

**EAST NEWARK BOARD OF EDUCATION
COUNTY OF HUDSON, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

EAST NEWARK BOARD OF EDUCATION

EAST NEWARK BOARD OF EDUCATION
East Newark, New Jersey

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Annual Comprehensive Financial Report

of the

**EAST NEWARK BOARD OF EDUCATION
East Newark, New Jersey**

Year Ended June 30, 2024

Prepared by

Business Administrator

EAST NEWARK PUBLIC SCHOOL DISTRICT
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INTRODUCTORY SECTION

East Newark Public School

Rosaura Bagolie, Ed. D.
Superintendent / Principal



501-11 North Third Street
East Newark, N.J. 07029
(973) 481-6800

rbagolie@eastnewarkschool.org

January 2, 2025

Honorable President and
Members of the Board of
Education
East Newark School District
East Newark, New Jersey 07029

Dear Board Members:

The Annual Comprehensive Financial Report of The Borough of East Newark School District for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the 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 the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. 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, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Borough of East Newark School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14 as established by NCGA Statement 3. All funds of the District are included in this report. The Borough of East Newark Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 8. The District completed the 2023-2024 school year with a resident enrollment of 235 students, which is 38 students less than the previous year's enrollment, a decrease of 13.92%. The table on the following page details the changes in the student enrollment of the District over the last seven years.

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Superintendent / Principal



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Fiscal Year	Student Enrollment	Percent Change
2023-2024	235	-13.92
2022- 2023	273	+20.80%
2021-2022	226	-.88%
2020-2021	228	-6.56%
2019-2020	244	-1.21%
2018-2019	247	-6.08%
2017-2018	263	-

2. ECONOMIC CONDITION AND OUTLOOK:

The Borough of East Newark continues to suffer under the economic down-turn in residential and commercial development and expansion has been stagnant; however, there have been residential homes built this past year. It is also expected that within the upcoming years construction of 616 apartment units will occur at the location known at the old Clark Thread Factory now labeled the and East Newark's Town Center. The development will adaptively reuse eight structures on the property into 616 residential units, 91,022 square feet of retail space, and 4,388 square feet of commercial space. The rental apartments at the East Newark Town Center will consist of one- and two-bedroom units sporting 14-foot ceilings, highlighting the industrial attributes of the existing buildings. Further the school district has failed to increase tax levy even by the minimum state-imposed budget caps for a number of years and the significant increases in costs in areas such as health benefits, teacher salaries, charter schools, out of district placement and transportation, place increased pressure upon the District's budget.

The leasing of homes to temporary or transient families has continued, and along with this there has been an increase of special needs students who require specialized support services.

The District continues to cope with overcrowding in K through grade 8 and special education departments resulting in significant costs for leasing space and out-of-district placements, it is recommended that expansion be considered for the future.

Our outlook for the immediate future is currently of concern if state aid is either frozen or reduced, Although the passing of Senate Bill S-2 has increased state aid to East Newark Schools by \$1,756,554 for 2024-2025 which was a 32.52% increase over the previous year. This helped in alleviating the lack of increase of taxes to our local taxpayers, as well as, any

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possible reductions in staff and instructional programs that may have occurred without this additional assistance.

3. MAJOR INITIATIVES:

The District continues to focus on curricular revision and alignment with the New Jersey Student Learning Standards and professional development for teachers as a means of improving student performance. The District has developed a plan to address areas of need as identified by the school, and continuously works to address the activities identified therein critical to the achievement of these identified goals. We continue to offer after school and summer remedial instruction.

The District has tried to maintain a focus on infrastructure issues which promote safety and improve its atmosphere such as new flooring, new doors, painting, cameras and security upgrades, cabinetry and a new school sign. The District has entered into an agreement with our architects to assist in the development of plans and bid documents for window and HVAC to our building upgrades. The district awarded a contract for the school facade during the 2023-2024 school year and the project has started.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the 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, as well as to determine that the District has complied with applicable laws and regulations.

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Superintendent / Principal



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5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 1.

7. DEBT ADMINISTRATION:

As of June 30, 2024, there were serial bonds outstanding in the amount of \$2,041,000 and no capital leases outstanding.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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Superintendent / Principal



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9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkotz & Co., L.L.C. was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related Budget Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

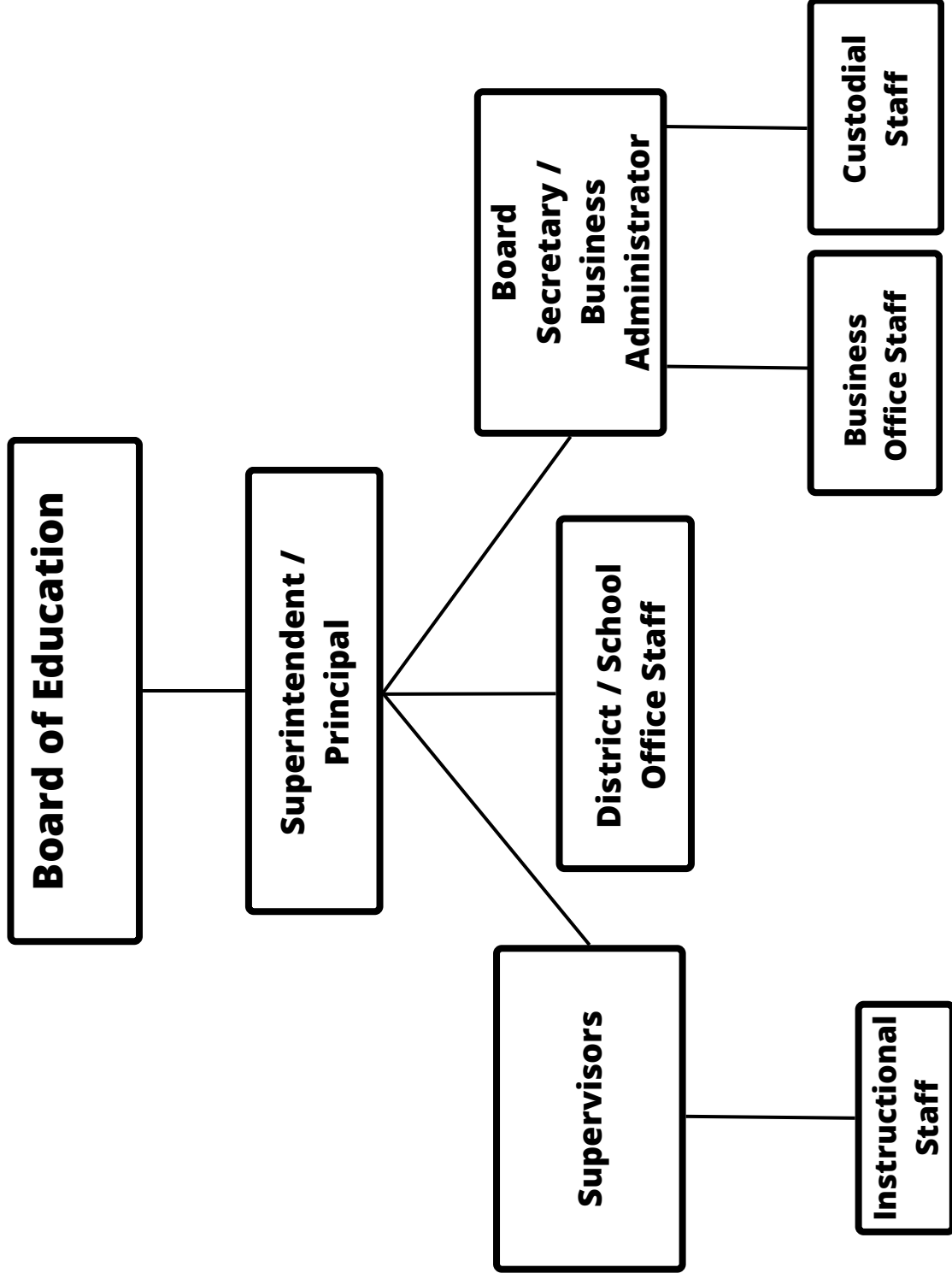
Rosaura Bagolie

Rosaura Bagolie, Ed.D.
Superintendent of Schools

Emidio D'Andrea

Emidio D'Andrea
Interim School Business Administrator

EAST NEWARK SCHOOL ORGANIZATIONAL CHART



EAST NEWARK BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2024

Members of the Board of Education

Term Expires

Carla Fernandes, Board President	2026
Jennifer Perez, Vice President	2025
Laura Ditchkus	2024
Heather Leone	2025
Michael Mancini	2025
Tatiana Costa (07/01/23-09/19/23)	2024
Magaly Ganica (04/09/24-6/30/24)	2024
Milagritos Martes	2024
Lisa Ditchkus	2026
Nidia Guerrero	2025

Other Officials

Dr. Rosaura Bagolie, Superintendent of Schools/Principal

Emidio D'Andrea, Interim School Business Administrator/Board Secretary

Robert Clark, Treasurer of School Monies (7/1/23-11/29/23)

Helene Turner, Treasurer of School Monies (11/29/23-6/30/24)

EAST NEWARK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2024

Attorney

Matthew J. Giacobbe, Esq.
Cleary Giacobbe Alfieri Jacobs, LLC
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David B. Rubin, P.C.
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Metuchen, New Jersey 08840

McManimon, Scotland, and Baumann
75 Livingston Avenue #201
Roseland, New Jersey 07608

District Auditor

Wielkott & Company LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

Valley National Bank
Fourth Street
East Newark, New Jersey 07029

Architect

USA Architects + Planners, PA
20 North Doughty Avenue
Sommerville, New Jersey 08876

DiCara Rubino Architects
35 Waterview Boulevard #303
Parsippany, New Jersey 07054

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
East Newark Board of Education
County of Hudson
East Newark, New Jersey 07029

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of East Newark School District, in the County of Hudson, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of East Newark Board of Education, in the County of Hudson, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the East Newark of Education, and to meet our other ethical responsibilities, in accordance with



the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Newark Board of Education's ability to continue as a going concern for the next 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information,

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 the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of East Newark Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable President and
Members of the Board of Education
Page 5.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2025 on our consideration of the Borough of East Newark 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 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 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 Borough of East Newark Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkatz

Steven D. Wielkatz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 2, 2025



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discussion and analysis of the East Newark Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the East Newark Board of Education exceeded its liabilities, and deferred inflows of resources at the close of the fiscal year by \$3,435,103. (Net Position).
- In total, net position increased by \$419,968. Net position of governmental activities increased by \$448,670, and net position of business-type activities decreased by \$28,702.
- General revenues accounted for \$1,811,755 in revenue or 19 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$8,087,639 or 81 percent of total revenues of \$9,899,394.
- The School District had \$9,267,802 in expenses related to governmental activities; \$7,908,263 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$1,808,209 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 \$5,117,924.
- The General Fund fund balance at June 30, 2024 was \$3,418,790, an increase of \$114,655 compared to the ending fund balance at June 30, 2023 of \$3,304,135.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$314,095 which represents an increase of \$64,095 compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$250,000.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

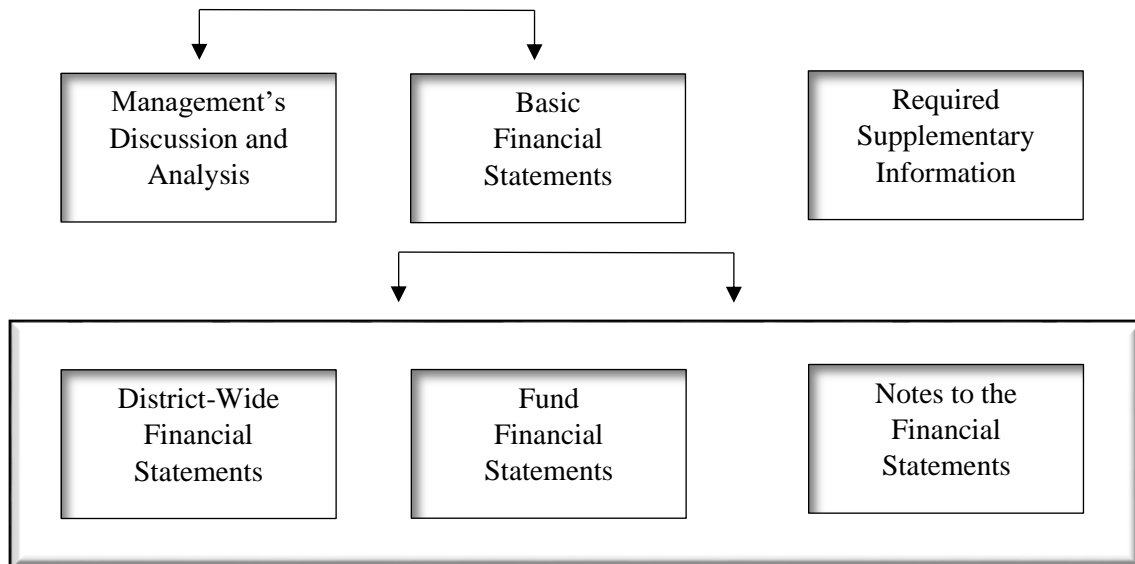
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the East Newark Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Fund is reported as a business-type activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The East Newark Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds, (continued)

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

The East Newark Board of Education maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and capital projects funds, which are both considered to be major funds.

The East Newark Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The East Newark Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$3,435,103 at June 30, 2024 and \$3,015,135 at June 30, 2023. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2024 compared to 2023 (Table 1) and change in net position (Table 2) of the School District.

