (15,970)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

B. New Accounting Standards

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

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**CLOSTER 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)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

The *laptop insurance program fund* accounts for the non-refundable deposits charged to students to repair and replenish the District's laptop computers provided to each student.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets and intangible right-to-use IT subscription assets. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

<u>Assets</u>	<u>Years</u>
Improvements Other than Buildings	5-20
Buildings	50
Building Improvements	10-20
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 position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of 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 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. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board’s commitment to fund such costs from future operations. 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.

**CLOSTER 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)

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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

CLOSTER 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)*

Governmental Fund Statements (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

**CLOSTER 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)*

Governmental Fund Statements (Continued)

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

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

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 Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *On-Behalf Payments*

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

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$1,165,733 and the special revenue fund by \$1,091,174. The increases were funded by the additional appropriation of unassigned fund balance, capital reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations from the general fund of unassigned fund balance of \$675,120 and capital reserve of \$385,000.

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

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

B. Capital Reserve

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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

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

Balance, July 1, 2023		\$ 6,800,833
Increased by:		
Deposits Approved by Board Resolution	\$ 2,236,138	
Return of Unencumbered Budget Withdrawals	<u>7,590</u>	
Total Increases		<u>2,243,728</u>
		9,044,561
Decreased by:		
Withdrawals Approved in District Budget	1,625,000	
Withdrawals Approved by Board Resolution	<u>385,000</u>	
		<u>2,010,000</u>
Balance, June 30, 2024		<u>\$ 7,034,561</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$21,805,500. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$350,000 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

C. Maintenance Reserve

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

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

Balance, July 1, 2023	\$ 813,985
Increased by:	
Deposits Approved by Board Resolution	<u>100,000</u>
	913,985
Withdrawals:	
Withdrawals Approved in District Budget	<u>100,000</u>
Balance, June 30, 2024	<u>\$ 813,985</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$813,985. \$340,000 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

D. Emergency Reserve

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

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

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

Balance, July 1, 2023	\$ <u>250,000</u>
Balance, June 30, 2024	<u>\$ 250,000</u>

E. Transfers to Capital Outlay

During the 2023/2024 school year, the district transferred \$385,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the Board in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$1,375,000. Of this amount, \$700,000 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$675,000 will be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$17,539,944 and bank and brokerage firm balances of the Board’s deposits amounted to \$18,775,869. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 18,700,050
Uninsured and Collateralized	<u>75,819</u>
	<u>\$ 18,775,869</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board’s bank balance of \$75,819 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ <u>75,819</u>
	<u>\$ 75,819</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2024, the Board had no outstanding investments.

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

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 and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Non-Major Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 53,254			\$ 53,254
Federal		\$ 104,392	\$ 300	104,692
Local	680			680
Accounts	<u>1,030</u>	<u>19,825</u>	<u>-</u>	<u>20,855</u>
Gross Receivables	54,964	124,217	300	179,481
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 54,964</u>	<u>\$ 124,217</u>	<u>\$ 300</u>	<u>\$ 179,481</u>

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

NOTE 3 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	<u>\$ 172,142</u>

D. Capital Assets

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

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 26,600			\$ 26,600
Construction In Progress	16,080	\$ 1,809,198	-	1,825,278
Total Capital Assets, Not Being Depreciated	<u>42,680</u>	<u>1,809,198</u>	<u>-</u>	<u>1,851,878</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	25,575,968			25,575,968
Improvements Other Than Buildings	549,887			549,887
Machinery and Equipment	1,742,432	244,965	\$ (30,538)	1,956,859
Total Capital Assets Being Depreciated	<u>27,868,287</u>	<u>244,965</u>	<u>(30,538)</u>	<u>28,082,714</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(13,282,042)	(748,427)		(14,030,469)
Improvements Other Than Buildings	(289,431)	(17,000)		(306,431)
Machinery and Equipment	(1,281,746)	(213,066)	30,538	(1,464,274)
Total Accumulated Depreciation	<u>(14,853,219)</u>	<u>(978,493)</u>	<u>30,538</u>	<u>(15,801,174)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,015,068</u>	<u>(733,528)</u>	<u>-</u>	<u>12,281,540</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,057,748</u>	<u>\$ 1,075,670</u>	<u>\$ -</u>	<u>\$ 14,133,418</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 15,173	-	-	\$ 15,173
Total Capital Assets Being Depreciated	<u>15,173</u>	<u>-</u>	<u>-</u>	<u>15,173</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(15,173)	-	-	(15,173)
Total Accumulated Depreciation	<u>(15,173)</u>	<u>-</u>	<u>-</u>	<u>(15,173)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 146,105
Total Instruction	<u>146,105</u>
Support Services	
Students and Instruction Related Services	34,109
General Administration	590
School Administrative Services	17,242
Plant Operations and Maintenance	<u>780,447</u>
Total Support Services	<u>832,388</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 978,493</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2024:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacement Project at Tenakill Middle School	\$ 432,440
Districtwide Partial Roof Replacement Project	524,580
Districtwide Boiler Replacement Project	930,000
Tenakill Middle School Gymnasium HVAC Upgrade	889,000
Modular Building at Hillside Elementary School	<u>1,329,293</u>
Total	<u>\$ 4,105,313</u>

E. Interfund Receivables, Payables, and Transfers

Interfund Transfers

	<u>Transfer In:</u>
	General
	<u>Fund</u>
Transfer Out:	
Capital Projects Fund	<u>\$ 143,104</u>

The above transfers are the result of revenues earned in one fund which are due to another fund.

F. Long-Term Debt

General Obligation Bonds

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

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

\$6,489,000, 2023 School Bonds, due in annual principal installments of \$189,000 to \$370,000 through August 15, 2043 with interest of 1.00% to 4.00%	<u>\$ 6,489,000</u>
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**CLOSTER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

F. Long-Term Debt (Continued)

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 189,000	\$ 268,320	\$ 457,320
2026	240,000	219,750	459,750
2027	255,000	217,275	472,275
2028	265,000	214,675	479,675
2029	275,000	211,975	486,975
2030-2034	1,585,000	899,900	2,484,900
2035-2039	1,830,000	553,400	2,383,400
2040-2044	<u>1,850,000</u>	<u>185,000</u>	<u>2,035,000</u>
Total	<u>\$ 6,489,000</u>	<u>\$ 2,770,295</u>	<u>\$ 9,259,295</u>

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 78,437,824
Less: Net Debt Issued and Authorized But Not Issued	<u>6,489,700</u>
Remaining Borrowing Power	<u>\$ 71,948,124</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 270,000	\$ 6,489,000	\$ 270,000	\$ 6,489,000	\$ 189,000
Compensated Absences	332,122	7,564	5,850	333,836	25,000
Net Pension Liability	<u>2,941,893</u>	<u>172,755</u>	<u>263,121</u>	<u>2,851,527</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 3,544,015</u>	<u>\$ 6,669,319</u>	<u>\$ 538,971</u>	<u>\$ 9,674,363</u>	<u>\$ 214,000</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	None	\$ 46,034	\$ 33,074	\$ 177,845
2023	None	45,886	39,399	177,845
2022	None	29,265	None	177,845

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

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

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,		PERS	On-behalf TPAF		DCRP
2024	\$	263,121	\$	4,010,010	\$ 45,366
2023		245,827		3,661,502	37,312
2022		239,954		3,803,920	32,795

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,676, \$1,276 and \$1,169, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$796,891 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$2,851,527 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was .01969 percent, which was an increase of .00002 percent from its proportionate share measured as of June 30, 2022 of .01949 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense/(benefit) of \$(80,684) for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 27,264	\$ 11,656
Changes of Assumptions	6,264	172,815
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	13,132	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	31,786	179,066
Total	\$ 78,446	\$ 363,537

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

Year Ending June 30,	Total
2024	\$ (207,995)
2025	(144,019)
2026	86,752
2027	(20,426)
2028	597
Thereafter	-
	\$ (285,091)

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,712,081</u>	<u>\$ 2,851,527</u>	<u>\$ 2,119,081</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,107,542 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$45,082,324. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .08834 percent, which was a decrease of .00278 percent from its proportionate share measured as of June 30, 2022 of .09112 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 53,160,241	\$ 45,082,324	\$ 38,278,798

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,091,378, \$961,868 and \$888,749, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,145,609. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$34,433,637. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .06576 percent, which was a decrease of .00050 percent from its proportionate share measured as of June 30, 2022 of .06626 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

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

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

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

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

Health Care Trend Assumptions

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 33,558,128
Changes Recognized for the Fiscal Year:	
Service Cost	1,474,689
Interest on the Total OPEB Liability	1,212,711
Differences Between Expected and Actual Experience	(967,044)
Changes of Assumptions	69,404
Gross Benefit Payments	(945,328)
Contributions from the Member	31,077
Net Changes	\$ 875,509
Balance, June 30, 2023 Measurement Date	\$ 34,433,637

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

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 40,367,528	\$ 34,433,637	\$ 29,669,411

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 28,585,227	\$ 34,433,637	\$ 42,086,296

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

F. Tax Abatements

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

For the year ended December 31, 2023, the Borough provided property tax abatements through the New Jersey Housing and Mortgage Financing Act.

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

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements (Continued)

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the year ended December 31, 2023 the Borough abated property taxes totaling \$166,139 under the NJHMFA program of which \$66,022 represents the District's share.

G. Subsequent Events

Appropriation of Fund Balance

On August 27, 2024 the Board approved the appropriation of an additional \$610,474 of General Fund unassigned fund balance to the 2024/2025 budget.

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$1,605,642 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 22,382,979		\$ 22,382,979	\$ 22,382,979	
Tuition from Individuals	184,640		184,640	263,894	\$ 79,254
Tuition from LEA's Within the State	57,924		57,924	57,327	(597)
Transportation Fees from Individuals				8,160	8,160
Interest Earned				419,022	419,022
Interest - Capital Reserve	850		850		(850)
Interest - Maintenance Reserve	150		150		(150)
Miscellaneous	123,000	-	123,000	110,099	(12,901)
Total Local Sources	22,749,543	-	22,749,543	23,241,481	491,938
State Sources					
Special Education Aid	1,277,579		1,277,579	1,277,579	
Security Aid	91,347		91,347	91,347	
Transportation Aid	93,632		93,632	93,632	
Extraordinary Aid				596,391	596,391
Nonpublic Transportation Reimbursement				14,083	14,083
On-Behalf TPAF Contributions (Non-Budgeted):					
Pension Benefit Contribution				3,964,794	3,964,794
Pension - NCGI Premium				45,216	45,216
Post-Retirement Medical Benefit Contribution				1,091,378	1,091,378
Long-Term Disability Insurance Premium				1,676	1,676
Reimbursed Social Security Contributions	-	-	-	796,891	796,891
Total State Sources	1,462,558	-	1,462,558	7,972,987	6,510,429
Total Revenues	24,212,101	-	24,212,101	31,214,468	7,002,367
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	92,814	-	92,814	91,851	963
Kindergarten	664,811	\$ (125,200)	539,611	520,895	18,716
Grades 1-5	3,444,405	(86,871)	3,357,534	3,310,484	47,050
Grades 6-8	2,252,791	(60,796)	2,191,995	2,164,715	27,280
Regular Programs - Home Instruction					
Salaries of Teachers	7,000	-	7,000		7,000
Purchased Professional/Educational Services	3,000	5,000	8,000	3,812	4,188
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	302,386	(37,000)	265,386	164,152	101,234
Purchased Professional/Educational Services	22,600	935	23,535	14,934	8,601
Purchased Technical Services	91,068	21,140	112,208	94,525	17,683
Other Purchased Services	206,559	117,000	323,559	285,087	38,472
General Supplies	194,079	447,654	641,733	469,932	171,801
Textbooks	71,581	35,300	106,881	101,511	5,370
Other Objects	19,000	4,700	23,700	18,176	5,524
Total Regular Programs	7,372,094	321,862	7,693,956	7,240,074	453,882
Learning and/or Language Disabilities					
Salaries of Teachers	391,069	58,660	449,729	441,197	8,532
Other Salaries for Instruction	69,346	(57,000)	12,346	8,083	4,263
Other Purchased Services	3,765	4,230	7,995	5,489	2,506
General Supplies	3,390	13,706	17,096	10,139	6,957
Total Learning and/or Language Disabilities	467,570	19,596	487,166	464,908	22,258