Table 1
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	6,740,912	4,613,299	121,638	142,936	6,862,550	4,756,235
Capital Assets:						
Land and Construction in Progress	432,370	153,681			432,370	153,681
Depreciable Buildings, Improvements and Equipment (net)	<u>231,018</u>	<u>170,895</u>	<u>35,011</u>	<u>39,612</u>	<u>266,029</u>	<u>210,507</u>
Total Assets	<u>7,404,300</u>	<u>4,937,875</u>	<u>156,649</u>	<u>182,548</u>	<u>7,560,949</u>	<u>5,120,423</u>
Deferred Outflows:						
Deferred Outflows of Resources						
Related to PERS	<u>529,655</u>	<u>279,522</u>	<u>—</u>	<u>—</u>	<u>529,655</u>	<u>279,522</u>
Total Deferred Outflows	<u>529,655</u>	<u>279,522</u>	<u>-</u>	<u>-</u>	<u>529,655</u>	<u>279,522</u>
Liabilities						
Current Liabilities	1,711,054	1,321,227	39,575	36,772	1,750,629	1,357,999
Noncurrent Liabilities	<u>2,659,766</u>	<u>610,626</u>	<u>—</u>	<u>—</u>	<u>2,659,766</u>	<u>610,626</u>
Total Liabilities	<u>4,370,820</u>	<u>1,931,853</u>	<u>39,575</u>	<u>36,772</u>	<u>4,410,395</u>	<u>1,968,625</u>
Deferred Inflows:						
Deferred Inflows of Resources						
Related to PERS	<u>245,106</u>	<u>416,185</u>	<u>—</u>	<u>—</u>	<u>245,106</u>	<u>416,185</u>
Total Deferred Inflows	<u>245,106</u>	<u>416,185</u>	<u>-</u>	<u>-</u>	<u>245,106</u>	<u>416,185</u>
Net Position						
Net Investment in Capital						
Assets	(1,377,612)	324,576	35,011	39,612	(1,342,601)	364,188
Restricted	5,335,511	3,536,374			5,335,511	3,536,374
Unrestricted	<u>(639,870)</u>	<u>(991,591)</u>	<u>82,063</u>	<u>106,164</u>	<u>(557,807)</u>	<u>(885,427)</u>
Total Net Position	<u>3,318,029</u>	<u>2,869,359</u>	<u>117,074</u>	<u>145,776</u>	<u>3,435,103</u>	<u>3,015,135</u>

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Changes in Net Position:

The District's total net position increased \$419,968 over the course of the 2023-2024 fiscal year (See Table 2). Net position invested in capital assets decreased \$1,706,789 due to the issuance of debt and current fiscal year depreciation, offset by capital asset additions. Restricted net position increased \$1,799,137 as a result of net increases in excess surplus and capital projects and student activities, offset by a net decrease in the capital reserve and encumbrances. Unrestricted net position decreased \$327,620 primarily due to the changes in compensated absences payable, net pension liability, deferred inflows and outflows of resources related to pensions, unexpended budget appropriations and an excess in state revenues.

Table 2 below shows the changes in net position for fiscal year 2024.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	6,477	6,987	18,090	19,873	24,567	26,860
Operating Grants and						
Contributions	7,810,362	6,436,313	161,286	222,710	7,971,648	6,659,023
Capital Grants and						
Contributions	91,424				91,424	-
General Revenues:						
Taxes:						
Property Taxes	1,512,158	1,512,158			1,512,158	1,512,158
Miscellaneous Income	<u>296,051</u>	<u>179,070</u>	<u>3,546</u>	<u>1,507</u>	<u>299,597</u>	<u>180,577</u>
Total Revenues and Transfers	<u>9,716,472</u>	<u>8,134,528</u>	<u>182,922</u>	<u>244,090</u>	<u>9,899,394</u>	<u>8,378,618</u>

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Functions/Program Expenses						
Instruction:						
Regular	1,272,821	1,289,613			1,272,821	1,289,613
Special Education	1,203,796	1,148,192			1,203,796	1,148,192
Other Special Education	134,809				134,809	-
Other Instruction	10,085	97,241			10,085	97,241
Support Services:						
Tuition	2,321,979	1,994,973			2,321,979	1,994,973
Student & Instruction						
Related Services	1,756,967	1,063,309			1,756,967	1,063,309
General Administrative						
Services	361,500	334,323			361,500	334,323
School Administrative						
Services	123,844	146,323			123,844	146,323
Central Administration and						
Admin. Info. Tech.	137,149	117,218			137,149	117,218
Plant Operations and						
Maintenance	837,766	507,202			837,766	507,202
Pupil Transportation	343,722	28,041			343,722	28,041
Unallocated Benefits	335,828	615,117			335,828	615,117
Charter Schools	308,091	149,054			308,091	149,054
Capital Outlay -						
Nondepreciable	76,874	177,798			76,874	177,798
Interest on Long-Term Debt	24,190				24,190	-
Unallocated Depreciation	18,381	20,522			18,381	20,522
Food Service			211,624	223,863	211,624	223,863
Total Expenses	<u>9,267,802</u>	<u>7,688,926</u>	<u>211,624</u>	<u>223,863</u>	<u>9,479,426</u>	<u>7,912,789</u>
Increase or (Decrease) in						
Net Position	<u>448,670</u>	<u>445,602</u>	<u>(28,702)</u>	<u>20,227</u>	<u>419,968</u>	<u>465,829</u>

Governmental Activities

Net position from the District's governmental activities increased by \$448,670 during the fiscal year. However, maintaining existing programs, the provision of multitude of special programs/services for student with special needs and the cost of employee benefits has placed great demands on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental Activities (continued)

Table 3 presents the costs of six major District activities: instruction, pupil and instructional services, administrative and business, maintenance and operations, transportation, and other. The table also shows each activity's net costs (total cost less fees generated by the activities and intergovernmental aid provided for specific program). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Table 3
Net Cost of Governmental Activities
Year Ended June 30,**

	<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	\$2,621,511	\$2,535,046	\$(3,450,240)	\$(2,619,037)
Pupil and Instruction Services	4,078,946	3,058,282	2,866,727	2,523,471
Administrative and Business	622,493	597,864	622,493	597,864
Maintenance and Operations	837,766	507,202	664,338	334,070
Transportation	343,722	28,041	327,645	11,991
Other	<u>763,364</u>	<u>962,491</u>	<u>328,576</u>	<u>397,267</u>
	<u><u>\$9,267,802</u></u>	<u><u>\$7,688,926</u></u>	<u><u>\$1,359,539</u></u>	<u><u>\$1,245,626</u></u>

Business-Type Activities

The net position of the District's business-type activities decreased by \$28,702. The net position of the Food Service program decreased by \$28,702 due to a decrease in daily cafeteria sales and subsidy reimbursements greater than the decrease in operating expenses.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$9,479,426. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$1,512,158 because some of the cost was paid by those who benefitted from the programs \$24,567, by other governments and organizations who subsidized certain programs with grants and contributions \$8,063,072, and by miscellaneous sources \$299,597.

Revenues for the District's business-type activities (food service programs) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$28,702.
- ✓ Charges for services provided totaled \$18,090 represents amounts paid by consumers for daily food services and donated commodities.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches was \$161,286.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2024, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$3,506,010	29.6%	\$1,641,202	88.01%	\$1,864,808
State Source	6,899,602	58.2%	1,843,344	36.46%	5,056,258
Federal Source	<u>1,444,760</u>	<u>12.2%</u>	<u>218,093</u>	<u>17.78%</u>	<u>1,226,667</u>
Total	<u>\$11,850,372</u>	<u>100.0%</u>	<u>\$3,702,639</u>	<u>45.44%</u>	<u>\$8,147,733</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures:					
Instruction	\$2,482,685	23.8%	\$392,997	18.81%	\$2,089,688
Undistributed	7,590,696	72.7%	2,222,839	41.41%	5,367,857
Debt Service	5,562	0.1%	5,562	100.00%	
Capital Outlay	<u>355,563</u>	<u>3.4%</u>	<u>138,673</u>	<u>63.94%</u>	<u>216,890</u>
Total	<u>\$10,434,506</u>	<u>100.0%</u>	<u>\$2,760,071</u>	<u>35.96%</u>	<u>\$7,674,435</u>

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2024, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- The special revenue fund was decreased by \$404,132 for decreases in federal and state grant awards and adjustments to carryover balance.

General Fund

The general fund actual revenue was \$8,493,415, including transfers. That amount is \$1,172,062 above the final amended budget of \$7,321,353. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$783,869 for TPAF social security reimbursements and on-behalf pension payments, \$64,095 excess in Extraordinary Aid, an excess in miscellaneous of \$292,051, and \$353,167 excess bond proceeds.

The actual expenditures of the general fund were \$8,284,561, including transfers which is \$98,286 less than the final amended budget of \$8,382,847. The variance between the actual expenditures and the final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$783,869 and \$882,155 of unexpended budgeted funds.

The General Fund had total revenues of \$8,493,415, including transfers and total expenditures including transfers of \$8,284,561, including transfers with an ending fund balance of \$3,950,472 on the budgetary basis.

Special Revenue Fund

The special revenue fund actual revenue was \$2,228,550, including transfers. That amount is below the original budget estimate of \$3,414,850 and below the final amended budget of \$3,010,718. The \$404,132 variance between the original and final budget was due to incorrect estimates and adjustments to prior period carryover amounts after the original budget was approved. The \$782,168 variance between the final amended budget and the June 30, 2024 actual results was due to the deferral of Federal and State grants awarded in the current fiscal year to be spent in the next fiscal year and the inclusion of student activity funds.

The actual expenditures of the special revenue fund were \$2,225,059. That amount is below the original budget estimate of \$3,414,850 and below the final amended budget of \$3,010,718. The \$404,132 variance between the original and final budget was due to incorrect estimates and adjustment to prior period carryover amounts after the original budget was approved. The \$785,659 variance between the final amended budget and the June 30, 2024 actual results was due to the anticipation of fully expending Federal and State grant programs. Expenditures will be incurred in the next fiscal year.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 the School District had \$975,776 invested in land, construction in progress, land improvements, buildings and building improvements, machinery and equipment. Of this amount, \$277,377 in depreciation/amortization has been taken over the years. We currently have a net book value of \$698,399. Table 3 shows fiscal year 2024 balances compared to 2023.

Additional information about the District's capital assets can be found in the notes to the basic financial statements.

**Table 4
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$432,370	\$153,681	\$	\$	432,370	153,681
Buildings and Improvements	70,934	75,385			70,934	75,385
Machinery and Equipment	160,084	95,510	35,011	39,612	195,095	135,122
	<u>\$663,388</u>	<u>\$324,576</u>	<u>\$35,011</u>	<u>\$39,612</u>	<u>\$698,399</u>	<u>\$364,188</u>

Debt Administration

At June 30, 2024, the District had \$2,659,766 in long term debt. Of this amount, \$2,041,000 is for general bond obligations, \$3,000 is for compensated absences and \$615,766 is for the District's net pension liability. For more detailed information, please refer to the Notes to the Financial Statements.

**EAST NEWARK BOARD OF EDUCATION
EAST NEWARK, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2024-2025 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal year 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund fund balance in excess of 2% or \$250,000, whichever is greater, must be appropriated for tax relief.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the East Newark Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

School Business Administrator
East Newark Board of Education
501-11 N 3rd St
East Newark, NJ 07022

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

EAST NEWARK BOARD OF EDUCATION
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	4,000,168	102,233	4,102,401
Receivables, net	941,729	7,949	949,678
Internal balances	(10,088)	10,088	-
Inventory		1,368	1,368
Restricted assets:			
Capital reserve account - cash	1,786,376		1,786,376
Net payroll account - cash	3,134		3,134
Payroll deductions and withholdings account - cash	3,393		3,393
Student activity accounts - cash	16,200		16,200
Capital assets, net:			
Land and construction in progress	432,370		432,370
Other capital assets, net	231,018	35,011	266,029
Total Assets	<u>7,404,300</u>	<u>156,649</u>	<u>7,560,949</u>
 Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	<u>529,655</u>		<u>529,655</u>
 Total Deferred Outflows	<u>529,655</u>		<u>529,655</u>
 LIABILITIES			
Accounts payable and accrued liabilities	1,496,473	39,272	1,535,745
Payable to federal government		17	17
Unearned revenue	208,054	286	208,340
Payroll deductions and withholdings payable	6,527		6,527
Noncurrent liabilities:			
Due beyond one year	<u>2,659,766</u>		<u>2,659,766</u>
Total liabilities	<u>4,370,820</u>	<u>39,575</u>	<u>4,410,395</u>
 Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	<u>245,106</u>		<u>245,106</u>
 Total Deferred Inflows	<u>245,106</u>		<u>245,106</u>
 NET POSITION			
Net investment in capital assets	(1,377,612)	35,011	(1,342,601)
Restricted for:			
Capital projects	1,682,934		1,682,934
Special Revenue	16,200		16,200
Other purposes	3,636,377		3,636,377
Unrestricted (Deficit)	<u>(639,870)</u>	<u>82,063</u>	<u>(557,807)</u>
Total net position	<u>3,318,029</u>	<u>117,074</u>	<u>3,435,103</u>

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

EAST NEWARK BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	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	1,165,092	107,729		4,806,971		3,534,150		3,534,150
Special education	1,187,880	15,916		1,264,780		60,984		60,984
Other special instruction	120,249	14,560				(134,809)		(134,809)
Other instruction	9,464	621				(10,085)		(10,085)
Support services:								
Instruction	2,321,979			114,095		(2,207,884)		(2,207,884)
Student & instruction related services	1,706,890	50,077	6,477	1,091,647		(658,843)		(658,843)
General administrative services	346,772	14,728				(361,500)		(361,500)
School administrative services	111,640	12,204				(123,844)		(123,844)
Central Services	123,745	13,404				(137,149)		(137,149)
Plant operations and maintenance	826,424	11,342		173,428		(664,338)		(664,338)
Pupil transportation	343,722			16,077		(327,645)		(327,645)
Unallocated benefits	335,828			337,802		1,974		1,974
Capital outlay - non-depreciable	76,874				91,424	14,550		14,550
Transfer to charter schools	308,091					(308,091)		(308,091)
Interest on long-term debt	24,190			5,562		(18,628)		(18,628)
Unallocated depreciation	18,381	(D)				(18,381)		(18,381)
Total governmental activities	9,027,221	240,581	6,477	7,810,362	91,424	(1,359,539)	-	(1,359,539)
Business-type activities:								
Food Service	211,624		18,090	161,286	-		(32,248)	(32,248)
Total business-type activities	211,624		18,090	161,286	-		(32,248)	(32,248)
Total primary government	9,238,845		24,567	7,971,648	91,424	(1,359,539)	(32,248)	(1,391,787)
General revenues:								
Taxes:								
Levied for general purposes								
Miscellaneous Income								
Total general revenues, special items, extraordinary items and transfers								
Change in Net Position								
Net Position—beginning								
Net Position—ending								
1,512,158								
296,051								
1,808,209								
448,670								
2,869,359								
3,318,029								
117,074								
3,435,103								

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

* - Student Activity revenue is reported as "charges for services"; scholarship revenue is reported as "operating grants and contributions"

(D) - Unallocated depreciation excludes direct depreciation expenses of the various programs

FUND FINANCIAL STATEMENTS

EAST NEWARK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents				
Checking	2,140,984		1,859,184	4,000,168
Accounts Receivable -				
Intergovernmental - State	123,112	66,807	17,205	207,124
Intergovernmental - Federal		509,571		509,571
Other Accounts Receivable	5,500			5,500
Interfund receivables	196,830			196,830
Taxes Receivable	219,534			219,534
Restricted cash and cash equivalents:				
Capital reserve	1,786,376			1,786,376
Net payroll	3,134 *			3,134
Payroll deductions and withholdings	3,393 *			3,393
Student activity accounts		16,200 *		16,200
	<u>4,478,863</u>	<u>592,578</u>	<u>1,876,389</u>	<u>6,947,830</u>
Total assets				
	<u>4,478,863</u>	<u>592,578</u>	<u>1,876,389</u>	<u>6,947,830</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,043,458	171,494	193,455	1,408,407
Interfund payable	10,088	196,830		206,918
Unearned revenue		208,054		208,054
Payroll deductions and withholdings payable	6,527 **			6,527
	<u>1,060,073</u>	<u>576,378</u>	<u>193,455</u>	<u>1,829,906</u>
Total liabilities				
	<u>1,060,073</u>	<u>576,378</u>	<u>193,455</u>	<u>1,829,906</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	1,094,264			1,094,264
Excess Surplus - prior year - designated for subsequent year's expenditures	738,103			738,103
Capital reserve account	1,786,376			1,786,376
Student groups		16,200		16,200
Assigned to:				
Year-end encumbrances	17,634			17,634
Capital projects fund			1,682,934	1,682,934
Unassigned:				
General fund	(217,587)			(217,587)
	<u>3,418,790</u>	<u>16,200</u>	<u>1,682,934</u>	<u>5,117,924</u>
Total Fund balances				
	<u>3,418,790</u>	<u>16,200</u>	<u>1,682,934</u>	<u>5,117,924</u>
Total liabilities and fund balances				
	<u>4,478,863</u>	<u>592,578</u>	<u>1,876,389</u>	

EAST NEWARK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2024

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 \$905,660 and the accumulated depreciation, is \$242,272	663,388
Accounts payable for subsequent Pension payment is not a payable in the funds	(69,438)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	529,655
Deferred inflows of resources related to PERS Pension Liability	(245,106)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	<u>(2,659,766)</u>
Net position of governmental activities	<u><u>3,318,029</u></u>

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

* Include former fiduciary fund cash and cash equivalents

** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)

EAST NEWARK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	1,512,158				1,512,158
Bond proceeds			1,687,833		1,687,833
Interest on Investments	64,308				64,308
Miscellaneous	231,743				231,743
Student Group Receipts		9,968 *			9,968
Total - Local Sources	1,808,209	9,968	1,687,833	-	3,506,010
State sources	6,205,793	671,042	17,205	5,562	6,899,602
Federal sources		1,444,760			1,444,760
Total revenues	8,014,002	2,125,770	1,705,038	5,562	11,850,372
EXPENDITURES					
Current:					
Regular instruction	1,165,092				1,165,092
Special education instruction	131,673	1,056,207			1,187,880
Other special instruction	120,249				120,249
School sponsored/other instructional	9,464				9,464
Support services and undistributed costs:					
Instruction	2,321,979				2,321,979
Health services	92,036				92,036
Student & instruction related services	598,725	1,094,633 **			1,693,358
General administrative services	346,772				346,772
School administrative services	111,640				111,640
Central services	123,745				123,745
Plant operations and maintenance	826,424				826,424
Pupil transportation	343,722				343,722
Unallocated benefits	639,060				639,060
On-behalf contributions	783,869				783,869
Transfer to charter schools	308,091				308,091
Debt Service:					
Interest and charges				5,562	5,562
Capital outlay	2,655	74,219	278,689		355,563
Total expenditures	7,925,196	2,225,059	278,689	5,562	10,434,506
Excess (Deficiency) of revenues over expenditures	88,806	(99,289)	1,426,349	-	1,415,866
OTHER FINANCING SOURCES (USES)					
Transfers in - General Fund	32,047				32,047
Transfers in - Capital Projects			256,585		256,585
Transfers in - Special Revenue Fund		102,780			102,780
Transfers out - General Fund	(359,365)		(32,047)		(391,412)
Excess proceeds of bonds issued	353,167				353,167
Total other financing sources and uses	25,849	102,780	224,538	-	353,167
Net change in fund balances	114,655	3,491	1,650,887	-	1,769,033
Fund balance—July 1	3,304,135	12,709	32,047	-	3,348,891
Fund balance—June 30	3,418,790	16,200	1,682,934	-	5,117,924

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

* Special revenue fund now includes revenues from scholarships and student activities

** Special revenue fund now includes expenditures from scholarships and student activities

EAST NEWARK BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) 1,769,033

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(18,381)	
	Non-depreciable capital outlay - Construction in Progress	278,689	
	Asset retired prior to full depreciation	(10,989)	
	Depreciable outlays	<u>89,493</u>	
			338,812

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Proceeds of long-term debt	<u>(2,041,000)</u>		(2,041,000)
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in interest is an adjustment in the reconciliation.

Current Year	<u>(18,628)</u>		(18,628)
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable			379,445
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District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	56,819		
Less: Pension Expense	<u>(35,811)</u>		
(Increase)/Decrease in Pension Expense			21,008

Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

Decrease in On-behalf State Aid TPAF Pension			(398,479)
Decrease in On-behalf TPAF Pension Expense			398,479

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue			(47,588)
Increase in On-behalf State Aid TPAF Post Employment Medical Expense			47,588

Change in net position of governmental activities			<u><u>448,670</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

EAST NEWARK BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2024

	<u>Food Service Program</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	102,233
Accounts receivable:	
State	521
Federal	7,428
Interfund - General Fund	10,088
Inventories	1,368
Total current assets	<u>121,638</u>
Noncurrent assets:	
Capital assets:	
Equipment	70,116
Less accumulated depreciation	<u>(35,105)</u>
Total capital assets (net of accumulated depreciation)	<u>35,011</u>
Total assets	<u><u>156,649</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	39,272
Due to Federal Government	17
Deferred revenue	286
Total current liabilities	<u>39,575</u>
<u>NET POSITION</u>	
Net investment in capital assets	35,011
Unrestricted	82,063
Total net position	<u><u>117,074</u></u>

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

EAST NEWARK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2024

	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - non-reimbursable programs	18,090
Total operating revenues	<u>18,090</u>
Operating expenses:	
Cost of sales - reimbursable	76,406
Cost of sales - non-reimbursable	7,186
Salaries	70,351
Benefits	22,177
Supplies and materials	18,538
Purchased property services	8,974
Other expenses	3,391
Depreciation	4,601
Total operating expenses	<u>211,624</u>
Operating income (loss)	<u>(193,534)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	5,499
State breakfast programs	898
State breakfast after the bell	850
Federal sources:	
National school lunch program	93,221
National breakfast program	21,021
National school snack program	10,557
Supply chain assistance	10,088
P-EBT Administrative Cost	653
Local food for schools cooperative agreement program	338
Food distribution program	18,161
Interest earnings	3,546
Total nonoperating revenues (expenses)	<u>164,832</u>
Income (loss) before contributions & transfers	<u>(28,702)</u>
Total net position—beginning	<u>145,776</u>
Total net position—ending	<u><u>117,074</u></u>

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

EAST NEWARK BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2024

**Food Service
Program**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	16,426
Payments to suppliers	(181,486)
Net cash provided by (used for) operating activities	<u>(165,060)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Local Sources	32,347
State Sources	7,011
Federal Sources	132,108
Net cash provided by (used for) non-capital financing activities	<u>171,466</u>

Net increase (decrease) in cash and cash equivalents	9,952
Balances—beginning of year	92,281
Balances—end of year	<u><u>102,233</u></u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income (loss)	(193,534)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	4,601
Food Distribution Program	18,161
(Increase) decrease in inventories	1,503
Increase (decrease) in accounts payable	3,923
Increase (decrease) in prepaid revenue	286
Total adjustments	<u>28,474</u>
Net cash provided by (used for) operating activities	<u><u>(165,060)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the East Newark Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The financial statements of the East Newark Board of Education have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

The East Newark Board of Education (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of East Newark School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control 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 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 to the Board.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Description of the School District and Reporting Entity: (continued)

that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools and a middle school, located in the Borough of East Newark. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

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. Currently the District does not have any 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.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements: (continued)

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

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Expenses/Expenditures

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts 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. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

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 the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in 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.

Encumbrances:

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 reservations of 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.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Encumbrances: (continued)

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated capital assets are valued at their acquisition value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. The Board maintains a capitalization threshold of \$2,000. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Capital Assets: (continued)

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Interfund Activity:

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements

Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Accounting and Financial Reporting for Pensions: (continued)

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Bond Discounts/Premiums

Bond discounts/premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts/premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond issuance costs.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item that qualifies in this category, deferred amounts related to pension.

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East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

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.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Net Position:

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for the Food Service Program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Allocation of Indirect Expenses:

Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Issued Accounting Pronouncements:

The GASB has issued the following statements that will become effective for the School District for fiscal years ending June 30, 2025 and 2026:

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. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the District.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Recently Issued Accounting Pronouncements: (continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2024, \$-0- of the District's bank balance of \$6,026,731 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District 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. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2024, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$207,124	\$521	\$207,645
Federal Aid	509,571	7,428	516,999
Taxes Receivable	219,534		219,534
Other Accounts Receivable	5,500		5,500
Due from Other Funds	<u>196,830</u>	<u>10,088</u>	<u> </u>
Gross Receivables	1,138,559	18,037	949,678
Less: Allowance for Uncollectibles	<u> </u>	<u> </u>	<u> </u>
Total Receivables, Net	<u><u>\$1,138,559</u></u>	<u><u>\$18,037</u></u>	<u><u>\$949,678</u></u>

NOTE 4. INTERFUND BALANCE AND ACTIVITY:

Balance due to/from other funds at June 30, 2024, consist of the following:

\$196,830	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>10,088</u>	Due to the Enterprise Fund from the General Fund for the subsidy reimbursements not turned over less reimbursement of expenditures.
<u><u>\$206,918</u></u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 4. INTERFUND BALANCE AND ACTIVITY: (continued)

Interfund transfers for the year ended June 30, 2024 consisted of the following:

102,780	Due from the General Fund to the Special Revenue Fund for District Contribution to Preschool Education Aid.
32,047	Due from the Capital Projects Fund to the General Fund for cancellation of unexpended funds.
256,585	Due from the General Fund to the Capital Projects Fund for capital reserve portion of project.

NOTE 5. CAPITAL ASSETS:

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

	<u>Balance</u> <u>6/30/23</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/24</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$153,681	\$	\$	\$153,681
Construction in progress		<u>278,689</u>		<u>278,689</u>
Total Capital Assets Not Being Depreciated	<u>153,681</u>	<u>278,689</u>		<u>432,370</u>
Buildings and Building Improvements	216,326			216,326
Machinery and Equipment	<u>276,220</u>	<u>84,493</u>	<u>(108,749)</u>	<u>256,964</u>
Totals at Historical Cost	<u>492,546</u>	<u>84,493</u>	<u>(108,749)</u>	<u>473,290</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(140,941)	(4,451)		(145,392)
Machinery and equipment	<u>(180,710)</u>	<u>(13,930)</u>	<u>(97,760)</u>	<u>(96,880)</u>
Total Accumulated Depreciation	<u>(321,651)</u>	<u>(18,381)</u>	<u>(97,760)</u>	<u>(242,272)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>170,895</u>	<u>71,112</u>	<u>(10,989)</u>	<u>231,018</u>
Governmental Activities Capital Assets, Net	<u>324,576</u>	<u>349,801</u>	<u>(10,989)</u>	<u>663,388</u>
Business-type activities:				
Machinery and equipment	70,116			70,116
Less accumulated depreciation for:				
Machinery and equipment	<u>(30,504)</u>	<u>(4,601)</u>		<u>(35,105)</u>
Business-type activities capital assets, net	<u>\$44,213</u>	<u>\$(4,601)</u>	<u>\$</u>	<u>\$35,011</u>

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the year ended June 30, 2024 were as follows:

	Balance June 30, 2023	Issued	Retired	Balance June 30, 2024	Amount Due Within One Year	Long Term Portion
Governmental Activities:						
Bonds payable:						
General Obligation Debt	\$	\$2,041,000	\$	\$2,041,000	\$	\$2,041,000
Total Bonds Payable	-	2,041,000	-	2,041,000	-	2,041,000
Other Liabilities:						
Compensated Absences Payable	382,445		(379,445)	3,000	\$	3,000
Net Pension Liability PERS	228,181	387,585		615,766		615,766
Total Other Liabilities	610,626	387,585	(379,445)	618,766	-	618,766
Total Government Activities	\$610,626	\$2,428,585	(\$379,445)	\$2,659,766	\$	\$2,659,766

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State law by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As of June 30, 2024, the Board has \$2,041,000 Bonds Outstanding.

Outstanding bonds payable at June 30, 2024 consisted of the following:

<u>Issue</u>	Amount <u>Issued</u>	Issue <u>Date</u>	Interest <u>Rates</u>	Date of <u>Maturity</u>	Principal <u>Balance</u>
School Bonds of 2024	\$2,041,000	3/7/2024	1.00%-4.00%	9/1/2038	2,041,000

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2025	56,847	-	56,847
2026	272,730	216,000	56,730
2027	165,100	110,000	55,100
2028	168,975	115,000	53,975
2029	172,800	120,000	52,800
2030-2034	898,750	675,000	223,750
2035-2038	887,900	805,000	82,900
	<u>\$2,623,102</u>	<u>\$ 2,041,000</u>	<u>\$ 582,102</u>

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM OBLIGATION ACTIVITY: (continued)

B. Bonds Authorized But Not Issued:

As of June 30, 2024 the Board does not have bonds authorized but not issued.

C. Financed Purchases Payable:

As of June 30, 2024, the Board has no financed purchases outstanding.

D. Compensated Absences:

Compensated Absences will be paid from the fund which the employees' salaries are paid.

E. Net Pension Liability:

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

F. Leases:

As of June 30, 2024 the Board has no leases outstanding.

NOTE 7. PENSION PLANS:

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Benefits Provided

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 fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

<u>Year</u> <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/24	\$56,819	\$591
6/30/23	19,067	10,000
6/30/22	11,490	7,396

Contributions Requirements Fund Based Statements

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u> <u>Contribution</u>
6/30/24	\$527,345	\$145,161	\$6,014	\$387
6/30/23	439,810	117,140	6,102	262
6/30/22	392,788	93,066	5,542	250

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$104,962 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2024, the District had a liability of \$615,766 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the District's proportion was 0.0042512414 percent, which was an increase/(decrease) of 0.0027392451 percent from its proportion measured as of June 30, 2022.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2024, the District recognized pension expense of \$35,811. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$5,888	\$2,517
Changes of assumptions	1,353	37,318
Net difference between projected and actual earnings on pension plan investments	2,836	-
Changes in proportion and differences between District contributions and proportionate share of contributions	450,140	205,271
District contributions subsequent to the measurement date	<u>69,438</u>	<u> </u>
Total	<u><u>\$529,655</u></u>	<u><u>\$245,106</u></u>

The \$69,438 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(32,510)
2025	(18,146)
2026	25,358
2027	(4,538)
2028	78

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
District's Proportion	0.0042512414%	0.0015119963%

Actuarial Assumptions

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

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

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

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$803,163	\$615,766	\$456,266

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

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

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF), (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>5,490,292</u>
	<u><u>\$5,490,292</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2023, the proportion of the TPAF net pension liability associated with the District was 0.0107583869%.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$134,880 for contributions provided by the State in the District-Wide Financial Statements.