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Emotional Regulation Impairment					
Salaries of Teachers	\$ 141,996	\$ (12,250)	\$ 129,746	\$ 125,851	\$ 3,895
Other Purchased Services		200	200	199	1
General Supplies	1,050	(200)	850	535	315
Total Emotional Regulation Impairment	143,046	(12,250)	130,796	126,585	4,211
Resource Room/Resource Center					
Salaries of Teachers	1,410,647	141,500	1,552,147	1,537,073	15,074
General Supplies	5,500	12,381	17,881	17,202	679
Total Resource Room/Resource Center	1,416,147	153,881	1,570,028	1,554,275	15,753
Preschool Disabilities - Full-Time					
Salaries of Teachers	237,078	6,000	243,078	237,596	5,482
Other Salaries for Instruction	97,729	15,500	113,229	99,710	13,519
Other Purchased Services		200	200	199	1
General Supplies	2,600	800	3,400	3,108	292
Total Preschool Disabilities - Full-Time	337,407	22,500	359,907	340,613	19,294
Total Special Education	2,364,170	183,727	2,547,897	2,486,381	61,516
Basic Skills/Remedial					
Salaries of Teachers	486,413	(157,000)	329,413	317,634	11,779
General Supplies	2,000	2,000	4,000	2,902	1,098
Total Basic Skills/Remedial	488,413	(155,000)	333,413	320,536	12,877
Bilingual Education					
Salaries of Teachers	376,215	(15,000)	361,215	353,084	8,131
General Supplies	2,230	18,709	20,939	11,239	9,700
Textbooks	-	16,000	16,000	-	16,000
Total Bilingual Education	378,445	19,709	398,154	364,323	33,831
School Sponsored Co/Extra Curricular Activities-Instruction					
Salaries	66,931	-	66,931	42,808	24,123
Supplies and Materials	5,000	-	5,000	1,659	3,341
Other Objects	2,000	-	2,000	1,660	340
Total School Sponsored Co/Extra Curricular Activities-Inst	73,931	-	73,931	46,127	27,804
School Sponsored Athletics-Instruction					
Salaries	26,544	-	26,544	26,397	147
Purchased Services	4,600	1,000	5,600	5,368	232
Supplies and Materials	2,000	1,500	3,500	2,969	531
Other Objects	500	-	500	465	35
Total School Sponsored Athletics-Instruction	33,644	2,500	36,144	35,199	945
Summer School-Instruction					
Salaries of Teachers	25,500	6,270	31,770	19,370	12,400
Other Salaries for Instruction	9,500	(1,755)	7,745	7,744	1
Supplies and Materials	500	-	500	-	500
Total Summer School-Instruction	35,500	4,515	40,015	27,114	12,901
Summer School-Support Services					
Salaries	9,000	(4,500)	4,500	3,450	1,050
Total Summer School-Support Services	9,000	(4,500)	4,500	3,450	1,050
Total Instruction	\$ 10,755,197	\$ 372,813	\$ 11,128,010	\$ 10,523,204	\$ 604,806

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/in State - Special	\$ 1,279,284	\$ (83,541)	\$ 1,195,743	\$ 1,030,983	\$ 164,760
Tuition to CSSD and Regional Day Schools	237,110	-	237,110	138,647	98,463
Tuition to APSSD - W/I State	505,748	(10,806)	494,942	384,483	110,459
Tuition - State Facilities	-	41,075	41,075	41,075	-
Total Undistributed Expenditures - Instruction	2,022,142	(53,272)	1,968,870	1,595,188	373,682
Attendance and Social Work					
Salaries	92,713	300	93,013	89,733	3,280
Purchased Professional and Technical Services	9,000	-	9,000	8,600	400
Total Attendance and Social Work	101,713	300	102,013	98,333	3,680
Health Services					
Salaries	195,907	(5,000)	190,907	172,827	18,080
Purchased Professional and Technical Services	4,250	-	4,250	4,000	250
Other Purchased Services	12,200	18,000	30,200	20,725	9,475
Supplies and Materials	10,600	18,471	29,071	21,202	7,869
Total Health Services	222,957	31,471	254,428	218,754	35,674
Speech, OT, PT & Related Services					
Salaries	437,195	41,000	478,195	450,254	27,941
Purchased Professional-Educational Services		7,000	7,000	5,600	1,400
Other Purchased Services	1,000	-	1,000		1,000
Supplies and Materials	3,592	7,300	10,892	7,981	2,911
Total Speech, OT, PT & Related Services	441,787	55,300	497,087	463,835	33,252
Other Support Services - Students - Extra Services					
Salaries	822,507	51,700	874,207	868,856	5,351
Purchased Professional-Educational Services	549,900	(53,907)	495,993	339,898	156,095
Supplies and Materials	3,900	1,500	5,400	1,923	3,477
Other Objects	500	1,000	1,500	595	905
Total Other Supp. Serv. Student - Extra Services	1,376,807	293	1,377,100	1,211,272	165,828
Other Supp. Serv. - Students - Regular (Guidance)					
Salaries of Other Professional Staff	352,110	-	352,110	340,855	11,255
Purchased Professional-Educational Services	6,000	(500)	5,500	4,145	1,355
Supplies and Materials	1,300	1,300	2,600	1,986	614
Other Objects	500	-	500	169	331
Total Guidance	359,910	800	360,710	347,155	13,555
Child Study Teams					
Salaries of Other Professional Staff	396,388	-	396,388	386,422	9,966
Salaries of Secretarial and Clerical Assistants	109,230	-	109,230	104,926	4,304
Purchased Professional-Educational Services	64,000	(8,300)	55,700	49,942	5,758
Other Purchased Professional and Technical Services	15,700	-	15,700	7,202	8,498
Other Purchased Services	500	-	500		500
Supplies and Materials	6,400	16,472	22,872	16,941	5,931
Other Objects	1,625	1,000	2,625	1,405	1,220
Total Child Study Teams	593,843	9,172	603,015	566,838	36,177
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	68,531	6,000	74,531	70,372	4,159
Salaries of Other Professional Staff	28,500	-	28,500	16,865	11,635
Purchased Professional-Educational Services	61,700	-	61,700	60,934	766
Other Purchased Professional and Technical Services	6,000	-	6,000		6,000
Supplies and Materials	1,000	-	1,000		1,000
Other Objects	800	-	800	-	800
Total Improvement of Instructional Services	166,531	6,000	172,531	148,171	24,360

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media/School Library					
Salaries - Regular	\$ 188,576	-	\$ 188,576	\$ 183,070	\$ 5,506
Purchased Professional and Technical Services	3,500	-	3,500	2,916	584
Other Purchased Services	7,500	\$ 1,000	8,500	7,496	1,004
Supplies and Materials	13,000	3,700	16,700	7,032	9,668
Total Educational Media/School Library	212,576	4,700	217,276	200,514	16,762
Instructional Staff Training Services					
Salaries of Supervisor of Instruction		37,700	37,700	23,601	14,099
Purchased Professional-Educational Services	42,500	-	42,500	41,486	1,014
Other Purchased Professional and Technical Services	8,300	31,050	39,350	35,097	4,253
Other Purchased Services	12,000	-	12,000	9,249	2,751
Supplies and Materials	4,500	-	4,500	1,290	3,210
Total Instructional Staff Training Services	67,300	68,750	136,050	110,723	25,327
Support Services General Administration					
Salaries	311,160	-	311,160	311,076	84
Legal Services	35,000	17,600	52,600	46,303	6,297
Audit Fees	32,000	12,700	44,700	44,500	200
Other Purchased Professional Services	36,000	37,660	73,660	73,495	165
Purchased Technical Services	7,554	29,400	36,954	36,601	353
Insurance	33,000	(2,828)	30,172	30,172	-
Communications/Telephone	38,149	(975)	37,174	34,898	2,276
BOE Other Purchased Services	6,500	1,800	8,300	7,381	919
Miscellaneous Purchased Services	4,300	12,065	16,365	15,392	973
General Supplies	4,250	868	5,118	4,383	735
BOE In-House Training/Meeting Supplies	1,750	1,400	3,150	2,528	622
Miscellaneous Expenditures	5,200	-	5,200	3,516	1,684
BOE Membership Dues and Fees	9,400	1,000	10,400	10,358	42
Total Support Services General Administration	524,263	110,690	634,953	620,603	14,350
Support Services School Administration					
Salaries of Principals/Asst. Principals	527,915	9,500	537,415	533,505	3,910
Salaries of Other Professional Staff	151,000	2,200	153,200	150,171	3,029
Salaries of Secretarial and Clerical Assistants	147,359	(3,000)	144,359	142,870	1,489
Purchased Professional and Technical Services	1,500	1,500	3,000	1,644	1,356
Other Purchased Services	9,100	3,300	12,400	7,522	4,878
Supplies and Materials	9,000	36,122	45,122	38,748	6,374
Other Objects	13,600	11,500	25,100	19,625	5,475
Total Support Services School Administration	859,474	61,122	920,596	894,085	26,511
Central Services					
Salaries	362,200	9,000	371,200	364,098	7,102
Purchased Technical Services	23,000	8,975	31,975	26,054	5,921
Miscellaneous Purchased Services	12,050	8,300	20,350	16,163	4,187
Supplies and Materials	4,000	19,365	23,365	18,896	4,469
Miscellaneous Expenditures	3,000	-	3,000	1,500	1,500
Total Central Services	404,250	45,640	449,890	426,711	23,179
Admin. Info. Tech.					
Salaries	120,077	1,000	121,077	120,343	734
Purchased Technical Services	52,770	(7,000)	45,770	18,109	27,661
Other Purchased Services	650	1,500	2,150	965	1,185
Supplies and Materials	6,000	9,700	15,700	13,600	2,100
Total Admin. Info. Tech.	179,497	5,200	184,697	153,017	31,680