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 Percent

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

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 Health 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return

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

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

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2024 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>4,099,406</u>
	<u><u>\$4,099,406</u></u>

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) 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.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) Health Care Trend Assumptions

For per-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 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For Medicare Part B reimbursements, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB Liability 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.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2024, the board of education/board of trustees recognized on-behalf OPEB expense of \$97,573 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the East Newark Board of Education's proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 9. DEFERRED COMPENSATION:

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic

NOTE 10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this method, the District remits all contributions directly to the State of New Jersey Unemployment Trust Fund.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 11. CAPITAL RESERVE ACCOUNT:

A capital reserve account was established by the East Newark Board of Education by inclusion of \$790,000 during Fiscal Year 2003 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve account for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance, July 1, 2023	\$1,946,606
Increased by:	
Interest Earnings	64,308
Deposits Approved by Board Resolution	<u>32,047</u>
	<u>96,355</u>
Decreased by:	
Budget Appropriations	<u>256,585</u>
Ending Balance, June 30, 2024	<u><u>\$1,786,376</u></u>

NOTE 12. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] – Of the \$3,418,790 General Fund fund balance at June 30, 2024, \$17,634 is reserved for encumbrances; \$1,832,367 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$738,103 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2025); \$1,786,376 has been reserved in the Capital Reserve Account; \$(217,587) is unreserved and undesignated.

Special Revenue Fund - The Special Revenue Fund balance at June 30, 2024 of \$16,200 is reserved for Student Groups.

East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 13. DEFICIT FUND BALANCES:

The District has a deficit fund balance of \$217,587 in the General Fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget years, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAO financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP fund statements of \$217,587 is less than the last state aid payment(s).

NOTE 14. INVENTORY:

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Food	\$1,040
Supplies	<u>328</u>
	<u><u>\$1,368</u></u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 15. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7 as amended, the designation for Reserved Fund Balance - 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 reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,832,367. Of this amount, \$1,094,264 is the result of current year's operations.

**East Newark Board of Education
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 16. CONTINGENT LIABILITIES:

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - 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.

NOTE 17. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through January 2, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	1,512,158		1,512,158	1,512,158	
Interest Earned on Capital Reserve Funds	2,000		2,000	64,308	62,308
Unrestricted Miscellaneous Revenues	2,000		2,000	231,743	229,743
Total - Local Sources	1,516,158		1,516,158	1,808,209	292,051
Revenues from State Sources:					
Categorical Special Education Aid	310,863		310,863	310,863	
Equalization Aid	4,901,959		4,901,959	4,901,959	
Categorical Security Aid	173,154		173,154	173,154	
Categorical Transportation Aid	16,052		16,052	16,052	
Extraordinary Aid	50,000		50,000	114,095	64,095
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				145,161	145,161
On-behalf TPAF Pension (non-budgeted)				527,345	527,345
On-behalf TPAF NCGI Premium (non-budgeted)				6,014	6,014
On-behalf TPAD LTDI				387	387
Reimbursed TPAF Social Security Contributions (non-budgeted)				104,962	104,962
Total - State Sources	5,452,028		5,452,028	6,299,992	847,964
TOTAL REVENUES	6,968,186		6,968,186	8,108,201	1,140,015
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool - Salaries of Teachers	2,000		2,000		2,000
Kindergarten - Salaries of Teachers	83,049	1,500	84,549	65,542	19,007
Grades 1-5 - Salaries of Teachers	525,280	42,200	567,480	507,581	59,899
Grades 6-8 - Salaries of Teachers	540,924	(165,500)	375,424	298,399	77,025
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000		15,000	14,355	645
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	149,053	(135,300)	13,753		13,753
Other Purchased Services (400-500 series)	107,740	90,500	198,240	196,621	1,619
General Supplies	50,000	36,000	86,000	81,411	4,589
Textbooks	10,000	(7,000)	3,000	1,183	1,817
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,483,046	(137,600)	1,345,446	1,165,092	180,354
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	131,572		131,572	130,883	689
General Supplies	2,000		2,000	790	1,210
Total Resource Room/Resource Center	133,572		133,572	131,673	1,899
TOTAL SPECIAL EDUCATION - INSTRUCTION	133,572		133,572	131,673	1,899
Basic Skills/Remedial - Instruction					
Salaries of Teachers	147,630	(102,998)	44,632	43,978	654
General Supplies	2,000	(2)	1,998		1,998
Total Basic Skills/Remedial - Instruction	149,630	(103,000)	46,630	43,978	2,652
Bilingual Education - Instruction					
Salaries of Teachers	106,950	(30,000)	76,950	75,757	1,193
General Supplies	2,000		2,000	514	1,486
Total Bilingual Education - Instruction	108,950	(30,000)	78,950	76,271	2,679
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	8,000		8,000	2,500	5,500
Purchased Services (300-500 series)	4,000		4,000	1,200	2,800
Supplies and Materials	5,000		5,000	100	4,900
Total School-Sponsored Co/Extra Curricular Activities - Instruction	17,000		17,000	3,800	13,200
School-Sponsored Athletics - Instruction					
Salaries	5,000		5,000	2,609	2,391
Purchased Services (300-500 series)	2,000		2,000	1,400	600
Supplies and Materials	2,000		2,000	1,655	345
Total School-Sponsored Athletics - Instruction	9,000		9,000	5,664	3,336
TOTAL INSTRUCTION	1,901,198	(270,600)	1,630,598	1,426,478	204,120

Exhibit C-1

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	1,827,840	21,926	1,849,766	1,848,989	777
Tuition to Other LEAs Within the State - Special	78,000	93,235	171,235	170,438	797
Tuition to Private Schools for the Disabled Within State	466,795	(150,036)	316,759	302,552	14,207
Total Undistributed Expenditures - Instruction:	2,372,635	(34,875)	2,337,760	2,321,979	15,781
Undist. Expend. - Health Services					
Salaries	71,267	2,500	73,767	71,267	2,500
Purchased Professional and Technical Services	14,150	3,200	17,350	17,343	7
Supplies and Materials	5,835	(2,200)	3,635	3,426	209
Total Undistributed Expenditures - Health Services	91,252	3,500	94,752	92,036	2,716
Undist. Expend. - Speech, OT, PT & Related Services					
Purchased Prof. Services-Educational Services	25,410	(6,410)	19,000	18,420	580
Total Undist. Expend. - Speech, OT, PT & Related Services	25,410	(6,410)	19,000	18,420	580
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	51,450	(51,000)	450		450
Purchased Professional - Educational Services	97,800	135,485	233,285	210,651	22,634
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	149,250	84,485	233,735	210,651	23,084
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	48,516	(12,500)	36,016	35,996	20
Supplies and Materials	2,000	11,800	13,800	11,946	1,854
Total Undist. Expend. - Guidance	50,516	(700)	49,816	47,942	1,874
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	103,208	(18,000)	85,208	85,086	122
Other Purchased Professional and Technical Services	35,000	4,900	39,900	39,223	677
Supplies and Materials	3,000	4,600	7,600	7,166	434
Total Undist. Expend. - Child Study Teams	141,208	(8,500)	132,708	131,475	1,233
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	238,800	(24,000)	214,800	183,450	31,350
Supplies and Materials	5,000	2,000	7,000	5,387	1,613
Total Undist. Expend. - Improvement of Inst. Services	243,800	(22,000)	221,800	188,837	32,963
Undist. Expend. - Instructional Staff Training Serv.					
Other Purchased Prof. and Tech. Services	5,000	(3,000)	2,000	1,400	600
Other Purchased Services (400-500 Series)	2,000		2,000		2,000
Travel Expense	2,000		2,000		2,000
Total Undist. Expend. - Instructional Staff Training Serv.	9,000	(3,000)	6,000	1,400	4,600
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	124,500	(2,527)	121,973	121,115	858
Legal Services	60,000	7,400	67,400	67,353	47
Audit Fees	35,000	(4,500)	30,500	30,500	
Other Purchased Professional Services	35,075	(18,000)	17,075	16,607	468
Purchased Technical Services	4,000	3,500	7,500	7,416	84
Communications/Telephone	20,000	8,500	28,500	28,412	88
BOE Other Purchased Services	7,000	5,150	12,150	12,147	3
Other Purch Services (400-500 Series)	20,000	(1,500)	18,500	16,686	1,814
General Supplies	6,000	7,500	13,500	13,222	278
Misc. Expenditures	6,200	21,177	27,377	27,328	49
BOE Membership Dues and Fees	8,000	(2,000)	6,000	5,986	14
Total Undist. Expend. - Supp. Serv. - General Administration	325,775	24,700	350,475	346,772	3,703
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	81,000		81,000	81,000	
Salaries of Secretarial and Clerical Assistants	32,500	(12,000)	20,500	19,362	1,138
Purchased Professional and Technical Services	15,000	(7,675)	7,325		7,325
Supplies and Materials	5,000	6,400	11,400	11,278	122
Total Undist. Expend. - Support Serv. - School Administration	133,500	(13,275)	120,225	111,640	8,585
Undist. Expend. - Central Services					
Salaries	109,250	975	110,225	110,223	2
Purchased Technical Services	8,000	(2,300)	5,700	5,688	12
Supplies and Materials	3,850	3,700	7,550	7,144	406
Other Objects	2,000	(1,300)	700	690	10
Total Undist. Expend. - Central Services	123,100	1,075	124,175	123,745	430
Undist. Expend. - Required Maint. for School Facilities (261)					
Cleaning, Repair and Maintenance Services	70,286	33,200	103,486	99,747	3,739
Total Undist. Expend. - Required Maint. for School Facilities	70,286	33,200	103,486	99,747	3,739

Exhibit C-1

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services (262)					
Salaries	80,812	12,500	93,312	93,264	48
Cleaning, Repair and Maintenance Services	30,000	(2,000)	28,000	26,785	1,215
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	37,500	386,167	423,667	423,264	403
Other Purchased Property Services	4,670	5,100	9,770	9,296	474
Insurance	60,400	4,765	65,165	65,165	
General Supplies	26,329	(2,765)	23,564	23,521	43
Energy (Electricity)	70,000	(23,000)	47,000	46,532	468
Total Undist. Expend. - Custodial Services	309,711	380,767	690,478	687,827	2,651
Undist. Expend. - Security (266)					
Purchased Professional and Technical Services	87,840	(48,000)	39,840	38,850	990
Total Undist. Expend. - Security	87,840	(48,000)	39,840	38,850	990
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	11,535	(11,535)			
Cleaning, Repair and Maintenance Services		1,000	1,000	1,000	
Contract Services (Other than Between Home & School)-Vendors	30,000	22,635	52,635	46,842	5,793
Contract Services (Sp. Ed. Students)-Vendors	120,000	176,400	296,400	295,880	520
Total Undist. Expend. - Student Transportation Services	161,535	188,500	350,035	343,722	6,313
UNALLOCATED BENEFITS (291)					
Social Security Contributions	184,000	(1,500)	182,500	168,983	13,517
Other Retirement Contributions-PERS	14,000	46,800	60,800	60,722	78
Other Retirement Contributions - Regular	10,000		10,000	591	9,409
Unemployment Compensation	20,000	1,000	21,000	12,850	8,150
Workmen's Compensation	63,000		63,000	60,621	2,379
Health Benefits	557,000	(146,000)	411,000	335,293	75,707
TOTAL UNALLOCATED BENEFITS	848,000	(99,700)	748,300	639,060	109,240
On-behalf TPAF Post Retirement Medical (non-budgeted)				145,161	(145,161)
On-behalf TPAF Pension (non-budgeted)				527,345	(527,345)
On-behalf TPAF NCGI Premium (non-budgeted)				6,014	(6,014)
On-behalf TPAF LTDI				387	(387)
Reimbursed TPAF Social Security Contributions (non-budgeted)				104,962	(104,962)
TOTAL ON-BEHALF CONTRIBUTIONS				783,869	(783,869)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	848,000	(99,700)	748,300	1,422,929	(674,629)
TOTAL UNDISTRIBUTED EXPENDITURES	5,142,818	479,767	5,622,585	6,187,972	(565,387)
TOTAL GENERAL CURRENT EXPENSE	7,044,016	209,167	7,253,183	7,614,450	(361,267)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services	44,797		44,797		44,797
Construction Services	400,000		400,000		400,000
Total Facilities Acquisition and Construction Services	444,797		444,797		444,797
TOTAL CAPITAL OUTLAY	444,797		444,797		444,797
SPECIAL SCHOOLS:					
Summer School Instruction					
Salaries of Teachers	15,000		15,000	2,655	12,345
General Supplies	2,000		2,000		2,000
Total Special Schools - Summer School Instruction	17,000		17,000	2,655	14,345
Transfer of Funds to Charter Schools	164,502	144,000	308,502	308,091	411
TOTAL EXPENDITURES	7,670,315	353,167	8,023,482	7,925,196	98,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	(702,129)	(353,167)	(1,055,296)	183,005	1,238,301
Other Financing Sources/(Uses):					
Operating Transfers Out:					
Transfer to Special Revenue Fund - Local Contribution Inclusion	(102,780)		(102,780)	(102,780)	
Capital Reserve - Transfer to Capital Projects		(256,585)	(256,585)	(256,585)	
Operating Transfer In					
Capital Projects				32,047	32,047
Exceeds proceeds of bonds issued			353,167	353,167	
Total Other Financing Sources/(Uses):	(102,780)	(256,585)	(6,198)	25,849	32,047

Exhibit C-1

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(804,909)	(609,752)	(1,061,494)	208,854	1,270,348
Fund Balance, July 1	3,741,618		3,741,618	3,741,618	
Fund Balance, June 30	<u>2,936,709</u>	<u>(609,752)</u>	<u>2,680,124</u>	<u>3,950,472</u>	<u>1,270,348</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(78,737)		(78,737)	(78,737)	
Increase in Capital Reserve:					
Principal				32,047	32,047
Interest Deposit to Capital Reserve	2,000		2,000	64,308	62,308
Withdrawal from Capital Reserve		(256,585)	(256,585)	(256,585)	
Budgeted Fund Balance	<u>(728,172)</u>	<u>(353,167)</u>	<u>(728,172)</u>	<u>447,821</u>	<u>1,175,993</u>
	<u>(804,909)</u>	<u>(609,752)</u>	<u>(1,061,494)</u>	<u>208,854</u>	<u>1,270,348</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				1,094,264	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				738,103	
Capital Reserve				1,786,376	
Committed Fund Balance:					
Year-end Encumbrances				17,634	
Unassigned Fund Balance				<u>314,095</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>3,950,472</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>531,682</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>3,418,790</u></u>	

* Include interest earnings on the unemployment compensation bank account

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	5,000	-	5,000	9,968	4,968 note 1
State Sources	668,070	5,496	673,566	671,042	(2,524)
Federal Sources	2,639,000	(409,628)	2,229,372	1,444,760	(784,612)
Total Revenues	3,312,070	(404,132)	2,907,938	2,125,770	(782,168)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,523,000	(2,081,175)	441,825	369,181	72,644
Purchased Professional and Technical Services	29,000	411,136	440,136	332,986	107,150
Other Purchased Services (400-500 series)	102,780	79,852	182,632	182,632	-
General Supplies	1,000	223,024	224,024	170,688	53,336
Other Objects	37,000	(34,589)	2,411	720	1,691
Total Instruction	2,692,780	(1,401,752)	1,291,028	1,056,207	234,821
Support Services:					
Salaries of Other Professional Staff	25,725	(25,725)	-	-	-
Salaries of Secretarial and Clerical Assistants	1,575	-	1,575	1,575	-
Other Salaries for Instruction		90,987	90,987	88,834	2,153
Salaries of Community Parent Involvement Specialists	5,458	7,042	12,500	12,500	-
Salaries of Master Teachers	3,647	-	3,647	3,647	-
Personal Services - Employee Benefits	12,945	309,635	322,580	240,295	82,285
Other Purchased Professional Services	664,720	59,911	724,631	689,676	34,955
Travel		3,643	3,643	1,037	2,606
Other Purchased Services (400-500 series)		31,333	31,333	26,100	5,233
General Supplies	2,000	4,558	6,558	105	6,453
Other Objects	1,000	9,068	10,068	9,387	681
Student Activities	5,000	-	5,000	6,477	(1,477) note 1
Total Support Services	722,070	490,452	1,212,522	1,094,633	117,889
Facilities Acquisition and Construction Services:					
Buildings		507,168	507,168	74,219	432,949
Total Facilities Acquisition and Construction Services	-	507,168	507,168	74,219	432,949
Total Expenditures	3,414,850	(404,132)	3,010,718	2,225,059	785,659
Other Financing Sources (Uses)					
General Fund - Preschool Education Aid - Inclusion	102,780	-	102,780	102,780	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	3,491	3,491
Fund Balance, July 1				12,709	
Fund Balance, June 30				<u>16,200</u>	
Recapitulation:					
Restricted:					
Student Activities				\$ 16,200	
Total Fund Balance				<u>\$ 16,200</u>	

note 1 Not required to budget for student activity or scholarship funds

EAST NEWARK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2024

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

		General Fund	Special Revenue Fund
		<u>Fund</u>	<u>Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	8,108,201	2,125,770
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			
Current Year			
 The last state aid payment is recognized for GAAP Statements in the current year, previously recognized for budgetary purposes		437,483	
 The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		<u>(531,682)</u>	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u><u>8,014,002</u></u>	<u><u>2,125,770</u></u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	7,925,196	2,225,059
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			
Current Year			
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u><u>7,925,196</u></u>	<u><u>2,225,059</u></u>

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

EAST NEWARK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
Last 10 Fiscal Years

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0015815415%	\$ 296,108	\$ 138,270	214.15%	47.92%
2016	0.0020270275%	455,027	131,480	346.08%	52.07%
2017	0.0037129143%	1,099,659	136,984	802.76%	59.86%
2018	0.0028043168%	652,800	142,347	458.60%	51.90%
2019	0.0021793000%	946	184,668	0.51%	46.40%
2020	0.0046497119%	837,808	187,992	445.66%	43.43%
2021	0.0014715486%	239,971	193,362	124.10%	41.35%
2022	0.0009811153%	116,228	240,133	48.40%	29.35%
2023	0.0015119963%	228,181	349,033	65.38%	36.78%
2024	0.0042512414%	615,766	433,825	141.94%	34.48%

EAST NEWARK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contractually Required Contribution		Contractually Required Contributions				
2015	\$ 13,038	\$	(13,038)	\$	-	\$ 138,270	9.43%
2016	\$ 17,427	\$	(17,427)	\$	-	\$ 131,480	13.25%
2017	\$ 32,985	\$	(32,985)	\$	-	\$ 136,984	24.08%
2018	\$ 25,979	\$	(25,979)	\$	-	\$ 142,347	18.25%
2019	\$ 21,677	\$	(21,677)	\$	-	\$ 184,668	11.74%
2020	\$ 45,228	\$	(45,228)	\$	-	\$ 187,992	24.06%
2021	\$ 16,098	\$	(16,098)	\$	-	\$ 193,362	8.33%
2022	\$ 11,490	\$	(11,490)	\$	-	\$ 240,133	4.78%
2023	\$ 19,067	\$	(19,067)	\$	-	\$ 349,033	5.46%
2024	\$ 56,819	\$	(56,819)	\$	-	\$ 433,825	13.10%

EAST NEWARK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
Last 10 Fiscal Years

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	State's		District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	State's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
		District's Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)					
2015	0.0102189640%	\$	\$	5,461,704	\$ 885,285	0.00%	616.94%	33.64%
2016	0.0071173502%	-	-	4,498,469	927,776	0.00%	484.87%	28.71%
2017	0.0109520045%	-	-	8,615,544	935,681	0.00%	920.78%	22.33%
2018	0.0103961820%	-	-	7,009,481	918,116	0.00%	763.46%	25.41%
2019	0.0101125321%	-	-	6,433,376	873,673	0.00%	736.36%	26.49%
2020	0.0084489980%	-	-	5,185,230	889,399	0.00%	583.00%	26.95%
2021	0.0088106111%	-	-	5,801,681	916,081	0.00%	633.32%	24.60%
2022	0.0092409511%	-	-	4,442,605	1,444,374	0.00%	307.58%	35.52%
2023	0.0095414288%	-	-	4,922,844	1,274,626	0.00%	386.22%	32.29%
2024	0.0107583869%	-	-	5,490,292	1,369,136	0.00%	401.00%	34.68%

**EAST NEWARK BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of the School District's Contribution
Teacher's Pension and Annuity Fund (TPAF)
*Last 10 Fiscal Years***

This schedule is not applicable.

The School District is not required to make any contribution towards TPAF.

There is a special funding None
contributions.

EAST NEWARK BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the net pension liability and
statutorily required employer contribution are presented in
Note 7 of the Notes to the Financial Statements.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

Assumptions used in calculating the net pension liability and
statutorily required employer contribution are presented in
Note 7 of the Notes to the Financial Statements.

EAST NEWARK BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Costs	\$ 256,842	\$ 356,904	\$ 414,005	\$ 166,819	\$ 226,968	\$ 192,067	\$ 221,798
Interest on Total OPEB Liability	144,376	109,156	135,692	140,027	178,875	190,674	157,588
Change of Benefit Terms			(5,568)				
Difference between Expected and Actual Expenditures	(320,147)	(368,327)	(1,531,195)	1,075,325	(236,020)	(484,084)	
Changes in Assumptions	8,263	(1,104,936)	5,161	476,173	68,055	(294,994)	(630,198)
Gross Benefit Payments	(112,543)	(108,122)	(106,887)	(109,958)	(140,113)	(119,325)	(115,208)
Contribution from the Member	3,700	3,469	3,469	3,333	4,153	4,124	4,242
Net Changes in total Share of OPEB Liability	(19,509)	(1,111,856)	(1,085,323)	1,751,719	101,918	(511,538)	(361,778)
Total OPEB Liability - Beginning	4,118,915	5,230,771	6,316,094	4,564,375	4,462,457	4,973,995	5,335,773
Total OPEB Liability - Ending	\$ 4,099,406	\$ 4,118,915	\$ 5,230,771	\$ 6,316,094	\$ 4,564,375	\$ 4,462,457	\$ 4,973,995
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	4,099,406	4,118,915	5,230,771	6,316,094	4,564,375	4,462,457	4,973,995
Total OPEB Liability - Ending	\$ 4,099,406	\$ 4,118,915	\$ 5,230,771	\$ 6,316,094	\$ 4,564,375	\$ 4,462,457	\$ 4,973,995
District's Covered Employee Payroll	\$ -	\$ 1,802,961	\$ 1,623,659	\$ 1,684,507	\$ 1,109,443	\$ 1,077,391	\$ 1,058,341
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms

Decrease in liability due to employers adopting provisions of Chapter 44.

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Other Supplementary Information

SPECIAL REVENUE FUND

EAST NEWARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B Basic	I.D.E.A Part B Preschool	Title I, Part A	Title II, Part A Teacher & Principal Training & Recruiting	Totals 2024
REVENUES						
Local Sources	9,968					9,968
State Sources	671,042					671,042
Federal Sources	1,041,838	73,764	6,088	297,411	25,659	1,444,760
Total Revenues	1,722,848	73,764	6,088	297,411	25,659	2,125,770
EXPENDITURES:						
Instruction:						
Salaries of Teachers	369,181					369,181
Purchased Professional and Technical Services	218,323			114,663		332,986
Other Purchased Services (400-500 series)	102,780	73,764	6,088			182,632
General Supplies	46,773			123,915		170,688
Other Objects	720					720
Total Instruction	737,777	73,764	6,088	238,578	-	1,056,207
Support Services:						
Salaries of Secretarial and Clerical Assistants	1,575					1,575
Other Salaries for Instruction	84,234				4,600	88,834
Salaries of Community Parent Involvement Specialists	12,500					12,500
Salaries of Master Teachers	3,647					3,647
Personal Services - Employee Benefits	184,868			54,394	1,033	240,295
Purchased Professional - Educational Services	15,000					15,000
Other Purchased Professional Services	674,598				15,078	689,676
Travel	1,037					1,037
Other Purchased Services (400-500 series)	26,100					26,100
General Supplies	105					105
Other Objects	-			4,439	4,948	9,387
Student Activities	6,477					6,477
Total Support Services	1,010,141	-	-	58,833	25,659	1,094,633

EAST NEWARK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1a)	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	Title I, Part A	Title II, Part A Teacher & Principal Training & Recruiting	Totals 2024
Facilities Acquisition and Construction Services:						
Buildings	74,219					74,219
Total Facilities Acquisition and Construction Services	74,219	-	-	-		74,219
Total Expenditures	1,822,137	73,764	6,088	297,411	25,659	2,225,059
Other Financing Sources (Uses)						
General Fund - Preschool Education Aid - Inclusion	102,780					102,780
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	3,491	-	-	-	-	3,491
Fund Balance, July 1	12,709	-				12,709
Fund Balance, June 30	16,200	-	-	-	-	16,200

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1b)	Title III, Immigrant	Title IV	CRRSA- ESSER II	CR Learning Acceleration	Total Carried Forward
REVENUES						
Local Sources	9,968					9,968
State Sources	671,042					671,042
Federal Sources	856,404	5,000	14,888	135,614	29,932	1,041,838
Total Revenues	1,537,414	5,000	14,888	135,614	29,932	1,722,848
EXPENDITURES:						
Instruction:						
Salaries of Teachers	313,745			55,436		369,181
Purchased Professional and Technical Services	103,435		14,888	70,068	29,932	218,323
Other Purchased Services (400-500 series)	102,780					102,780
General Supplies	43,212			3,561		46,773
Other Objects	720					720
Total Instruction	563,892	-	14,888	129,065	29,932	737,777
Support Services:						
Salaries of Secretarial and Clerical Assistants	1,575					1,575
Other Salaries for Instruction	84,234					84,234
Salaries of Community Parent Involvement Specialists	12,500					12,500
Salaries of Master Teachers	3,647					3,647
Personal Services - Employee Benefits	178,319			6,549		184,868
Purchased Professional - Educational Services	15,000					15,000
Other Purchased Professional Services	669,598	5,000				674,598
Travel	1,037					1,037
Other Purchased Services (400-500 series)	26,100					26,100
General Supplies	105					105
Other Objects	-					-
Student Activities	6,477					6,477
Total Support Services	998,592	5,000	-	6,549	-	1,010,141

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1b)	Title III, Immigrant	Title IV	CRRSA- ESSER II	CR Learning Acceleration	Total Carried Forward
Facilities Acquisition and Construction Services:						
Buildings	74,219					74,219
Total Facilities Acquisition and Construction Services	74,219	-		-	-	74,219
Total Expenditures	1,636,703	5,000	14,888	135,614	29,932	1,822,137
Other Financiang Sources (Uses)						
General Fund - Preschool Education Aid - Inclusion	102,780					102,780
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	3,491	-	-	-	-	3,491
Fund Balance, July 1	12,709					12,709
Fund Balance, June 30	16,200	-	-	-	-	16,200

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis
Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1c)	CR Mental Health	ARP- ESSER	ARP - ESSER Evidence Based Comprehensive Beyond the School Day	ARP - ESSER NJTSS Mental Health Support Staffing	Total Carried Forward
REVENUES						
Local Sources	9,968					9,968
State Sources	671,042					671,042
Federal Sources	253,863	4,250	559,798	18,875	19,618	856,404
Total Revenues	934,873	4,250	559,798	18,875	19,618	1,537,414
EXPENDITURES:						
Instruction:						
Salaries of Teachers	35,901		277,844			313,745
Purchased Professional and Technical Services	97,050				6,385	103,435
Other Purchased Services (400-500 series)	102,780					102,780
General Supplies	6,459		36,753			43,212
Other Objects	720					720
Total Instruction	242,910	-	314,597	-	6,385	320,982
Support Services:						
Salaries of Secretarial and Clerical Assistants	1,575					1,575
Other Salaries for Instruction	84,234					84,234
Salaries of Community Parent Involvement Specialists	12,500					12,500
Salaries of Master Teachers	3,647					3,647
Personal Services - Employee Benefits	24,654		140,432		13,233	178,319
Purchased Professional - Educational Services	15,000					15,000
Other Purchased Professional Services	639,048		30,550			669,598
Travel	1,037					1,037
Other Purchased Services (400-500 series)	2,975	4,250		18,875		26,100
General Supplies	105					105
Other Objects	-					-
Student Activities	6,477					6,477
Total Support Services	791,252	4,250	170,982	18,875	13,233	998,592