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 178,864	\$ 17,000	\$ 195,864	\$ 183,943	\$ 11,921
Cleaning, Repair and Maintenance Services	132,000	54,087	186,087	143,824	42,263
Other Purchased Services		500	500	140	360
General Supplies	59,000	21,042	80,042	40,991	39,051
Other Objects	1,725	5,000	6,725	3,538	3,187
Total Required Maintenance for School Facilities	371,589	97,629	469,218	372,436	96,782
Custodial Services					
Salaries	580,105	24,000	604,105	552,741	51,364
Salaries of Non-Instructional Aides	157,313	(20,000)	137,313	120,912	16,401
Purchased Professional and Technical Services	8,400	-	8,400		8,400
Cleaning, Repair and Maintenance Services	16,000	15,000	31,000	15,115	15,885
Rental of Land & Building Other than Lease Purchase Agreee	14,000	-	14,000	10,042	3,958
Other Purchased Property Services	22,600	-	22,600	18,974	3,626
Insurance	240,084	13,663	253,747	253,663	84
Miscellaneous Purchased Services	200	-	200		200
General Supplies	47,000	41,832	88,832	74,215	14,617
Energy (Natural Gas)	175,000	(87,000)	88,000	67,221	20,779
Energy (Electricity)	270,000	(80,000)	190,000	160,923	29,077
Energy (Gasoline)	8,000	-	8,000	2,977	5,023
Other Objects	3,500	-	3,500	-	3,500
Total Custodial Services	1,542,202	(92,505)	1,449,697	1,276,783	172,914
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Service	78,700	30,500	109,200	106,687	2,513
General Supplies	7,000	18,000	25,000	9,465	15,535
Total Care and Upkeep of Grounds	85,700	48,500	134,200	116,152	18,048
Security					
Purchased Professional and Technical Services	2,550	-	2,550	1,150	1,400
Cleaning, Repair and Maintenance Service	10,000	(4,000)	6,000	-	6,000
General Supplies	11,000	56,500	67,500	14,694	52,806
Total Security	23,550	52,500	76,050	15,844	60,206
Student Transportation Services					
Salaries of Non-Instructional Aides	21,193	-	21,193	13,557	7,636
Contracted Services (Aid In Lieu of Payments) - Non-Public	55,000	(2,500)	52,500	22,718	29,782
Contracted Services (Between Home and School) - Vendors	80,106	33,800	113,906	104,017	9,889
Contracted Services (Other Than Between Home and School)	34,000	-	34,000	21,625	12,375
Contracted Services (Between Home and School) - Joint Agr	25,000	-	25,000	12,835	12,165
Contracted Services (Special Education Students) - Joint Agr	501,000	(6,000)	495,000	441,342	53,658
Total Student Transportation Services	716,299	25,300	741,599	616,094	125,505
Unallocated Benefits - Employee Benefits					
Social Security Contributions	277,360	10,000	287,360	285,824	1,536
Other Retirement Contributions - PERS	298,500	(15,000)	283,500	263,121	20,379
Other Retirement Contribution - DCRP	33,000	15,000	48,000	45,366	2,634
Worker's Compensation	94,051	(6,000)	88,051	56,502	31,549
Health Benefits	3,379,224	(333,782)	3,045,442	2,536,203	509,239
Tuition Reimbursement	15,000	-	15,000	9,649	5,351
Other Employee Benefits	7,000	-	7,000	4,603	2,397
Unused Sick Payment to Terminated/Retired Staff	25,000	-	25,000	5,850	19,150
Total Unallocated Benefits	4,129,135	(329,782)	3,799,353	3,207,118	592,235

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
On-Behalf TPAF Contributions (Non-Budgeted)					
Pension Benefit Contribution				\$ 3,964,794	\$ (3,964,794)
Pension - NCGI Premium				45,216	(45,216)
Post-Retirement Medical Benefit Contribution				1,091,378	(1,091,378)
Long-Term Disability Insurance Premium				1,676	(1,676)
Reimbursed Social Security Contributions	-	-	-	796,891	(796,891)
Total On-Behalf TPAF Contributions	-	-	-	5,899,955	(5,899,955)
Total Undistributed Expenditures	\$ 14,401,525	\$ 147,808	\$ 14,549,333	18,559,581	(4,010,248)
Interest Deposit to Maintenance Reserve	150	-	150	-	150
Total Current Expenditures	25,156,872	520,621	25,677,493	29,082,785	(3,405,292)
CAPITAL OUTLAY					
EQUIPMENT					
Undistributed Expenditures					
Instruction					
Grades 1-5	10,000	134,888	144,888	4,889	139,999
Grades 6-8	5,000	16,043	21,043		21,043
School Sponsored and Other Instructional Programs					
Preschool Disabilities - Full-Time		4,190	4,190	4,190	-
Undistributed Expenditures - General Administration		3,148	3,148	3,148	-
Undistributed Expenditures - School Administration		45,245	45,245	40,396	4,849
Undistributed Expenditures - Administrative Information Tec	14,000	(5,942)	8,058		8,058
Undistributed Expenditures - Required Maintenance for School Facilities		14,521	14,521	8,371	6,150
Undistributed Expenditures - Custodial Services		17,388	17,388	17,388	-
Undistributed Expenditures - Security		2,767	2,767	2,767	-
Undistributed Expenditures - Athletics	-	21,944	21,944	-	21,944
Total Equipment	29,000	254,192	283,192	81,149	202,043
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	100,000	37,920	137,920	116,414	21,506
Construction Services	1,525,000	353,000	1,878,000	545,018	1,332,982
Assessment for Debt Service on SDA Funding	14,941	-	14,941	14,941	-
Total Facilities Acquisition and Construction Services	1,639,941	390,920	2,030,861	676,373	1,354,488
Interest Deposit to Capital Reserve	850	-	850	-	850
Total Capital Outlay	1,669,791	645,112	2,314,903	757,522	1,557,381
Total General Fund Expenditures	\$ 26,826,663	\$ 1,165,733	\$ 27,992,396	\$ 29,840,307	\$ (1,847,911)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,614,562)	\$ (1,165,733)	\$ (3,780,295)	\$ 1,374,161	\$ 5,154,456
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund	-	-	-	143,104	143,104
Total Other Financing Sources (Uses)	-	-	-	143,104	143,104

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	\$ (2,614,562)	\$ (1,165,733)	\$ (3,780,295)	\$ 1,517,265	\$ 5,297,560
Fund Balance, Beginning of Year	<u>10,860,997</u>	<u>-</u>	<u>10,860,997</u>	<u>10,860,997</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 8,246,435</u>	<u>\$ (1,165,733)</u>	<u>\$ 7,080,702</u>	<u>\$ 12,378,262</u>	<u>\$ 5,297,560</u>
Recapitulation					
Restricted:					
Capital Reserve				\$ 6,684,561	
Capital Reserve - Designated for Subsequent Year's Expenditures				350,000	
Maintenance Reserve				473,985	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				340,000	
Emergency Reserve				250,000	
Unemployment Compensation Reserve				177,845	
Excess Surplus				675,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				700,000	
Committed:					
Year-End Encumbrances				1,514,342	
Assigned:					
Year-End Encumbrances				123,248	
Unassigned Fund Balance				<u>1,089,281</u>	
				12,378,262	
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Revenue Not Recognized on the GAAP Basis				<u>(725,610)</u>	
Fund Balance, Governmental Statements (GAAP Basis)				<u>\$ 11,652,652</u>	

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 268,500	\$ 490,830	\$ 759,330	\$ 651,750	\$ (107,580)
State Sources	7,500	54,571	62,071	44,884	(17,187)
Local Sources	500	545,773	546,273	382,318	(163,955)
Total Revenues	276,500	1,091,174	1,367,674	1,078,952	(288,722)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	12,000	221,248	233,248	174,475	58,773
Purchased Professional Technical Services		37,900	37,900	1,900	36,000
Tuition	143,000	87,992	230,992	230,992	-
Textbooks	1,500	1,448	2,948	2,948	-
Supplies and Materials	2,000	40,398	42,398	36,387	6,011
Miscellaneous Expenditures		107,100	107,100	29,000	78,100
Co-Curricular/Extra-Curricular Activities	-	229,839	229,839	229,839	-
Total Instruction	158,500	725,925	884,425	705,541	178,884
Support Services:					
Salaries		10,832	10,832	8,232	2,600
Personal Services-Employee Benefits	8,000	35,627	43,627	36,010	7,617
Purchased Professional Technical Services	50,000	91,956	141,956	128,209	13,747
Cleaning, Repair and Maintenance Services		27,328	27,328	27,328	-
Other Purchased Services	60,000	10,000	70,000	70,000	-
Supplies and Materials	-	48,170	48,170	43,795	4,375
Total Support Services	118,000	223,913	341,913	313,574	28,339
Capital Outlay					
Construction Services		14,240	14,240	14,240	-
Non-Instructional Equipment	-	127,096	127,096	33,265	93,831
Total Facilities Acquisition and Construction Services	-	141,336	141,336	47,505	93,831
Total Expenditures	276,500	1,091,174	1,367,674	1,066,620	301,054
Excess of Revenues Over Expenditures	-	-	-	12,332	12,332
Fund Balance, July 1	-	-	-	82,088	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 94,420	\$ 12,332
Recapitulation of Fund Balance					
Restricted Fund Balances					
Student Activities				\$ 94,420	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 31,214,468	\$ 1,078,952
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		4,025
Encumbrances, June 30, 2024		-
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes - Prior Year	767,448	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	<u>(725,610)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 31,256,306</u>	<u>\$ 1,082,977</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 29,840,307	\$ 1,066,620
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023		4,025
Encumbrances, June 30, 2024	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 29,840,307</u>	<u>\$ 1,070,645</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**CLOSTER 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)	0.01969%	0.01949%	0.02049%	0.02120%	0.02114%	0.02085%	0.02108%	0.02109%	0.02283%	0.02173%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,851,527</u>	<u>\$ 2,941,893</u>	<u>\$ 2,427,270</u>	<u>\$ 3,458,070</u>	<u>\$ 3,809,331</u>	<u>\$ 4,104,566</u>	<u>\$ 4,906,944</u>	<u>\$ 6,245,235</u>	<u>\$ 5,125,484</u>	<u>\$ 4,069,200</u>
District's Covered Payroll	<u>\$ 1,538,525</u>	<u>\$ 1,480,893</u>	<u>\$ 1,423,038</u>	<u>\$ 1,473,795</u>	<u>\$ 1,489,893</u>	<u>\$ 1,471,224</u>	<u>\$ 1,401,879</u>	<u>\$ 1,450,556</u>	<u>\$ 1,444,539</u>	<u>\$ 1,438,877</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	185%	199%	171%	235%	256%	279%	350%	431%	355%	283%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 263,121	\$ 245,827	\$ 239,954	\$ 231,978	\$ 205,642	\$ 207,355	\$ 195,278	\$ 187,330	\$ 196,300	\$ 180,567
Contributions in Relation to the Contractually Required Contributions	<u>263,121</u>	<u>245,827</u>	<u>239,954</u>	<u>231,978</u>	<u>205,642</u>	<u>207,355</u>	<u>195,278</u>	<u>187,330</u>	<u>196,300</u>	<u>180,567</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 1,560,082</u>	<u>\$ 1,538,525</u>	<u>\$ 1,480,893</u>	<u>\$ 1,423,038</u>	<u>\$ 1,473,795</u>	<u>\$ 1,489,893</u>	<u>\$ 1,471,224</u>	<u>\$ 1,401,879</u>	<u>\$ 1,450,556</u>	<u>\$ 1,444,539</u>
Contributions as a Percentage of Covered Payroll	16.87%	15.98%	16.20%	16.30%	13.95%	13.92%	13.27%	13.36%	13.53%	12.50%

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

**TEACHERS PENSION AND ANNUITY FUND
Last Ten Fiscal Years ***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	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>45,082,324</u>	<u>47,011,593</u>	<u>47,019,797</u>	<u>63,389,956</u>	<u>55,710,729</u>	<u>59,263,312</u>	<u>62,614,967</u>	<u>73,284,063</u>	<u>57,612,766</u>	<u>49,936,169</u>
Total	<u>\$ 45,082,324</u>	<u>\$ 47,011,593</u>	<u>\$ 47,019,797</u>	<u>\$ 63,389,956</u>	<u>\$ 55,710,729</u>	<u>\$ 59,263,312</u>	<u>\$ 62,614,967</u>	<u>\$ 73,284,063</u>	<u>\$ 57,612,766</u>	<u>\$ 49,936,169</u>
District's Covered Payroll	<u>\$ 10,443,803</u>	<u>\$ 10,789,557</u>	<u>\$ 10,283,089</u>	<u>\$ 10,391,285</u>	<u>\$ 10,476,985</u>	<u>\$ 10,258,151</u>	<u>\$ 9,698,834</u>	<u>\$ 9,481,470</u>	<u>\$ 9,317,249</u>	<u>\$ 9,350,572</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%	26.48%	25.41%	22.33%	28.74%	33.64%

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

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

Change of Benefit Terms: None.

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

**CLOSTER 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*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 1,474,689	\$ 1,949,462	\$ 2,259,882	\$ 1,267,641	\$ 1,136,599	\$ 1,285,262	\$ 1,568,114
Interest on the Total OPEB Liability	1,212,711	889,327	1,051,452	983,833	1,180,556	1,245,270	1,068,374
Changes in Benefit Terms			(43,142)				
Differences Between Expected and Actual Experience	(967,044)	41,901	(6,992,959)	8,085,089	(4,463,907)	(2,455,140)	
Changes of Assumptions	69,404	(9,002,269)	39,988	8,223,333	405,831	(3,416,287)	(4,475,998)
Gross Benefit Payments	(945,328)	(880,905)	(828,250)	(783,735)	(835,529)	(796,046)	(661,790)
Contribution from the Member	31,077	28,260	26,880	23,755	24,767	27,513	24,369
Net Change in Total OPEB Liability	875,509	(6,974,224)	(4,486,149)	17,799,916	(2,551,683)	(4,109,428)	(2,476,931)
Total OPEB Liability - Beginning	<u>33,558,128</u>	<u>40,532,352</u>	<u>45,018,501</u>	<u>27,218,585</u>	<u>29,770,268</u>	<u>33,879,696</u>	<u>36,356,627</u>
Total OPEB Liability - Ending	<u>\$ 34,433,637</u>	<u>\$ 33,558,128</u>	<u>\$ 40,532,352</u>	<u>\$ 45,018,501</u>	<u>\$ 27,218,585</u>	<u>\$ 29,770,268</u>	<u>\$ 33,879,696</u>
District's Proportionate Share	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share	<u>\$ 34,433,637</u>	<u>\$ 33,558,128</u>	<u>\$ 40,532,352</u>	<u>\$ 45,018,501</u>	<u>\$ 27,218,585</u>	<u>\$ 29,770,268</u>	<u>\$ 33,879,696</u>
Total OPEB Liability - Ending	<u>\$ 34,433,637</u>	<u>\$ 33,558,128</u>	<u>\$ 40,532,352</u>	<u>\$ 45,018,501</u>	<u>\$ 27,218,585</u>	<u>\$ 29,770,268</u>	<u>\$ 33,879,696</u>
Covered Payroll	<u>\$ 11,982,328</u>	<u>\$ 12,270,450</u>	<u>\$ 11,706,127</u>	<u>\$ 11,865,080</u>	<u>\$ 11,966,878</u>	<u>\$ 11,729,375</u>	<u>\$ 11,100,713</u>
District's Proportionate Share of OPEB Liability as a Percentage of Covered Payroll:	0%	0%	0%	0%	0%	0%	0%

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

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

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

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

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

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

NOT APPLICABLE

SPECIAL REVENUE FUND

[illegible]

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

	<u>American Rescue Plan - ESSER III</u>						
	<u>ESSER III</u>	<u>Accelerated Learning Coach and Educator Support</u>	<u>Evidence-Based Comprehensive Beyond the School Day</u>	<u>NJTSS Mental Health Support Staff</u>	<u>Student Activities</u>	<u>Local Donations</u>	<u>Total Exhibit E-1a</u>
REVENUES:							
Federal Sources	\$ 159,725	\$ 11,532	\$ 14,648	\$ 45,000			\$ 230,905
State Sources							-
Local Sources	-	-	-	-	\$ 242,171	\$ 140,147	382,318
Total Revenues	159,725	11,532	14,648	45,000	242,171	140,147	613,223
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 92,425		\$ 500				92,925
Purchased Professional Technical Services						\$ 1,900	1,900
Supplies and Materials			13,648			17,947	31,595
Miscellaneous Expenditures						29,000	29,000
Co-Curricular/Extra-Curricular Activities	-	-	-	-	\$ 229,839	-	229,839
Total Instruction	92,425	-	14,148	-	229,839	48,847	385,259
Support Services:							
Salaries		\$ 7,732	500				8,232
Purchased Professional Technical Services	67,300	3,800		\$ 45,000			116,100
Supplies and Materials	-	-	-	-	-	43,795	43,795
Total Support Services	67,300	11,532	500	45,000	-	43,795	168,127
Capital Outlay							
Construction Services						14,240	14,240
Non-Instructional Equipment	-	-	-	-	-	33,265	33,265
Total Capital Outlay	-	-	-	-	-	47,505	47,505
Total Expenditures	159,725	11,532	14,648	45,000	229,839	140,147	600,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	12,332	-	12,332
Fund Balance, July 1	-	-	-	-	82,088	-	82,088
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 94,420	\$ -	\$ 94,420

CAPITAL PROJECTS FUND

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

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2024</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2023 School Bond Referendum - Facility Upgrades and Improvements at Hillside Elementary School and Tenakill Middle School	\$ 6,489,700	\$ -	\$ 1,264,077	\$ 5,225,623

Reconciliation to GAAP Basis

Project Balance, June 30, 2024	\$ 5,225,623
Less Unfunded Authorizations: Debt Authorized but Not Issued	(700)
Fund Balance, June 30, 2024 - GAAP Basis	\$ 5,224,923

Recapitulation of Fund Balance

Restricted for Capital Projects	
Year-End Encumbrances	\$ 2,977,988
Available for Capital Projects	2,246,935
Total Fund Balance, GAAP Basis	\$ 5,224,923

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

Revenues and Other Financing Sources

Revenues	
Interest	\$ 143,104
Other Financing Sources	
Serial Bond Proceeds	<u>6,489,000</u>
Total Revenues and Other Financing Sources	<u>\$ 6,632,104</u>

Expenditures and Other Financing Uses

Expenditures	
Architect and Engineering Services	\$ 454,547
Legal Services	20,773
Other Purchased Professional and Technical Services	12,827
Construction Services	775,930
Other Financing Uses	
Transfer to General Fund	<u>143,104</u>
Total Expenditures and Other Financing Uses	<u>1,407,181</u>

Excess of Revenues Over Expenditures	5,224,923
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Fund Balance, Beginning of Year	<u>\$ -</u>
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Fund Balance, End of Year	<u>\$ 5,224,923</u>
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Reconciliation to GAAP:

Fund Balance, June 30, 2024 - Budgetary Basis	<u>\$ 5,224,923</u>
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Fund Balance, June 30, 2024 - GAAP Basis	<u><u>\$ 5,224,923</u></u>
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**CLOSTER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
2023 SCHOOL BOND REFERENDUM -
FACILITY UPGRADES AND IMPROVEMENTS AT HILLSIDE ELEMENTARY SCHOOL AND TENAKILL MIDDLE SCHOOL
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	-	\$ 6,489,000	\$ 6,489,000	\$ 6,489,700
Total Revenues	-	6,489,000	6,489,000	6,489,700
EXPENDITURES AND OTHER FINANCING SOURCES				
Expenditures				
Architect and Engineering Services		454,547	454,547	640,900
Legal Services		20,773	20,773	36,400
Other Professional and Technical Services		12,827	12,827	32,000
Construction Services		775,930	775,930	5,682,700
Miscellaneous Expenditures	-	-	-	97,700
Total Expenditures and Other Financing Uses	-	1,264,077	1,264,077	6,489,700
Excess / (Deficiency) of Revenues over / (under) Expenditures	\$ -	\$ 5,224,923	\$ 5,224,923	\$ -

Additional Project Information:

Project Numbers	0930-050-23-1000; 0930-060-23-1000
Bond Authorization (Referendum) Date	9/26/2023
Bonds Authorized	\$ 6,489,700
Bond Issued	\$ 6,489,000
Original Authorized Cost	\$ 6,489,700
Percentage Completion	19.48%
Original Target Completion Date	December 31, 2025
Revised Completion Date	December 31, 2025

PROPRIETARY FUNDS

NON-MAJOR ENTERPRISE FUNDS

**CLOSTER BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>Food Service</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,121	\$ 7,440	\$ 10,561
Intergovernmental Accounts Receivable	<u>300</u>	<u>-</u>	<u>300</u>
 Total Current Assets	 <u>3,421</u>	 <u>7,440</u>	 <u>10,861</u>
Noncurrent Assets			
Machinery and Equipment	\$ 15,173		15,173
Less: Accumulated Depreciation	<u>(15,173)</u>	<u>-</u>	<u>(15,173)</u>
 Total Noncurrent Assets	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Assets	 <u>3,421</u>	 <u>7,440</u>	 <u>10,861</u>
NET POSITION			
Unrestricted	<u>3,421</u>	<u>7,440</u>	<u>10,861</u>
 Total Net Position	 <u>\$ 3,421</u>	 <u>\$ 7,440</u>	 <u>\$ 10,861</u>

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

	<u>Food Service</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 7,330		\$ 7,330
Program Fees	-	\$ 4,680	4,680
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	7,330	4,680	12,010
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Salaries and Wages	4,000		4,000
Cost of Sales - Reimbursable Programs	8,980		8,980
Supplies and Materials	-	15,000	15,000
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	12,980	15,000	27,980
	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	(5,650)	(10,320)	(15,970)
	<hr/>	<hr/>	<hr/>
NON-OPERATING REVENUES			
Federal Sources			
Special Milk Program	5,856	-	5,856
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	5,856	-	5,856
	<hr/>	<hr/>	<hr/>
Change in Net Position	206	(10,320)	(10,114)
	<hr/>	<hr/>	<hr/>
Total Net Position, Beginning of Year	3,215	17,760	20,975
	<hr/>	<hr/>	<hr/>
Total Net Position, End of Year	\$ 3,421	\$ 7,440	\$ 10,861
	<hr/>	<hr/>	<hr/>