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1c)	CR Mental Health	ARP- ESSER	ARP - ESSER Evidence Based Comprehensive Beyond the School Day	ARP - ESSER NJTSS Mental Health Support Staffing	Total Carried Forward
Facilities Acquisition and Construction Services:						
Buildings	-		74,219			74,219
Total Facilities Acquisition and Construction Services	-		74,219		-	74,219
Total Expenditures	1,034,162	4,250	559,798	18,875	19,618	1,636,703
Other Financing Sources (Uses)						
General Fund - Preschool Education Aid - Inclusion	102,780					102,780
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	3,491	-	-	-	-	3,491
Fund Balance, July 1	12,709					12,709
Fund Balance, June 30	16,200	-	-	-	-	16,200

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures – Budgetary Basis

Fiscal Year Ended June 30, 2024

	21st Century Community Learning Centers	Preschool Education Aid	SDA Emergent Needs and Capital Maintenance	Student Fund Student Activity Fund	Total Carried Forward
REVENUES					
Local Sources				9,968	9,968
State Sources		665,546	5,496		671,042
Federal Sources	253,863				253,863
Total Revenues	253,863	665,546	5,496	9,968	934,873
EXPENDITURES:					
Instruction:					
Salaries of Teachers	35,901				35,901
Purchased Professional and Technical Services	97,050				97,050
Other Purchased Services (400-500 series)		102,780			102,780
General Supplies	963		5,496		6,459
Other Objects	720				720
Total Instruction	134,634	102,780	5,496	-	242,910
Support Services:					
Salaries of Secretarial and Clerical Assistants		1,575			1,575
Other Salaries for Instruction	84,234				84,234
Salaries of Community Parent Involvement Specialists		12,500			12,500
Salaries of Master Teachers		3,647			3,647
Personal Services - Employee Benefits	15,983	8,671			24,654
Purchased Professional - Educational Services	15,000				15,000
Other Purchased Professional Services		639,048			639,048
Travel	1,037				1,037
Other Purchased Services (400-500 series)	2,975				2,975
General Supplies		105			105
Other Objects					-
Student Activities				6,477	6,477
Total Support Services	119,229	665,546	-	6,477	791,252

EAST NEWARK BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2024

	21st Century Community Learning Centers	Preschool Education Aid	SDA Emergent Needs and Capital Maintenance	Student Fund Student Activity Fund	Total Carried Forward
Facilities Acquisition and Construction Services:					
Buildings					-
Total Facilities Acquisition and Construction Services	-		-		-
Total Expenditures	253,863	768,326	5,496	6,477	1,034,162
Other Financing Sources (Uses)					
General Fund - Preschool Education Aid - Inclusion		102,780			102,780
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	3,491	3,491
Fund Balance, July 1				12,709	12,709
Fund Balance, June 30	-	-	-	16,200	16,200

EAST NEWARK BOARD OF EDUCATION
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
Fiscal Year Ended June 30, 2024

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Other Purchased Services (400-500 series)	102,780	102,780	
Total instruction	<u>102,780</u>	<u>102,780</u>	
Support services:			
Salaries of Secretaries and Clerical Assistants	1,575	1,575	
Salaries of Community Parent Involvement Specialists	12,500	12,500	
Salaries of Master Teachers	3,647	3,647	
Personal Services - Employee Benefits	8,671	8,671	
Other Purchased Professional Services	639,048	639,048	
Contracted Transportation Services (Field Trips)	2,500		2,500
Supplies and Materials	129	105	24
Total support services	<u>668,070</u>	<u>665,546</u>	<u>2,524</u>
Total expenditures	<u><u>770,850</u></u>	<u><u>768,326</u></u>	<u><u>2,524</u></u>

Summary of Location Totals

Total revised 2023-24 Preschool Education Aid	668,070
Add: Actual Carryover (June 30, 2023)	202,916
Add: Budgeted Transfer from the General Fund 2023-24	102,780
Total Preschool Education Aid Funds Available for 2023-24 Budget	<u>973,766</u>
Less: 2023-24 Budgeted Preschool Education Aid	
(Including prior year budgeted carryover)	770,850
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	<u>202,916</u>
 Add: June 30, 2024 Unexpended Preschool Education Aid	<u>2,524</u>
2023-24 Carryover - Preschool Education Aid/Preschool	<u><u>205,440</u></u>
 2023-24 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2024-25	<u><u>202,916</u></u>

CAPITAL PROJECTS FUND

EAST NEWARK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budgetary Basis
Fiscal Year Ended June 30, 2024

Revenues and Other Financing Sources

State Sources - ROD Grant	413,415
Bond proceeds and transfers	1,687,833
Transfers from Capital Reserve	256,585
Transfers from Capital Outlay	-
Interest on Investments	-
	<hr/>
	2,357,833
	<hr/>

Expenditures and Other Financing Uses

Purchased professional and technical services	27,812
Land and improvements	-
Construction services	250,877
General supplies	-
Equipment purchases	-
Transfer to General Fund	-
	<hr/>
	278,689
	<hr/>

Excess (deficiency) of revenues over (under) expenditures 2,079,144

Other Financing Sources (Uses)

Transfers out:	
General Fund	<hr/> (32,047)

Net change in fund balance

2,047,097

Fund balance - beginning

32,047

Fund balance - ending

2,079,144

Reconciliation to Governmental Funds Statements (GAAP):

Grant Receivable not Recognized on GAAP Basis	<hr/> 396,210
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Fund Balance per Governmental Funds

1,682,934

EAST NEWARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Student Toilet Room Upgrades
Fiscal Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - ROD Grant			-	-
Bond proceeds and transfers			-	
Transfers from Capital Reserve	350,000		350,000	350,000
Transfers from Capital Outlay			-	-
	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>350,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	-
Construction services	317,953		317,953	350,000
General supplies			-	
Equipment purchases			-	-
	<u>317,953</u>	<u>-</u>	<u>317,953</u>	<u>350,000</u>
Other Financing Sources (Uses)				
Transfers out		(32,047)	(32,047)	
Total other financing sources (uses)	<u>-</u>	<u>(32,047)</u>	<u>(32,047)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,047</u>	<u>(32,047)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	N/A			
Grant date	N/A			
Bond authorization date	10/21/2019			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	350,000			
Additional authorized cost	-			
Revised authorized cost	350,000			
Percentage increase over original authorized cost	-			
Percentage completion	91%			
Original target completion date	N/A			
Revised target completion date	N/A			

EAST NEWARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Building Façade
Fiscal Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - ROD Grant			-	-
Bond proceeds and transfers		1,687,833	1,687,833	1,687,833
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>1,687,833</u>	<u>1,687,833</u>	<u>1,687,833</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services		250,877	250,877	1,687,833
General supplies			-	-
Equipment purchases			-	-
	<u>-</u>	<u>250,877</u>	<u>250,877</u>	<u>1,687,833</u>
Other Financing Sources (Uses)				
Transfers out				
Total other financing sources (uses)				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,436,956</u>	<u>1,436,956</u>	<u>-</u>
Additional project information:				
Project number	N/A			
Grant date	N/A			
Bond authorization date	3/7/2024			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,687,833			
Additional authorized cost	-			
Revised authorized cost	1,687,833			
Percentage increase over original authorized cost	-			
Percentage completion	15%			
Original target completion date	N/A			
Revised target completion date	N/A			

EAST NEWARK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Window Replacement Project
Fiscal Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - ROD Grant		413,415	413,415	413,415
Bond proceeds and transfers			-	
Transfers from Capital Reserve		256,585	256,585	256,585
Transfers from Capital Outlay			-	-
	<u>-</u>	<u>670,000</u>	<u>670,000</u>	<u>670,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		27,812	27,812	65,000
Land and improvements			-	-
Construction services			-	605,000
General supplies			-	
Equipment purchases			-	-
	<u>-</u>	<u>27,812</u>	<u>27,812</u>	<u>670,000</u>
Other Financing Sources (Uses)				
Transfers out				
Total other financing sources (uses)				
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>642,188</u>	<u>642,188</u>	<u>-</u>
Additional project information:				
Project number	N/A			
Grant date	6/11/2024			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	670,000			
Additional authorized cost	-			
Revised authorized cost	670,000			
Percentage increase over original authorized cost	-			
Percentage completion	4%			
Original target completion date	N/A			
Revised target completion date	N/A			

EAST NEWARK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2024

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer to Capital Reserve	Unexpended Balance June 30, 2024
			Prior Years	Current Year		
Student Toilet Room Upgrades Building Façade Window Replacement Project	21-Oct-19	350,000	317,953	-	32,047	-
	7-Mar-24	1,687,833	-	250,877		1,436,956
	11-Jun-24	670,000	-	27,812		642,188
		<u>2,707,833</u>	<u>317,953</u>	<u>278,689</u>	<u>32,047</u>	<u>2,079,144</u>

PROPRIETARY FUNDS

EAST NEWARK BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	102,233	102,233
Accounts receivable:		
State	521	521
Federal	7,428	7,428
Interfund - General Fund	10,088	10,088
Inventories	1,368	1,368
Total current assets	<u>121,638</u>	<u>121,638</u>
Noncurrent assets:		
Capital assets:		
Equipment	70,116	70,116
Less accumulated depreciation	<u>(35,105)</u>	<u>(35,105)</u>
Total capital assets (net of accumulated depreciation)	<u>35,011</u>	<u>35,011</u>
Total assets	<u><u>156,649</u></u>	<u><u>156,649</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	39,272	39,272
Due to Federal Government	17	17
Unearned revenue	286	286
Total current liabilities	<u>39,575</u>	<u>39,575</u>
Total liabilities	<u>39,575</u>	<u>39,575</u>
NET POSITION		
Net investment in capital assets	35,011	35,011
Unrestricted	82,063	82,063
Total net position	<u><u>117,074</u></u>	<u><u>117,074</u></u>

EAST NEWARK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - non-reimbursable programs	18,090	18,090
Total operating revenues	18,090	18,090
Operating expenses:		
Cost of sales - reimbursable programs	76,406	76,406
Cost of sales - non-reimbursable programs	7,186	7,186
Salaries	70,351	70,351
Benefits	22,177	22,177
Supplies and materials	18,538	18,538
Purchased property services	8,974	8,974
Other expenses	3,391	3,391
Depreciation	4,601	4,601
Total operating expenses	211,624	211,624
Operating income (loss)	(193,534)	(193,534)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	5,499	5,499
State breakfast programs	898	898
State breakfast after the bell	850	850
Federal sources:		
National school lunch program	93,221	93,221
National breakfast program	21,021	21,021
National school snack program	10,557	10,557
Supply chain assistance	10,088	10,088
P-EBT Administrative Cost	653	653
Local food for schools cooperative agreement program	338	338
Food distribution program	18,161	18,161
Interest earnings	3,546	3,546
Total nonoperating revenues (expenses)	164,832	164,832
Income (loss) before contributions & transfers	(28,702)	(28,702)
Total net position—beginning	145,776	145,776
Total net position—ending	117,074	117,074

EAST NEWARK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2024

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	16,426	16,426
Payments to suppliers	<u>(181,486)</u>	<u>(181,486)</u>
Net cash provided by (used for) operating activities	<u>(165,060)</u>	<u>(165,060)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Sources	32,347	32,347
State Sources	7,011	7,011
Federal Sources	<u>132,108</u>	<u>132,108</u>
Net cash provided by (used for) non-capital financing activities	<u>171,466</u>	<u>171,466</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>3,546</u>	<u>3,546</u>
Net cash provided by (used for) investing activities	<u>3,546</u>	<u>3,546</u>
Net increase (decrease) in cash and cash equivalents	9,952	9,952
Balances—beginning of year	<u>92,281</u>	<u>92,281</u>
Balances—end of year	<u>102,233</u>	<u>102,233</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(193,534)	(193,534)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	4,601	4,601
Food Distribution Program	18,161	18,161
(Increase) decrease in inventories	1,503	1,503
Increase (decrease) in accounts payable	3,923	3,923
Increase (decrease) in prepaid revenue	286	286
Total adjustments	<u>28,474</u>	<u>28,474</u>
Net cash provided by (used for) operating activities	<u>(165,060)</u>	<u>(165,060)</u>

LONG-TERM DEBT

EAST NEWARK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2024

	<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Issued</u>	<u>Balance, June 30, 2024</u>
				<u>Date</u>	<u>Amount</u>			
School Bonds, Series 2024		03/07/2024	2,041,000	09/01/25	216,000	1.000%	2,041,000	2,041,000
				03/01/26		1.000%		
				09/01/26	110,000	1.000%		
				03/01/27		1.000%		
				09/01/27	115,000	1.000%		
				03/01/28		1.000%		
				09/01/28	120,000	1.000%		
				03/01/29		1.000%		
				09/01/29	125,000	1.000%		
				03/01/30		1.500%		
				09/01/30	130,000	1.500%		
				03/01/31		4.000%		
				09/01/31	135,000	4.000%		
				03/01/32		4.000%		
				09/01/32	140,000	4.000%		
				03/01/33		4.000%		
				09/01/33	145,000	4.000%		
				03/01/34		4.000%		
				09/01/34	150,000	4.000%		
				03/01/35		4.000%		
				09/01/35	155,000	4.000%		
				03/01/36		4.000%		
				09/01/36	160,000	4.000%		
				03/01/37		4.000%		
				09/01/37	165,000	4.000%		
				03/01/38		4.000%		
				09/01/38	175,000	4.000%		
							<u>\$ 2,041,000</u>	<u>2,041,000</u>

EAST NEWARK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy		-			-
Total - Local Sources	-	-	-	-	-
State Sources:					
Debt Service Aide Type II	5,562	-	5,562	5,562	-
Total - State Sources	5,562	-	5,562	5,562	-
Total Revenues	5,562	-	5,562	5,562	-
EXPENDITURES:					
Regular Debt Service:					
Interest	5,562	-	5,562	5,562	-
Total Regular Debt Service	5,562	-	5,562	5,562	-
Total Expenditures	5,562	-	5,562	5,562	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1					-
Fund Balance, June 30	-	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes 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 sources, 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 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