**CLOSTER BOARD OF EDUCATION
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Food Service</u>	<u>Laptop Insurance Program</u>	<u>Total Non-Major Enterprise Funds</u>
Cash Flows from Operating Activities			
Cash Received from (Paid to) Customers	\$ 7,330	\$ 4,680	\$ 12,010
Cash Payments for Employees			
Salaries & Benefits	(4,000)	-	(4,000)
Cash Payments to Suppliers for Goods and Services	<u>(8,980)</u>	<u>(15,000)</u>	<u>(23,980)</u>
Net Cash Provided (Used) by Operating Activities	<u>(5,650)</u>	<u>(10,320)</u>	<u>(15,970)</u>
Cash Flows from Non-Capital Financing Activities			
Cash Received from State and Federal Reimbursements	<u>5,866</u>	<u>-</u>	<u>5,866</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>5,866</u>	<u>-</u>	<u>5,866</u>
Net Increase (Decrease) in Cash and Cash Equivalents	216	(10,320)	(10,104)
Cash and Cash Equivalents, Beginning of Year	<u>2,905</u>	<u>17,760</u>	<u>20,665</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,121</u>	<u>\$ 7,440</u>	<u>\$ 10,561</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (5,650)	\$ (10,320)	(15,970)
Net Cash Provided (Used) by Operating Activities	<u>\$ (5,650)</u>	<u>\$ (10,320)</u>	<u>\$ (15,970)</u>

INTERNAL SERVICE FUND

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

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**CLOSTER BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2024</u>
School Refunding Bonds	8/1/2013	\$ 2,790,000				\$ 270,000		\$ 270,000	
School Bonds	11/30/2023	6,489,000	8/15/2024	\$ 189,000	1.00 %				
			8/15/2025	240,000	1.00				
			8/15/2026	255,000	1.00				
			8/15/2027	265,000	1.00				
			8/15/2028	275,000	1.00				
			8/15/2029	290,000	4.00				
			8/15/2030	305,000	4.00				
			8/15/2031	315,000	4.00				
			8/15/2032	330,000	4.00				
			8/15/2033	345,000	4.00				
			8/15/2034	365,000	4.00				
			8/15/2035	365,000	4.00				
			8/15/2036	365,000	4.00				
			8/15/2037	365,000	4.00				
			8/15/2038	370,000	4.00				
			8/15/2039	370,000	4.00				
			8/15/2040	370,000	4.00				
			8/15/2041	370,000	4.00				
			8/15/2042	370,000	4.00				
			8/15/2043	370,000	4.00				
						-	\$ 6,489,000	-	\$ 6,489,000
						<u>\$ 270,000</u>	<u>\$ 6,489,000</u>	<u>\$ 270,000</u>	<u>\$ 6,489,000</u>

**CLOSTER BOARD OF EDUCATION
SCHEDULE OF FINANCING AGREEMENTS AND LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**CLOSTER BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 276,345	-	\$ 276,345	\$ 276,345	-
Total Revenues	276,345	-	276,345	276,345	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	6,345		6,345	6,345	
Redemption of Principal	270,000	-	270,000	270,000	-
Total Regular Debt Service	276,345	-	276,345	276,345	-
Total Expenditures	276,345	-	276,345	276,345	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net Investment in Capital Assets	\$ 11,006,875	\$ 11,988,061	\$ 12,698,521	\$ 12,857,332	\$ 12,859,089	\$ 12,725,694	\$ 12,506,759	\$ 12,971,124	\$ 12,787,748	\$ 7,644,418
Restricted	2,826,876	2,929,437	2,096,757	2,465,334	2,767,421	3,616,955	4,512,459	5,959,171	7,874,751	13,345,734
Unrestricted	(2,949,655)	(3,286,663)	(3,162,132)	(3,840,268)	(3,893,030)	(3,519,103)	(2,340,238)	(1,898,811)	(1,513,245)	25,817
Total governmental activities net position	<u>\$ 10,884,096</u>	<u>\$ 11,630,835</u>	<u>\$ 11,633,146</u>	<u>\$ 11,482,398</u>	<u>\$ 11,733,480</u>	<u>\$ 12,823,546</u>	<u>\$ 14,678,980</u>	<u>\$ 17,031,484</u>	<u>\$ 19,149,254</u>	<u>\$ 21,015,969</u>
Business-type activities										
Unrestricted	\$ 6,837	\$ 8,615	\$ 8,922	\$ 21,345	\$ 2,307	\$ 8,488	\$ 1,448	\$ 1,619	\$ 20,975	\$ 10,861
Total business-type activities net position	<u>\$ 6,837</u>	<u>\$ 8,615</u>	<u>\$ 8,922</u>	<u>\$ 21,345</u>	<u>\$ 2,307</u>	<u>\$ 8,488</u>	<u>\$ 1,448</u>	<u>\$ 1,619</u>	<u>\$ 20,975</u>	<u>\$ 10,861</u>
District-wide										
Net Investment in Capital Assets	\$ 11,006,875	\$ 11,988,061	\$ 12,698,521	\$ 12,857,332	\$ 12,859,089	\$ 12,725,694	\$ 12,506,759	\$ 12,971,124	\$ 12,787,748	\$ 7,644,418
Restricted	2,826,876	2,929,437	2,096,757	2,465,334	2,767,421	3,616,955	4,512,459	5,959,171	7,874,751	13,345,734
Unrestricted	(2,942,818)	(3,278,048)	(3,153,210)	(3,818,923)	(3,890,723)	(3,510,615)	(2,338,790)	(1,897,192)	(1,492,270)	36,678
Total district net position	<u>\$ 10,890,933</u>	<u>\$ 11,639,450</u>	<u>\$ 11,642,068</u>	<u>\$ 11,503,743</u>	<u>\$ 11,735,787</u>	<u>\$ 12,832,034</u>	<u>\$ 14,680,428</u>	<u>\$ 17,033,103</u>	<u>\$ 19,170,229</u>	<u>\$ 21,026,830</u>

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

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 10,553,914	\$ 11,595,317	\$ 13,109,487	\$ 13,159,162	\$ 11,993,524	\$ 11,542,724	\$ 12,381,161	\$ 10,526,164	\$ 10,127,028	\$ 10,330,318
Special education	3,021,629	3,231,625	3,622,128	4,231,585	4,579,138	5,112,201	5,334,451	5,251,186	5,195,647	5,340,768
Other instruction	1,095,323	1,219,704	1,425,230	1,543,864	1,465,189	1,483,011	1,561,645	1,620,677	1,211,780	1,066,826
School Sponsored Activities and Athletics	104,000	130,874	128,324	138,886	144,469	110,328	149,247	123,534	219,129	330,337
Support Services:										
Student & instruction related services	2,535,342	2,636,133	2,833,221	2,691,068	2,842,579	2,642,524	3,439,990	3,871,088	4,330,008	4,658,144
General administration Services	843,106	781,338	820,760	896,526	843,292	588,670	648,660	594,824	590,931	755,305
School Administration services	912,043	1,128,951	1,218,962	1,225,447	1,055,365	1,125,058	1,297,226	1,184,038	1,118,147	1,240,557
Business / Central Services	461,551	518,820	594,053	698,980	809,328	834,914	838,727	710,063	752,736	740,350
Plant operations and maintenance	2,344,995	2,389,613	2,658,791	2,369,570	2,602,352	2,474,510	2,484,392	2,713,669	2,730,767	2,826,576
Pupil transportation	198,893	231,204	229,586	292,870	347,314	306,668	233,962	410,408	614,797	619,850
Interest on long-term debt	72,732	61,222	54,437	47,740	41,072	34,521	28,088	21,743	15,400	134,749
Total governmental activities expenses	22,143,528	23,924,801	26,694,979	27,495,698	26,723,622	26,255,129	28,397,549	27,027,394	26,906,370	28,043,780
Business-type activities:										
Laptop Insurance Program										15,000
Food service	34,217	28,978	22,726	9,631	38,741	4,279		5,127	7,215	12,980
Total business-type activities expense	34,217	28,978	22,726	9,631	38,741	4,279	-	5,127	7,215	27,980
Total district expenses	\$ 22,177,745	\$ 23,953,779	\$ 26,717,705	\$ 27,505,329	\$ 26,762,363	\$ 26,259,408	\$ 28,397,549	\$ 27,032,521	\$ 26,913,585	\$ 28,071,760
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	\$ 394,577	\$ 423,143	\$ 382,786	\$ 355,064	\$ 503,526	\$ 477,638	\$ 399,219	\$ 669,854	\$ 581,350	\$ 571,552
Operating grants and contributions	4,982,587	5,886,012	7,838,106	8,103,908	6,988,349	6,261,406	8,917,654	7,209,959	6,237,146	5,959,889
Capital grants and contributions	326,736	255,455	-	-	-	-	-	103,658	129,603	47,505
Total governmental activities program revenues	5,703,900	6,564,610	8,220,892	8,458,972	7,491,875	6,739,044	9,316,873	7,983,471	6,948,099	6,578,946
Business-type activities:										
Charges for services										
Laptop Insurance Program									\$ 17,760	\$ 4,680
Food service	\$ 20,802	\$ 20,505	\$ 15,470	\$ 14,743	\$ 13,176	\$ 7,830		\$ 5,450	6,450	7,330
Operating grants and contributions	12,691	10,181	7,493	7,214	6,269	2,577		3,348	5,061	5,856
Total business type activities program revenues	33,493	30,686	22,963	21,957	19,445	10,407	-	8,798	29,271	17,866
Total district program revenues	\$ 5,737,393	\$ 6,595,296	\$ 8,243,855	\$ 8,480,929	\$ 7,511,320	\$ 6,749,451	\$ 9,316,873	\$ 7,992,269	\$ 6,977,370	\$ 6,596,812
Net (Expense)/Revenue										
Governmental activities	\$ (16,439,628)	\$ (17,360,191)	\$ (18,474,087)	\$ (19,036,726)	\$ (19,231,747)	\$ (19,516,085)	\$ (19,080,676)	\$ (19,043,923)	\$ (19,958,271)	\$ (21,464,834)
Business-type activities	(724)	1,708	237	12,326	(19,296)	6,128	-	3,671	22,056	(10,114)
Total district-wide net expense	\$ (16,440,352)	\$ (17,358,483)	\$ (18,473,850)	\$ (19,024,400)	\$ (19,251,043)	\$ (19,509,957)	\$ (19,080,676)	\$ (19,040,252)	\$ (19,936,215)	\$ (21,474,948)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes	\$ 16,892,382	\$ 17,663,255	\$ 18,016,520	\$ 18,443,738	\$ 19,060,135	\$ 19,878,929	\$ 20,517,275	\$ 21,041,740	\$ 21,480,748	\$ 22,382,979
Taxes levied for debt service	663,568	339,646	336,818	330,119	318,422	306,843	295,380	289,035	282,690	276,345
Unrestricted Grants and Contributions	19,984	21,252	31,286	32,300	2,598					
Investment earnings	10,436	13,449	14,683	15,621	6,607	38,251	8,611	13,441	195,922	562,126
Miscellaneous income	54,227	69,328	77,091	64,200	95,067	76,269	107,801	48,711	113,981	110,099
Transfers							7,043	3,500	2,700	
Total governmental activities	17,640,597	18,106,930	18,476,398	18,885,978	19,482,829	20,300,292	20,936,110	21,396,427	22,076,041	23,331,549
Business-type activities:										
Investment earnings	71	70	70	97	258	53	3			
Transfers							(7,043)	(3,500)	(2,700)	
Total business-type activities	71	70	70	97	258	53	(7,040)	(3,500)	(2,700)	-
Total district-wide	\$ 17,640,668	\$ 18,107,000	\$ 18,476,468	\$ 18,886,075	\$ 19,483,087	\$ 20,300,345	\$ 20,929,070	\$ 21,392,927	\$ 22,073,341	\$ 23,331,549
Change in Net Position										
Governmental activities	\$ 1,200,969	\$ 746,739	\$ 2,311	\$ (150,748)	\$ 251,082	\$ 784,207	\$ 1,855,434	\$ 2,352,504	\$ 2,117,770	\$ 1,866,715
Business-type activities	(653)	1,778	307	12,423	(19,038)	6,181	(7,040)	171	19,356	(10,114)
Total district	\$ 1,200,316	\$ 748,517	\$ 2,618	\$ (138,325)	\$ 232,044	\$ 790,388	\$ 1,848,394	\$ 2,352,675	\$ 2,137,126	\$ 1,856,601

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 3,291,997	\$ 3,829,436	\$ 2,996,755	\$ 3,365,333	\$ 3,642,421	\$ 4,336,009	\$ 5,718,544	\$ 7,144,476	\$ 9,242,663	\$ 9,651,391
Committed	213,708		584,518	69,312	71,131	223,549	514,447	95,078	51,722	1,514,342
Assigned	28,717	79,159	14,113	22,068	7,327	91,080	152,687	315,976	443,454	123,248
Unassigned	323,309	341,548	357,392	366,556	358,808	345,658	752,639	817,413	355,710	363,671
Total general fund	<u>\$ 3,857,731</u>	<u>\$ 4,250,143</u>	<u>\$ 3,952,778</u>	<u>\$ 3,823,269</u>	<u>\$ 4,079,687</u>	<u>\$ 4,996,296</u>	<u>\$ 7,138,317</u>	<u>\$ 8,372,943</u>	<u>\$ 10,093,549</u>	<u>\$ 11,652,652</u>
All Other Governmental Funds										
Restricted	\$ 434,879	\$ -	\$ 2	\$ 1	\$ -	\$ -	\$ 43,915	\$ 64,695	\$ 82,088	\$ 5,319,343
Total all other governmental funds	<u>\$ 434,879</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,915</u>	<u>\$ 64,695</u>	<u>\$ 82,088</u>	<u>\$ 5,319,343</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021 (Restated)	2022	2023	2024
Revenues										
Tax levy	\$ 17,555,950	\$ 18,002,901	\$ 18,353,338	\$ 18,773,857	\$ 19,378,557	\$ 20,185,772	\$ 20,812,655	\$ 21,330,775	\$ 21,763,438	\$ 22,659,324
Tuition charges	394,577	423,143	382,786	355,064	503,526	477,638	383,966	599,704	421,035	321,221
Interest earnings	10,436	13,449	14,683	15,621	6,607	38,251	8,611	13,441	195,922	562,126
Miscellaneous	54,227	69,328	77,091	65,231	200,076	137,304	189,820	162,740	407,664	504,372
State sources	2,841,908	3,124,703	3,148,088	3,671,452	4,248,697	4,696,549	5,705,627	7,140,408	7,324,758	8,059,709
Federal sources	263,007	266,098	259,608	271,458	348,871	349,013	490,267	1,018,058	885,339	651,980
Total revenue	<u>21,120,105</u>	<u>21,899,622</u>	<u>22,235,594</u>	<u>23,152,683</u>	<u>24,686,334</u>	<u>25,884,527</u>	<u>27,590,946</u>	<u>30,265,126</u>	<u>30,998,156</u>	<u>32,758,732</u>
Expenditures										
Instruction										
Regular Instruction	9,002,581	9,711,083	10,017,920	10,545,805	10,582,628	10,774,095	10,916,869	11,043,059	11,130,649	11,676,504
Special education instruction	2,682,844	2,820,378	2,974,372	3,614,452	4,229,574	4,918,173	4,916,039	5,509,134	5,577,163	5,901,461
Other instruction	915,663	978,538	1,050,230	1,179,924	1,285,398	1,349,669	1,358,943	1,753,245	1,352,422	1,229,888
School sponsored activities and athletics	88,850	109,370	97,513	111,612	128,209	103,298	143,038	127,849	223,497	339,327
Support Services:										
Student & inst. related services	2,532,003	2,526,546	2,644,338	2,471,434	2,727,967	2,622,844	3,277,156	4,081,588	4,742,124	5,153,721
General administration Services	787,190	710,881	713,935	779,134	804,138	571,140	596,223	626,011	641,000	818,213
School Administration services	814,011	981,746	965,092	1,003,476	940,210	1,064,143	1,163,870	1,252,375	1,234,609	1,400,843
Business / Central Services	396,875	434,009	458,863	561,466	715,000	797,596	750,611	746,504	843,947	821,765
Plant operations and maintenance	1,802,229	1,653,580	1,870,635	1,722,214	1,812,344	1,709,821	1,668,869	2,055,522	2,085,965	2,157,533
Pupil transportation	198,723	230,697	228,349	290,234	346,436	306,726	233,804	412,094	618,338	621,611
Capital outlay	1,160,368	1,436,628	1,174,894	672,322	539,590	443,570	397,110	1,116,804	530,453	2,054,163
Debt service:										
Principal	648,466	290,000	285,000	285,000	280,000	275,000	270,000	270,000	270,000	270,000
Interest and other charges	75,423	58,632	51,817	45,120	38,423	31,843	25,380	19,035	12,690	6,345
Total expenditures	<u>21,105,226</u>	<u>21,942,088</u>	<u>22,532,958</u>	<u>23,282,193</u>	<u>24,429,917</u>	<u>24,967,918</u>	<u>25,717,912</u>	<u>29,013,220</u>	<u>29,262,857</u>	<u>32,451,374</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>14,879</u>	<u>(42,466)</u>	<u>(297,364)</u>	<u>(129,510)</u>	<u>256,417</u>	<u>916,609</u>	<u>1,873,034</u>	<u>1,251,906</u>	<u>1,735,299</u>	<u>307,358</u>
Other Financing Sources (Uses)										
Bond Proceeds										6,489,000
Transfers In		55,107					7,043	3,500	2,700	143,104
Transfers Out		(55,107)								(143,104)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,043</u>	<u>3,500</u>	<u>2,700</u>	<u>6,489,000</u>
Net change in fund balances	<u>\$ 14,879</u>	<u>\$ (42,466)</u>	<u>\$ (297,364)</u>	<u>\$ (129,510)</u>	<u>\$ 256,417</u>	<u>\$ 916,609</u>	<u>\$ 1,880,077</u>	<u>\$ 1,255,406</u>	<u>\$ 1,737,999</u>	<u>\$ 6,796,358</u>
Debt service as a percentage of noncapital expenditures	3.63%	1.70%	1.58%	1.46%	1.33%	1.25%	1.17%	1.04%	0.98%	0.91%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Subscription Busing / Transportation Fees</u>	<u>Facility Rental Fees</u>	<u>E-Rate</u>	<u>Summer Program Registration Fees</u>	<u>OT/PT Service Fees</u>	<u>Misc.</u>	<u>Total</u>
2015	\$ 394,577	\$ 10,436						\$ 54,227	\$ 459,240
2016	423,143	13,449						69,328	505,920
2017	382,786	14,683						77,091	474,560
2018	355,064	15,621						64,200	434,885
2019	503,526	6,607						95,067	605,200
2020	477,638	38,251						76,269	592,158
2021	383,966	8,611		\$ 10,797	\$ 4,789			92,215	500,378
2022	599,704	13,441		12,000	8,576			28,135	661,856
2023	421,035	195,922	\$ 14,280	49,940		\$ 15,905	\$ 28,413	5,443	730,938
2024	321,221	419,022	8,160	60,880		540	4,440	44,239	858,502

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

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 20,358,100	\$ 1,805,323,200	\$ 4,541,600	\$ 30,500	\$ 216,624,800	\$ 18,964,000	\$ 959,600	\$ 2,066,801,800	\$ 100,000	\$ 2,066,901,800	\$ 2,099,516,054	\$ 0.860
2016	19,884,100	1,816,990,700	4,612,200	30,500	216,412,100	18,964,000	959,600	2,077,853,200	100,000	2,077,953,200	2,129,915,670	0.875
2017	19,611,500	1,825,939,100	4,612,200	26,200	215,541,300	19,914,000	959,600	2,086,603,900	100,000	2,086,703,900	2,140,987,596	0.890
2018	18,196,800	1,884,747,100	5,037,000	25,100	237,104,000	21,569,100		2,166,679,100	100,000	2,166,779,100	2,168,261,971	0.881
2019	18,903,200	1,923,578,700	5,432,700	25,100	256,031,300	22,812,900		2,226,783,900	100,000	2,226,883,900	2,226,975,293	0.889
2020	18,627,800	1,956,453,700	5,547,400	25,100	265,247,800	23,968,500		2,269,870,300	100,000	2,269,970,300	2,293,283,498	0.904
2021	17,355,800	1,948,606,900	5,503,700	25,100	262,408,600	24,092,200		2,257,992,300	100,000	2,258,092,300	2,260,654,086	0.934
2022	17,045,800	2,049,815,100	5,712,700	25,100	293,427,400	44,225,800		2,410,251,900	100,000	2,410,351,900	2,399,639,232	0.894
2023	18,515,900	2,223,435,900	6,148,400	25,100	306,966,400	52,939,900		2,608,031,600	100,000	2,608,131,600	2,603,974,354	0.852
2024	20,672,100	2,364,329,700	6,312,500	25,100	318,013,100	57,368,300		2,766,720,800	100,000	2,766,820,800	2,840,514,149	0.834

Source: County Abstract of Ratables

^a Tax rates are per \$100

N/A = Not Available

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

Calendar Year	Total Direct Tax Rate	Overlapping Rates			
		Regional High School District	Municipality	County	Total
2015	.860	.539	.547	.244	\$2.190
2016	.875	.553	.549	.262	2.239
2017	.890	.565	.569	.258	2.282
2018	.881	.544	.556	.245	2.226
2019	.889	.528	.555	.245	2.217
2020	.904	.525	.561	.251	2.241
2021	.934	.539	.578	.253	2.304
2022	.894	.523	.554	.241	2.212
2023	.852	.505	.548	.239	2.144
2024	.834	.503	.539	.240	2.116