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

	Fiscal Year Ending June 30,										Restated	2023	2024
	2015	2016	2017	2018	2019	2020	2021	2022					
Governmental activities													
Invested in capital assets	\$ 1,030,189	\$ 1,041,546	\$ 1,037,734	\$ 397,029	\$ 939,184	\$ 892,371	\$ 1,021,756	\$ 345,098	\$ 324,576	\$ (1,377,612)			
Restricted	1,324,935	968,530	967,690	857,276	1,117,743	1,545,455	2,619,258	3,153,733	3,536,374	5,335,511			
Unrestricted	(755,807)	(687,769)	(770,879)	(231,865)	(847,905)	(1,101,027)	(1,114,927)	(1,075,074)	(991,591)	(639,870)			
Total governmental activities net position	\$ 1,599,318	\$ 1,322,307	\$ 1,234,545	\$ 1,022,441	\$ 1,209,022	\$ 1,336,798	\$ 2,526,087	\$ 2,423,757	\$ 2,869,359	\$ 3,318,029			
Business-type activities													
Invested in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 22,925	\$ 26,257	\$ 21,244	\$ 44,213	\$ 39,612	\$ 35,011			
Unrestricted	178,428	152,585	170,409	181,335	130,521	101,461	118,062	81,336	106,164	82,063			
Total business-type activities net position	\$ 178,428	\$ 152,585	\$ 170,409	\$ 181,335	\$ 153,446	\$ 127,718	\$ 139,306	\$ 125,549	\$ 145,776	\$ 117,074			
District-wide													
Invested in capital assets	\$ 1,030,189	\$ 1,041,546	\$ 1,037,734	\$ 397,029	\$ 962,109	\$ 918,628	\$ 1,043,000	\$ 389,311	\$ 364,188	\$ (1,342,601)			
Restricted	1,324,935	968,530	967,690	857,276	1,117,743	1,545,455	2,619,258	3,153,733	3,536,374	5,335,511			
Unrestricted	(577,379)	(535,184)	(600,470)	(50,530)	(717,384)	(999,566)	(996,865)	(993,738)	(885,427)	(557,807)			
Total district net position	\$ 1,777,745	\$ 1,474,892	\$ 1,404,954	\$ 1,203,776	\$ 1,362,468	\$ 1,464,517	\$ 2,665,394	\$ 2,549,306	\$ 3,015,135	\$ 3,435,103			

Source: ACFR Schedule A-1

East Newark Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,461,853	\$ 1,391,880	\$ 1,859,868	\$ 2,104,651	\$ 1,964,273	\$ 1,967,332	\$ 1,924,228	\$ 2,115,606	\$ 1,289,613	\$ 1,272,821
Special education	289,867	606,163	315,958	554,428	307,660	172,710	109,838	121,618	1,148,192	1,203,796
Other special education	-	-	-	19,297	63,855	93,855	76,904			134,809
Other instruction	-	-	-	1,062	9,010	10,858	8,067	27,783	97,241	10,085
Support Services:										
Tuition	2,341,059	2,422,723	1,967,101	2,203,428	2,088,147	2,030,123	1,841,048	2,161,877	1,994,973	2,321,979
Student & instruction related services	475,852	463,529	386,418	369,110	356,711	683,426	580,551	1,142,544	1,063,309	1,756,967
General administrative services	328,225	208,924	245,276	366,695	350,758	322,858	339,070	335,807	334,323	361,500
School administrative services	104,018	136,135	192,237	101,446	120,047	121,016	125,538	154,486	146,323	123,844
Central services	70,234	81,450	66,169	95,716	68,741	68,084	73,046	54,714	117,218	137,149
Plant operations and maintenance	364,283	391,454	498,248	566,892	387,736	347,231	359,718	331,904	507,202	837,766
Pupil transportation	65,540	80,801	49,431	6,465	74,735	70,916	22,943	77,944	28,041	343,722
Unallocated Benefits								796,795	286,345	335,828
Capital outlay - non-depreciable					1,396	25,022	36,811	216,890	177,798	76,874
Transfer to charter schools								37,190	149,054	308,091
Interest on long-term debt										24,190
Unallocated depreciation	44,081	44,081	44,081	44,081	173,573	173,573	142,640		20,522	18,381
Total governmental activities expenses	5,545,012	5,827,141	5,624,787	6,433,272	5,966,641	6,087,003	5,640,418	7,575,158	7,360,154	9,267,802
Business-type activities:										
Food service	182,365	194,419	149,306	144,749	200,185	165,180	84,617	224,651	223,863	211,624
Total business-type activities expense	182,365	194,419	149,306	144,749	200,185	165,180	84,617	224,651	223,863	211,624
Total district expenses	\$ 5,727,377	\$ 6,021,561	\$ 5,774,093	\$ 6,578,021	\$ 6,166,825	\$ 6,252,183	\$ 5,725,035	\$ 7,799,809	\$ 7,584,017	\$ 9,479,426
Program Revenues										
Governmental activities:										
Charges for services										
Student activity account								2,749	6,987	6,477
Operating grants and contributions	3,927,907	4,094,764	4,055,893	4,722,653	4,496,468	4,673,292	4,948,271	6,067,787	5,955,093	7,810,362
Capital grants and contributions								216,890	152,448	91,424
Total governmental activities program revenues	3,927,907	4,094,764	4,055,893	4,722,653	4,496,468	4,673,292	4,948,271	6,287,426	6,114,528	7,908,263

East Newark Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services										
Food service	20,914	22,926	24,744	19,019	19,823	11,826	-	6,735	19,873	18,090
Operating grants and contributions	162,301	145,618	142,101	136,656	119,829	117,955	95,710	181,152	222,710	161,286
Total business-type activities program revenues	183,215	168,544	166,846	155,675	139,651	129,781	95,710	187,887	242,583	179,376
Total district program revenues	\$ 4,111,122	\$ 4,263,308	\$ 4,222,739	\$ 4,878,328	\$ 4,636,120	\$ 4,803,073	\$ 5,043,980	\$ 6,475,313	\$ 6,357,111	\$ 8,087,639
Net (Expense)/Revenue										
Governmental activities	\$ (1,617,105)	\$ (1,732,377)	\$ (1,568,893)	\$ (1,710,619)	\$ (1,470,172)	\$ (1,413,712)	\$ (692,147)	\$ (1,287,732)	\$ (1,245,626)	\$ (1,359,539)
Business-type activities	851	(25,876)	17,539	10,926	(60,533)	(33,399)	11,093	(36,764)	18,720	(32,248)
Total district-wide net expense	\$ (1,616,254)	\$ (1,758,252)	\$ (1,551,354)	\$ (1,699,693)	\$ (1,530,705)	\$ (1,449,110)	\$ (681,054)	\$ (1,324,496)	\$ (1,226,906)	\$ (1,391,787)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,397,000	\$ 1,424,940	\$ 1,453,439	\$ 1,482,508	\$ 1,482,508	\$ 1,482,508	\$ 1,512,158	\$ 1,512,158	\$ 1,512,158	\$ 1,512,158
Miscellaneous income	133,912	30,426	27,693	16,007	174,245	58,980	362,694	349,901	179,070	296,051
Total governmental activities	1,530,912	1,455,366	1,481,132	1,498,515	1,656,753	1,541,488	1,874,852	1,862,059	1,691,228	1,808,209
Business-type activities:										
Miscellaneous income	95	33	285	-	5,898	1,326	495	38	1,507	3,546
Total business-type activities	95	33	285	-	5,898	1,326	495	38	1,507	3,546
Total district-wide	\$ 1,531,007	\$ 1,455,399	\$ 1,481,416	\$ 1,498,515	\$ 1,662,651	\$ 1,542,814	\$ 1,875,347	\$ 1,862,097	\$ 1,692,735	\$ 1,811,755
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ 26,746	\$ 8,345	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ (86,193)	\$ (277,011)	\$ (87,762)	\$ (212,104)	\$ 186,581	\$ 127,776	\$ 1,182,704	\$ 574,327	\$ 445,602	\$ 448,670
Business-type activities	945	(25,843)	17,824	10,926	(27,889)	(25,727)	11,588	(36,726)	20,227	(28,702)
Total district	\$ (85,248)	\$ (302,853)	\$ (69,938)	\$ (201,178)	\$ 158,692	\$ 102,049	\$ 1,194,292	\$ 537,601	\$ 465,829	\$ 419,968

Source: ACFR Schedule A-2

East Newark Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 1,321,203	\$ 954,236	\$ 899,265	\$ 788,851	\$ 1,117,743	\$ 1,232,147	\$ 2,159,665	2,890,159	3,412,881	3,618,743
Assigned	(196,626)	(152,091)	(89,347)	(147,288)	(63,987)	(81,909)	420,959	222,190	78,737	17,634
Unassigned	\$ 1,124,578	\$ 802,145	\$ 809,918	\$ 641,564	\$ 1,053,756	\$ 1,150,238	\$ (93,468)	(159,882)	(187,483)	(217,587)
Total general fund							\$ 2,487,156	\$ 2,952,467	\$ 3,304,135	\$ 3,418,790
All Other Governmental Funds										
Assigned, reported in:							6,588	9,337	12,709	16,200
Student activity fund										1,682,934
Capital projects fund										
Unassigned, reported in:										
Special revenue fund				(3,335)	(4,654)	(4,287)	(5,238)	32,047	32,047	
Capital projects fund							32,047			
Total all other governmental funds	\$ -	\$ -	\$ -	\$ (3,335)	\$ (4,654)	\$ (4,287)	\$ 33,397	\$ 41,384	\$ 44,756	\$ 1,699,134

Source: ACFR Schedule B-1

East Newark Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 1,397,000	\$ 1,424,940	\$ 1,453,439	\$ 1,482,508	\$ 1,482,508	\$ 1,482,508	\$ 1,512,158	\$ 1,512,158	\$ 1,512,158	\$ 1,512,158
Miscellaneous	133,912	30,426	27,693	16,007	167,427	57,140	362,690	349,901	181,070	231,743
Bond Proceeds	-	-	-	-	-	-	-	-	-	1,687,833
Interest Earned on Investments	-	-	-	-	6,818	1,840	3	2,749	6,987	64,308
Local Sources	3,611,501	3,731,291	3,788,764	3,914,963	4,151,649	4,356,435	4,505,600	5,056,258	5,477,071	9,968
State sources	325,406	363,473	267,129	374,038	344,820	316,856	442,670	1,226,667	1,204,271	6,899,602
Federal sources	-	-	-	-	-	-	-	-	-	1,444,760
Total revenue	\$ 5,467,819	\$ 5,550,130	\$ 5,537,025	\$ 5,787,516	\$ 6,153,222	\$ 6,214,779	\$ 6,823,121	\$ 8,147,733	\$ 8,381,557	\$ 11,850,372
Expenditures										
Instruction										
Regular instruction	1,101,009	1,002,016	1,250,238	1,248,907	1,353,313	1,297,464	1,339,222	1,956,547	1,141,274	1,165,092
Special education instruction	119,717	240,493	152,977	267,761	197,937	106,554	79,484	106,454	1,127,764	1,187,880
Other special instruction	64,657	181,614	48,426	8,924	41,082	59,864	50,908	-	-	120,249
School sponsored/other instructional	7,500	5,000	3,518	1,062	8,528	9,778	7,179	26,687	85,503	9,464
Support Services:										
Tuition	2,341,059	2,422,723	1,967,101	2,019,759	2,088,147	2,030,123	1,841,048	2,161,877	1,994,973	2,321,979
Attendance and social work services	375,148	369,908	282,848	258,121	252,379	517,479	356,000	-	-	-
Health services	-	-	-	-	-	-	71,520	82,692	66,971	92,036
Student & instruction related services	-	-	-	-	-	-	280,795	1,009,597	949,124	1,693,358
General administrative services	285,355	188,175	209,422	280,015	285,223	252,039	284,709	319,196	317,689	346,772
Other Administrative services	79,415	91,758	148,742	78,782	78,472	75,628	84,884	135,816	128,162	111,640
Central services	52,145	60,275	42,785	34,554	43,512	42,004	50,381	47,905	101,752	123,745
Plant operations and maintenance	337,217	391,454	451,672	545,304	356,326	308,238	321,611	319,230	495,028	826,424
Pupil transportation	63,164	55,473	49,431	6,465	63,432	60,668	20,514	76,404	28,041	343,722
Unallocated employee benefits	730,016	852,175	824,358	1,150,040	978,099	889,194	493,292	575,672	603,579	639,060
On-behalf contributions	-	-	-	-	-	-	450,038	602,278	783,869	-
Transfer to Charter Schools	-	-	-	-	-	25,022	36,811	37,190	149,054	308,091
Capital outlay	11,313	55,437	40,269	56,176	64,324	130,567	17	216,890	177,798	355,563
Debt service:										
Interest and other charges	-	-	-	-	-	-	-	-	-	5,562
Total expenditures	\$ 5,567,715	\$ 5,916,501	\$ 5,471,787	\$ 5,955,870	\$ 5,810,774	\$ 5,804,622	\$ 5,768,413	\$ 7,674,435	\$ 8,026,517	\$ 10,434,506
Excess (Deficiency) of revenues over (under) expenditures	(99,896)	(366,371)	65,238	(168,354)	342,448	410,157	1,054,708	473,298	355,040	1,415,866
Other Financing sources (uses)										
Excess Proceeds of Bonds Issued	-	-	-	-	68,425	465,000	-	-	-	353,167
Transfers in	-	-	-	-	(68,425)	(465,000)	-	-	-	391,412
Transfers out	-	-	-	-	-	-	-	-	-	(391,412)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	353,167
Net change in fund balances	\$ (99,896)	\$ (366,371)	\$ 65,238	\$ (168,354)	\$ 342,448	\$ 410,157	\$ 1,054,708	\$ 473,298	\$ 355,040	\$ 1,769,033
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%

**East Newark Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Interest on Investments Capital Reserve</u>	<u>Sale of Assets</u>	<u>Refund of Prior year Expenses</u>	<u>Prior Year Void Checks</u>	<u>Misc.</u>	<u>Total</u>
2015	1,589	-				132,323	133,912
2016	2,380	-				28,046	30,426
2017	1,494	-				26,199	27,693
2018	12,558	-				3,449	16,007
2019	50,869	1,396		18,659	84,789	11,715	167,427
2020	17,305	3,807		18,321		17,707	57,140
2021	1,187	17				361,487	362,691
2022	2,170	2,321	8,800		148,535	188,075	349,901
2023	105,892	31,640	29,074			12,464	179,070
2024	172,733	64,308	1,394	7,359		50,257	296,051