Source: Borough of Closter

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

Taxpayer	2024		Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Closter Mktplace (EBA) LLC	\$ 79,761,200	2.88%	Closter Mktplace (EBA) LLC	\$ 31,500,000	1.52%
Railroad Ave. Real Estate Holdings	24,238,600	0.88%	Closter Grocery	8,645,300	0.42%
50 Railroad LLC	13,309,400	0.48%	Capital Young Property LLC	7,447,000	0.36%
Closter Grocery	9,183,100	0.33%	Heidenberg Closter Assoc.	7,368,000	0.36%
Heidenberg Closter Assoc.	9,001,100	0.33%	Closter Golf	6,999,700	0.34%
Reuten Associates	8,150,800	0.29%	DWL Monmouth c/o Daniel Cho	4,553,500	0.22%
Closter Golf	8,210,800	0.30%	United Water New Jersey	5,891,200	0.29%
Fred Reuten, Inc.	7,872,500	0.28%	Reuten Associates	4,000,000	0.19%
Nippon Express USA	6,053,600	0.22%	BR NJ LLC	4,167,400	0.20%
Suez C/O Altus Group	5,891,200	0.21%	Fred Reuten, Inc.	4,492,400	0.22%
	<u>\$ 171,672,300</u>	<u>6.20%</u>		<u>\$ 85,064,500</u>	<u>4.12%</u>

Source: Municipal Tax Assessor

**CLOSTER 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	\$	17,555,950	\$ 17,555,950	100.00%	N/A
2016		18,002,901	18,002,901	100.00%	N/A
2017		18,353,338	18,353,338	100.00%	N/A
2018		18,773,857	18,005,367	95.91%	\$ 768,490
2019		19,378,557	19,378,557	100.00%	N/A
2020		20,185,772	20,185,772	100.00%	N/A
2021		20,812,655	20,812,655	100.00%	N/A
2022		21,330,775	21,330,775	100.00%	N/A
2023		21,763,438	21,763,438	100.00%	N/A
2024		22,659,324	22,659,324	100.00%	N/A

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

	Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Total District	Population		Per Capita
2015	\$ 2,495,000	\$ 2,495,000	8,591	\$	290
2016	2,205,000	2,205,000	8,593		257
2017	1,920,000	1,920,000	8,605		223
2018	1,635,000	1,635,000	8,619		190
2019	1,355,000	1,355,000	8,548		159
2020	1,080,000	1,080,000	8,512		127
2021	810,000	810,000	8,446		96
2022	540,000	540,000	8,521		63
2023	270,000	270,000	8,514		32
2024	6,489,000	6,489,000	8,544		759

Source: District records

CLOSTER BOARD OF EDUCATION
RATIOS OF NET GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Obligation Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Debt	Deductions			
2015	2,495,000	\$ 8,988	3,075,012	0.15%	\$ 358
2016	2,205,000	8,987	2,486,013	0.12%	289
2017	1,920,000	1	2,204,999	0.11%	256
2018	1,635,000	2	1,919,998	0.09%	223
2019	1,355,000	1	1,354,999	0.06%	159
2020	1,080,000		1,080,000	0.05%	127
2021	810,000		810,000	0.04%	96
2022	540,000		540,000	0.02%	63
2023	270,000		270,000	0.01%	32
2024	6,489,000		6,489,000	0.23%	759

Source: District records

**CLOSTER BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Regional School District	\$ 1,844,804
Borough of Closter Board of Education	6,759,700
Borough of Closter	<u>18,990,258</u>
	<u>\$ 27,594,762</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	19,698,900
Bergen County Utilities Authority - Waste Water (B)	<u>2,820,969</u>
	<u>22,519,869</u>
Total Direct and Overlapping Debt	<u><u>\$ 50,114,631</u></u>

Source:

(1) Borough of Closter's 2023 Annual Debt Statement

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

(B) The debt was computed based upon the real property ration of equalized valuations of all municipalities serviced by the authority.

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis	
2023	\$ 2,889,785,706
2022	2,578,912,797
2021	2,375,083,938
	<u>\$ 7,843,782,441</u>
Average equalized valuation of taxable property	<u>\$ 2,614,594,147</u>
Debt limit (3% of average equalization value)	\$ 78,437,824
Total Net Debt Applicable to Limit	6,489,700
Legal debt margin	<u>\$ 71,948,124</u>

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 61,356,710	\$ 62,249,565	\$ 63,338,641	\$ 63,934,300	\$ 64,912,967	\$ 66,690,642	\$ 67,680,123	\$ 69,310,706	\$ 72,069,097	\$ 78,437,824
Total net debt applicable to limit	<u>2,495,000</u>	<u>2,205,000</u>	<u>1,920,000</u>	<u>1,635,000</u>	<u>1,355,000</u>	<u>1,080,000</u>	<u>810,000</u>	<u>540,000</u>	<u>270,000</u>	<u>6,489,700</u>
Legal debt margin	<u>\$ 58,861,710</u>	<u>\$ 60,044,565</u>	<u>\$ 61,418,641</u>	<u>\$ 62,299,300</u>	<u>\$ 63,557,967</u>	<u>\$ 65,610,642</u>	<u>\$ 66,870,123</u>	<u>\$ 68,770,706</u>	<u>\$ 71,799,097</u>	<u>\$ 71,948,124</u>
Total net debt applicable to the limit as a percentage of debt limit	4.07%	3.54%	3.03%	2.56%	2.09%	1.62%	1.20%	0.78%	0.37%	8.27%

Source: Annual Debt Statements

**CLOSTER 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	8,591	\$ 73,883	3.70%
2016	8,593	77,323	3.20%
2017	8,605	78,836	3.00%
2018	8,619	81,024	2.90%
2019	8,548	85,191	2.50%
2020	8,512	88,241	7.80%
2021	8,446	91,972	4.90%
2022	8,521	97,343	3.00%
2023	8,514	97,138	3.20%
2024	8,544	97,138 *	N/A

Source: New Jersey State Department of Education

* - Estimated

N/A - Not Available

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

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

NOT AVAILABLE

CLOSTER 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	64.0	65.0	85.0	72.6	72.0	71.0	71.0	71.0	72.0	74.0
Special education	13.5	13.0	22.5	18.2	27.0	27.0	27.0	27.0	27.0	27.0
Other instruction (ESL, Basic)	4.0	4.0	7.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
Co-curricular activities			0.2	0.2	0.2					
Support Services:										
Student and instruction related services	64.0	72.0	26.0	45.8	44.3	46.2	48.4	48.5	50.6	51.8
General administration	5.0	5.0	5.0	5.8	5.0	5.0	5.0	5.0	5.0	5.0
School administrative services	6.0	6.0	6.0	8.2	7.0	7.0	6.6	7.0	7.0	7.0
Central services	4.0	4.0	2.0	1.0	4.0	4.0	4.0	4.0	4.0	4.0
Plant operations and maintenance	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Pupil transportation	-	-	1.0	0.7	0.7	0.7	0.7	0.7	0.9	0.9
Total	<u>171.5</u>	<u>180.0</u>	<u>166.7</u>	<u>172.5</u>	<u>179.2</u>	<u>179.9</u>	<u>181.7</u>	<u>182.2</u>	<u>185.5</u>	<u>188.7</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	<u>Teacher/Pupil Ratio</u>							Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
		Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^b	Elementary	Middle School	Average Daily Enrollment (ADE)			
2015	1,120	\$ 19,220,969	\$ 17,162	3.27%	101.0	11.08	12.6	1,120.5	1,082.6	-0.30%	96.62%
2016	1,114	20,156,828	18,094	5.43%	103.0	11.42	12.43	1,117.8	1,078.5	-0.24%	96.48%
2017	1,155	21,021,247	18,200	0.59%	105.0	12.1	12.1	1,131.5	1,087.7	1.23%	96.13%
2018	1,167	22,279,751	19,091	4.90%	98.7	11.70	11.9	1,165.7	1,120.2	3.02%	96.10%
2019	1,191	23,571,904	19,792	3.67%	106.0	11.80	11.4	1,200.8	1,150.3	3.01%	95.79%
2020	1,197	24,217,505	20,232	2.22%	106.0	12.10	12.3	1,195.4	1,152.9	-0.45%	96.44%
2021	1,156	25,025,422	21,648	7.00%	107.0	10.58	11.1	1,146.4	1,125.8	-4.10%	98.20%
2022	1,169 ^d	27,607,381	23,616	9.09%	107.0	9.88	10.1	1,180.8	1,131.4	3.00%	95.82%
2023	1,201 ^d	28,449,714	23,688	0.31%	109.0	10.14	10.5	1,204.0	1,143.3	1.96%	94.96%
2024	1,193 ^d	30,120,866	25,248	6.58%	110.0	12.20	13.5	1,192.0	1,136.0	-1.00%	95.30%

Sources: District records

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

N/A - Not Available

**CLOSTER BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL 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>District Building</u>										
<u>Hillside Elementary School</u>										
Square Feet	61,650	61,650	61,650	61,650	61,650	61,650	61,650	61,650	61,650	61,650
Capacity (students)	666	666	666	666	666	666	666	666	666	666
Enrollment	577	617	652	684	677	666	614	618	626	630
<u>Tenakill Middle School</u>										
Square Feet	80,655	80,655	80,655	80,655	80,655	80,655	80,655	80,655	80,655	80,655
Capacity (students)	635	635	635	635	635	635	635	635	635	635
Enrollment	544	497	503	483	514	531	542	552	588	569

Number of Schools at June 30, 2024

Elementary = 1

Middle School = 1

Source: District Records

**CLOSTER BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN YEARS
(Unaudited)**

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

	<u>Project # (s)</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>
*School Facilities											
Hillside School	N/A	\$ 184,374	\$ 211,589	\$ 214,809	\$ 176,262	\$ 193,305	\$ 160,192	\$ 164,119	\$ 190,816	\$ 131,919	\$ 180,936
Tenakill School	N/A	<u>143,982</u>	<u>165,235</u>	<u>167,748</u>	<u>137,646</u>	<u>150,955</u>	<u>169,110</u>	<u>151,331</u>	<u>204,247</u>	<u>154,985</u>	<u>191,500</u>
Grand Total		<u>\$ 328,356</u>	<u>\$ 376,824</u>	<u>\$ 382,557</u>	<u>\$ 313,908</u>	<u>\$ 344,260</u>	<u>\$ 329,302</u>	<u>\$ 315,450</u>	<u>\$ 395,063</u>	<u>\$ 286,904</u>	<u>\$ 372,436</u>

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance Co.		
Property-Blanket Building/Contents	\$ 85,684,416	\$ 5,000
General Liability - General Aggregate	3,000,000	
General Liability - Each Occurrence	1,000,000	
Commercial Auto Liability	1,000,000	
Excess Liability - Firemen's Fund Ins. Co. (per Occurrence & Shared Aggregate)	25,000,000	
Excess Unshared Umbrella - Hudson/Allied/Evanston Insurance Companies	30,000,000	
Umbrella Liability - Great American insurance Company (Per Occurrence and Aggregate)	9,000,000	
Educator's Legal Liability - Greenwich Insurance Company	1,000,000	
Employee Benefits Liability - Great American Insurance Company (Policy Aggregate)	1,000,000 2,000,000	1,000
Public Employee Dishonesty - Selective Ins. Co. of America (per employee) (per loss)	100,000 500,000	5,000 100,000
Pollution Liability - Evanston Insurance (aggregate) (Fund Aggregate)	2,000,000 20,000,000	25,000
Cyber Liability - Indian Harbor (Group Aggregate subject to sub-limits) (1st party - per occurrence)	6,000,000 2,000,000	

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Closter Board of Education
Closter, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Closter Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Closter Board of Education's basic financial statements and have issued our report thereon dated October 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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 Closter Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Closter Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey

October 8, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Closter Board of Education
Closter, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

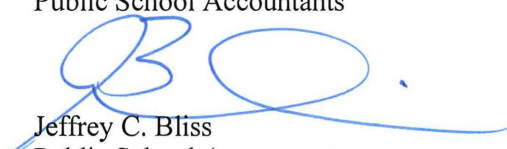
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Closter Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated October 8, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
October 8, 2024

CLOSTER BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2023			Budgetary Expenditures	Balance at June 30, 2024		Memo: GAAP Receivable
				From	To	Accounts Receivable	Unearned Revenue	Cash Received		Accounts Receivable	Unearned Revenue	
U.S. Department of Agriculture												*
Passed-through State Department of Agriculture												*
Food Service Fund:												*
Special Milk Program for Children	10.556	231NJ304N1099	\$ 5,061	7/1/2022	6/30/2023	\$ (310)		\$ 310			-	*
Special Milk Program for Children	10.556	241NJ304N1099	5,856	7/1/2023	6/30/2024	-	-	5,556	\$ 5,856	\$ (300)	-	* \$ (300)
												*
Total Food Service Fund						(310)	-	5,866	5,856	(300)	-	* (300)
												*
U.S. Department of Education												*
Passed-through State Department of Education												*
Special Revenue Fund:												*
Title I, Part A	84.010	S010A220030	46,784	7/1/2022	6/30/2023	(19,064)		19,064				*
Title I, Part A	84.010	S010A230030	106,761	7/1/2023	6/30/2024	-	-	58,920	100,102	(47,841)	\$ 6,659	* (41,182)
												*
Total ESEA Title I, Part A Cluster						(19,064)	-	77,984	100,102	(47,841)	6,659	* (41,182)
												*
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	289,859	7/1/2023	6/30/2024			289,859	289,859	-	-	* -
I.D.E.A. Part B, Preschool	84.173A	H173A230114	12,691	7/1/2023	6/30/2024	-	-	12,691	12,691	-	-	* -
												*
Total Special Education Cluster (IDEA)						-	-	302,550	302,550	-	-	* -
												*
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D240027	340,742	3/13/2020	9/30/2023	(36,106)		36,106		-	-	* -
American Rescue Plan (ARP) - ESSER III	84.425U	S425U240027	765,796	3/13/2020	9/30/2024	(278,480)	\$ 203,619	222,586	159,725	(55,894)	43,894	* (12,000)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U240027	100,598	3/13/2020	9/30/2024	(13,966)	12,116	3,850	11,532	(10,116)	584	* (9,532)
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U240027	40,000	3/13/2020	9/30/2024	(25,276)	20,902	8,832	14,648	(16,444)	6,254	* (10,190)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425V	S425V240027	45,000	3/13/2020	9/30/2024	(45,000)	45,000	20,900	45,000	(24,100)	-	* (24,100)
NJ Learning Acceleration Program: High-Impact Tutoring Grant	84.425V	S425V240031	67,680	10/11/2023	8/31/2024	-	-	10,805	18,193	(56,875)	49,487	* (7,388)
												*
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)						(398,828)	281,637	303,079	249,098	(163,429)	100,219	* (63,210)
												*
Total Special Revenue Fund						(417,892)	281,637	683,613	651,750	(211,270)	106,878	* (104,392)
												*
Total Federal Financial Awards						\$ (418,202)	\$ 281,637	\$ 689,479	\$ 657,606	\$ (211,570)	\$ 106,878	* \$ (104,692)

CLOSTER BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures		
State Department of Education															
General Fund:															
Special Education Categorical Aid	23-495-034-5120-089	\$ 1,055,942	7/1/2022	6/30/2023	\$ (89,434)		\$ 89,434					*			
Special Education Categorical Aid	24-495-034-5120-089	1,277,579	7/1/2023	6/30/2024			1,164,703	\$ 1,277,579		\$ (112,876)	*		\$ 1,277,579		
Security Aid	23-495-034-5120-084	91,347	7/1/2022	6/30/2023	(7,737)		7,737			-	*		-		
Security Aid	24-495-034-5120-084	91,347	7/1/2023	6/30/2024	-	-	83,276	91,347	-	(8,071)	*	-	91,347		
Total State Aid Public Cluster						(97,171)	-	1,345,150	1,368,926	-	(120,947)	*	-	1,368,926	
Transportation Aid	23-495-034-5120-014	93,632	7/1/2022	6/30/2023	(7,930)		7,930			-	*		-		
Transportation Aid	24-495-034-5120-014	93,632	7/1/2023	6/30/2024			85,360	93,632		(8,272)	*		93,632		
Additional Nonpublic Transportation Aid	23-495-034-5120-014	12,773	7/1/2022	6/30/2023	(12,773)		12,773			-	*		-		
Additional Nonpublic Transportation Aid	24-495-034-5120-014	14,083	7/1/2023	6/30/2024	-	-	-	14,083	-	(14,083)	*	\$ (14,083)	14,083		
Total Transportation Aid Cluster						(20,703)	-	106,063	107,715	-	(22,355)	*	(14,083)	107,715	
Extraordinary Aid	23-495-034-5120-044	662,347	7/1/2022	6/30/2023	(662,347)		662,347	-		-	*		-		
Extraordinary Aid	24-495-034-5120-044	596,391	7/1/2023	6/30/2024	-	-	-	596,391	-	(596,391)	*	-	596,391		
Total Extraordinary Aid						(662,347)	-	662,347	596,391	-	(596,391)	*	-	596,391	
Reimbursed TPAF Social Security Tax	23-495-034-5094-003	768,959	7/1/2022	6/30/2023	(56,833)		56,833			-	*		768,959		
Reimbursed TPAF Social Security Tax	24-495-034-5094-003	796,891	7/1/2023	6/30/2024	-	-	757,720	796,891	-	(39,171)	*	(39,171)	796,891		
Total Reimbursed TPAF Social Security Tax						(56,833)	-	814,553	796,891	-	(39,171)	*	(39,171)	1,565,850	
On-Behalf TPAF - Pension Contribution	24-495-034-5094-002	3,964,794	7/1/2023	6/30/2024			3,964,794	3,964,794			*		3,964,794		
On-Behalf TPAF - Pension-NCGI Premium	24-495-034-5094-004	45,216	7/1/2023	6/30/2024			45,216	45,216			*		45,216		
On-Behalf TPAF - Post-Retirement Medical Benefits	24-495-034-5094-001	1,091,378	7/1/2023	6/30/2024			1,091,378	1,091,378			*		1,091,378		
On-Behalf TPAF - LTDI Premium	24-495-034-5094-004	1,676	7/1/2023	6/30/2024	-	-	1,676	1,676	-	-	*	-	1,676		
On-Behalf Teachers' Pension and Annuity Fund Cluster						-	-	5,103,064	5,103,064	-	-	*	-	5,103,064	
Total General Fund						(837,054)	-	8,031,177	7,972,987	-	(778,864)	*	(53,254)	8,741,946	
Special Revenue Fund:															
Schools Development Authority												*			
Emergent and Capital Maintenance Needs	N/A	27,328	7/1/2023	6/30/2024	-	-	27,328	27,328	-	-	*	-	27,328		
Total Schools Development Authority						-	-	27,328	27,328	-	-	*	-	27,328	
N.J. Nonpublic Aid - Other:															
Textbook Aid	24-100-034-5120-064	2,948	7/1/2023	6/30/2024			2,948	2,948			*		2,948		
Technology Aid	24-100-034-5120-373	2,499	7/1/2023	6/30/2024	-	-	2,499	2,499	-	-	*	-	2,499		
Total N.J. Nonpublic Aid - Other						-	-	5,447	5,447	-	-	*	-	5,447	
Nonpublic Auxiliary Aid Services (Chapter 192):															
Compensatory Education	24-100-034-5120-067	4,046	7/1/2023	6/30/2024			4,046	2,428			*		2,428		
English as a Second Language	23-100-034-5120-067	902	7/1/2022	6/30/2023		\$ 601			\$ 601		*		-		
English as a Second Language	24-100-034-5120-067	5,219	7/1/2023	6/30/2024	-	-	5,219	2,289	-	-	*	-	2,289		
Nonpublic Auxiliary Services Aid (Chapter 192) Cluster:						-	601	9,265	4,717	601	-	4,548	*	-	2,289
Nonpublic Handicapped Aid (Chapter 193):															
Initial Examination and Classification	23-100-034-5120-066	3,979	7/1/2022	6/30/2023					2,653		*		-		
Initial Examination and Classification	24-100-034-5120-066	7,297	7/1/2023	6/30/2024			7,297	3,032			*	4,265	3,032		
Supplementary Instruction	24-100-034-5120-066	2,478	7/1/2023	6/30/2024			2,478	1,291			*	1,187	1,291		
Speech Correction	23-100-034-5120-066	7,440	7/1/2022	6/30/2023					4,743		*	-	-		
Speech Correction	24-100-034-5120-066	6,231	7/1/2023	6/30/2024	-	-	6,231	3,069	-	-	*	-	3,069		
Nonpublic Handicapped Aid (Chapter 193) Cluster:						-	7,396	16,006	7,392	7,396	-	8,614	*	-	7,392
Total Special Revenue Fund						-	7,997	58,046	44,884	7,997	-	13,162	*	-	42,456
Total State Financial Assistance															
						\$ (837,054)	\$ 7,997	\$ 8,089,223	\$ 8,017,871	\$ 7,997	\$ (778,864)	\$ 13,162	\$ (53,254)	\$ 8,784,402	
Less: On-Behalf TPAF Contributions															
On-Behalf TPAF - Pension Contribution	24-495-034-5094-002		7/1/2023	6/30/2024				(3,964,794)							
On-Behalf TPAF - Pension-NCGI Premium	24-495-034-5094-004		7/1/2023	6/30/2024				(45,216)							
On-Behalf TPAF - Post-Retirement Medical Benefits	24-495-034-5094-001		7/1/2023	6/30/2024				(1,091,378)							
On-Behalf TPAF - LTDI Premium	24-495-034-5094-004		7/1/2023	6/30/2024				(1,676)							
Total for State Financial Assistance-Major Program Determination								\$ 2,914,807							

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

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$41,838 for the general fund and an increase of \$4,025 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		\$ 8,014,825	\$ 8,014,825
Special Revenue Fund	\$ 651,980	44,884	696,864
Food Service Fund	<u>5,856</u>	<u>-</u>	<u>5,856</u>
Total Awards Financial Assistance	<u>\$ 657,836</u>	<u>\$ 8,059,709</u>	<u>\$ 8,717,545</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$796,891 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 \$4,010,010, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,091,378 and TPAF Long-Term Disability Insurance in the amount of \$1,676 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	_____ Unmodified _____	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____ none reported
Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> _____ no

Federal Awards Section

Not Applicable

**CLOSTER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiencies identified that were
not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of major programs:

State Grant/Project Number(s)

24-495-034-5120-089

24-495-034-5120-084

Name of State Program

Special Education Categorical Aid

Security Aid

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

Auditee qualified as low-risk auditee? X yes _____ no

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

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

Not applicable.

CURRENT YEAR STATE AWARDS

There are none.