Source: District Records

East Newark Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land		Residential		Commercial		Industrial		Apartment		Total Assessed Value		Less: Tax- Exempt Property		Public Utilities ^a		Net Valuation Taxable		Total Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)		% of Net Assessed to Full Cash Valuations
2015	\$	1,075,800	\$25,686,500	\$	2,528,200	\$	8,440,500	\$	4,325,700	\$	\$42,056,700	\$	-	\$	45,661	\$	\$42,102,361	3.306		\$134,332,729	31.34%		
2016	\$	1,075,800	\$25,818,500	\$	2,528,200	\$	8,271,100	\$	4,325,700	\$	\$42,019,300	\$	-	\$	47,949	\$	\$42,067,249	3.375		\$132,154,527	31.83%		
2017	\$	3,156,400	\$88,260,800	\$	10,280,200	\$	33,196,100	\$	21,845,900	\$	\$156,739,400	\$	-	\$	159,201	\$	\$156,898,601	0.992		\$148,522,772	105.64%		
2018	\$	3,353,500	\$88,129,800	\$	11,654,000	\$	33,196,100	\$	21,845,900	\$	\$158,179,300	\$	-	\$	159,065	\$	\$158,338,365	0.923		\$166,577,531	95.05%		
2019	\$	3,469,200	\$90,569,400	\$	11,654,000	\$	33,196,100	\$	21,845,900	\$	\$160,734,600	\$	-	\$	128,889	\$	\$160,863,489	0.910		\$208,748,007	77.06%		
2020	\$	4,704,200	\$91,714,200	\$	11,654,000	\$	33,196,100	\$	17,845,900	\$	\$159,114,400	\$	-	\$	129,416	\$	\$159,243,816	0.919		\$211,653,633	75.24%		
2021	\$	3,281,700	\$92,137,100	\$	11,654,000	\$	33,638,100	\$	17,845,900	\$	\$158,556,800	\$	-	\$	117,117	\$	\$158,673,917	0.941		\$233,311,279	68.01%		
2022	\$	3,281,700	\$92,363,500	\$	10,264,500	\$	33,638,100	\$	17,845,900	\$	\$157,393,700	\$	-	\$	122,994	\$	\$157,516,694	0.948		\$221,592,936	71.08%		
2023	\$	3,281,700	\$93,338,000	\$	12,168,100	\$	33,638,100	\$	17,845,900	\$	\$160,271,800	\$	-	\$	104,498	\$	\$160,271,800	0.935		\$263,090,637	60.92%		
2024	\$	3,689,700	\$94,156,700	\$	13,178,800	\$	33,638,100	\$	16,875,900	\$	\$161,539,200	\$	-	\$	-	\$	\$161,539,200	0.959		\$269,786,140	59.88%		

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**East Newark Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years**
(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	East Newark Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	General		Municipal Rate East Newark	County Rate		
	Basic Rate ^a	Obligation Debt Service ^b		Hudson County		
2015	3.306		4.043	1.715	9.064	
2016	3.375		4.170	1.684	9.229	
2017	0.922		1.144	0.468	2.534	
2018	0.923		1.155	0.479	2.557	
2019	0.910		1.137	0.561	2.608	
2020	0.919		1.181	0.507	2.607	
2021	0.941		1.214	0.562	2.717	
2022	0.948		1.248	0.535	2.731	
2023	0.935		1.285	0.591	2.811	
2024	0.959		1.353	0.651	2.963	

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**Prospect Park Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2024				2016			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
1st Republic Corporation of America								
200-202 Grant	\$ 684,100	8	0.42%		\$ 669,400	4	1.59%	
400 St. George Realty, LLC	\$ 11,500,000	2	7.12%					
710 Frank Rodgers, LLC	\$ 1,010,700	6	0.63%					
ARC Property Management LLC					\$ 195,600	9		
BASF Corp.	\$ 2,297,500	5						
BASF Engelhard Corporation	\$ 3,001,500	4	1.86%					
Boulder Concepts	\$ 1,000,000	7	0.62%					
Daving, LLC					\$ 540,000	5		
East Newark Town Center	\$ 29,939,200	1	18.53%		\$ 7,337,800	1	17.43%	
Engelhard Corporation					\$ 727,200	3	1.73%	
IDVG Realty, LLC					\$ 2,827,400	2	6.72%	
Passaic Ave Investor LLC	\$ 627,200	9	0.39%					
Penn Jersey Certified Concrete, Inc	\$ 612,000	10	0.38%					
Philbro Corporation					\$ 190,800	10	0.45%	
Simelog Properties, LLC					\$ 266,700	8	0.63%	
Simelong Properties, LLC & Daving, LLC	\$ 4,000,000	3	2.48%		\$ 500,000	6	1.19%	
Vango Holdings 2					\$ 292,500	7	0.69%	
VNB Realty								
Total	<u>\$ 54,672,200</u>		<u>32.42%</u>		<u>\$ 13,547,400</u>		<u>30.43%</u>	

\$ 161,539,200 \$ 42,102,361

Source: Municipal Tax Assessor.

**East Newark Board of Education
Property Tax Levies and Collections
Last Ten Years**

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	1,397,000	1,341,868	96.05%	55,132
2016	1,424,940	1,355,886	95.15%	69,054
2017	1,453,439	1,370,136	94.27%	83,303
2018	1,482,508	1,370,278	92.43%	112,230
2019	1,482,508	1,384,670	93.40%	97,838
2020	1,482,508	1,387,705	93.61%	94,803
2021	1,512,158	1,417,661	93.75%	94,497
2022	1,512,158	1,418,637	93.82%	93,521
2023	1,512,158	1,418,637	93.82%	93,521
2024	1,512,158	1,292,624	85.48%	219,534

Source: Municipal Tax Collector

**East Newark Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Temporary Note Payable	Capital Leases	Total District	Per Capita ^a
2015						-	\$ -
2016						-	\$ -
2017						-	\$ -
2018						-	\$ -
2019			14,825			14,825	\$ 0.22
2020			5,885			5,885	\$ 0.08
2021						-	\$ -
2022						-	\$ -
2023						-	\$ Not Available
2024	2,041,000					2,041,000	\$ Not Available

Source: District ACFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

East Newark Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2015			0.00%	\$ -
2016			0.00%	\$ -
2017			0.00%	\$ -
2018			0.00%	\$ -
2019			0.00%	\$ -
2020			0.00%	\$ -
2021			0.00%	\$ -
2022			0.00%	\$ -
2023			0.00%	\$ -
2024	2,041,000	2,041,000	0.00%	Not Available
			1.26%	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statement
a See Exhibit NJ J-6 for property tax data.
b Population data can be found in Exhibit NJ J-14.

East Newark Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2024

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2024			\$ 2,041,000
Net overlapping debt of School District:			
Borough of East Newark	100.000%	\$ 4,996,727	
County of Hudson	0.186%	1,033,881	
Subtotal, overlapping debt			<u>\$ 6,030,608</u>
Total direct and overlapping debt			<u><u>\$ 8,071,608</u></u>

Sources: East Newark Municipal Finance Officer / Hudson County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of East Newark. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**East Newark Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis									

**East Newark Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2015	2,668	\$ 145,872,900	54,675	6.20%
2016	2,668	\$ 151,000,796	56,597	5.10%
2017	2,665	\$ 161,387,070	60,558	4.70%
2018	2,637	\$ 171,642,330	65,090	4.10%
2019	2,607	\$ 176,154,990	67,570	3.10%
2020	2,581	\$ 185,011,242	71,682	11.30%
2021	2,477	\$ 178,457,942	72,046	7.30%
2022	2,452	\$ 178,333,960	72,730	3.80%
2023	2,428	Not Available	Not Available	4.40%
2024	Not Available	Not Available	Not Available	Not Available

Source:^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income - Hudson County - provided by NJ Dept of Labor and Workforce Development^c Per Capita Personal Income - Hudson County - provided by NJ Dept of Labor and Workforce Development^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

East Newark Board of Education
Principal Employers
Current Year and Nine Years Ago

2024				2016	
Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.		1	N/A		1
		2	N/A		2
		3	N/A		3
		4	N/A		4
		5	N/A		5
		6	N/A		6
		7	N/A		7
		8	N/A		8
		9	N/A		9
		10	N/A		10
	-		0.00%	-	

Source: Borough of East Newark and State of New Jersey Department of Labor and Industry
Annual Labor Force Estimates by Municipality

N/A - At the time of ACFR completion, this data was not yet available.

East newark Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	18	18	18	16	16	16	16	21	23	23
Special education	4	4	4	4	4	2	2	3	2	2
Other special education	1	1	1	-	-	-	-	-	-	-
Other instruction	5	5	5	8	8	9	9	14	11	12
Support Services:										
Tuition										
Student & instruction related services	2	2	2	4	4	5	5	5	7	5
General administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	1	1	1	1	1	1	1	2	2	2
Other administrative services	1	1	1	1	1	1	1	1	-	-
Central services	1	1	1	1	1	-	-	1	2	2
Administrative information technology	1	1	1	-	-	-	-	-	-	-
Plant operations and maintenance	3	3	3	2	2	2	2	2	2	2
Pupil transportation	1	1	1	1	1	1	1	-	-	-
Total	38	38	38	37	37	37	37	49	50	49

Source: District Personnel Records

**East Newark Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2015	270	5,556,402	20,579	-2.77%	22	12	n/a	264.3	251.7	-4.79%	95.23%
2016	271	5,483,401	20,234	-1.68%	22	12	n/a	271.3	257.7	2.65%	94.99%
2017	273	5,107,834	18,710	-7.53%	20	14	n/a	288.0	273.4	6.16%	94.93%
2018	253	5,492,313	21,709	16.03%	20	13	n/a	255.0	245.1	-11.46%	96.12%
2019	237	5,746,450	24,247	11.69%	20	12	n/a	255.0	245.1	0.00%	96.12%
2020	209	5,674,056	27,149	11.97%	18	12	n/a	255.0	245.1	0.00%	96.12%
2021	209	5,487,152	26,254	-3.29%	18	12	n/a	255.0	245.1	0.00%	96.12%
2022	239	7,457,545	31,203	18.85%	24	10	n/a	255.0	245.1	0.00%	96.12%
2023	205	7,848,719	38,286	22.70%	25	8	n/a	237.7	223.5	-6.78%	94.03%
2024	200	10,073,381	50,367	31.55%	25	8	n/a	238.1	224.2	0.15%	94.17%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)

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Operating Amt. = Expenditures - Capital Outlay

East Newark Board of Education
School Building Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District Buildings										
<u>Elementary/Middle School</u>										
Square Feet	19,297	19,297	19,297	19,297	19,297	19,297	19,297	19,297	19,297	19,297
Capacity (students)	275	275	275	275	275	275	275	275	275	275
Enrollment	263	271	273	253	237	209	209	239	205	200

Number of Schools at June 30, 2024
Elementary/Middle School = 1

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

East Newark Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

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

School Facilities	Project # (s)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Elementary/Middle School	N/A	99,747	128,240	23,601	9,545	13,128	3,258	447,587	322,399	314,981	337,217
Grand Total		<u>\$ 99,747</u>	<u>\$ 128,240</u>	<u>\$ 23,601</u>	<u>\$ 9,545</u>	<u>\$ 13,128</u>	<u>\$ 3,258</u>	<u>\$ 447,587</u>	<u>\$ 322,399</u>	<u>\$ 314,981</u>	<u>\$ 337,217</u>

**East Newark Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2024
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	School Package policy:		
	School Alliance Insurance Fund		
	Building and Personal Property	\$ 500,000,000	
	General Liability Including Auto, Employee Benefits:		
	Each Occurrence	5,000,000	
	Personal Injury	100,000	2,500
	Automobile Coverage	100,000	1,000
	Earthquake	25,000,000	
	Flood	10,000,000	
	Environmental Impairment Liability	1,000,000	
	Crime Coverage	50,000	1,000
	Blanket Dishonesty Bond	500,000	1,000
	Boiler and Machinery	100,000,000	2,500
	Excess Liability (AL/GL/SLPL)	10,000,000	
	School Board Legal (SLPL)	5,000,000	5,000
	Cyber Liability	2,000,000	10,000
	Workers' Compensation	5,000,000	
	Employer's Liability	250,000	
	Supplemental Indemnity	130,000	
	Bond for Treasurer of School Monies	500,000	

Source: District Records

Note: The District is part of the School Alliance Insurance Fund. Several of the above coverages are the combined amounts for all the school districts under master policies with insurance companies.

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Borough of East Newark Board of Education
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of East Newark School District, in the County of Hudson, New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 2, 2025, which was qualified for not maintaining updated fixed asset accounting records.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of East Newark Board of Education's internal control over financial reporting (internal control) to determine the 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 Borough of East Newark Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of East Newark Board of Education's internal control.



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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of East Newark Board of Education's financial statements are free of 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 determination of financial statement amounts. 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the East Newark Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 2, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 2, 2025





WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Borough of East Newark Board of Education
County of Hudson, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of East Newark Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of East Newark 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, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of East Newark Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of East Newark 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, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 Borough of East Newark Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of East Newark 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 Borough of East Newark 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 Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of East Newark 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Borough of East Newark Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Borough of East Newark Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be significant deficiencies.



Honorable President and
Members of the Board of Education

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

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 2, 2025

BOROUGH OF EAST NEWARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2024	
					From	To						(Accounts Receivable)	Deferred Revenue
US Department of Education													
Passed Through State Department of Education:													
Special Revenue Fund													
Title I Part A, Improving Basic Programs	84.010	S010A230030	ESEA120024	275,670	7/1/2023	9/30/2024	(105,724)	(105,724)	247,523	297,411		(155,612)	
	84.010	S010A220030	ESEA120023	236,273	7/1/2022	9/30/2023	(105,724)	105,724	247,523	297,411		(155,612)	
Title II, Part A, Teacher/Principal Training and Recruiting													
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	S367A230029	ESEA120024	24,382	7/1/2023	9/30/2024	(30,997)	(30,997)	45,985	25,659		(10,671)	
	84.367A	S367A220029	ESEA120023	26,067	7/1/2022	9/30/2023	(30,997)	30,997	45,985	25,659		(10,671)	
Title III, Immigrant													
Title III, Immigrant	84.365A	S365A230030	ESEA120024	5,746	7/1/2023	9/30/2024			4,500	5,000		(500)	
	84.424A	S424A230030	ESEA120024	18,089	7/1/2023	9/30/2024	(11,557)	(11,557)	11,557	14,888		(14,888)	
Title IV	84.424A	S424A220030	ESEA120023	18,783	7/1/2022	9/30/2023	(11,557)	11,557	11,557	14,888		(14,888)	
IDEA, Part B-Basic													
IDEA, Part B-Basic IDEA, Part B-Preschool IDEA, Part B-Preschool	84.027A	S027A230100	IDEA120023	73,764	7/1/2023	9/30/2024	(38,810)	(38,810)	77,919	73,764		(34,655)	
	84.027A	S027A220100	IDEA120023	64,610	7/1/2022	9/30/2023	(38,810)	38,810	77,919	73,764		(34,655)	
	84.173A	S173A230100	IDEA120023	3,086	7/1/2023	9/30/2024	(2,723)	(2,723)	8,811	6,088			
	84.173A	S173A220100	IDEA120023	3,002	7/1/2022	9/30/2023	(2,723)	2,723	8,811	6,088			
Coronavirus Response and Relief Supplemental Act:													
Coronavirus Response and Relief Supplemental Act: CRRSA - ESSER II CR Learning Acceleration CR Mental Health American Rescue Plan: ARP - ESSER Evidence Based Comprehensive Beyond the School Day NJTSS Mental Health Support Staffing	84.425D	S425D200027	N/A	764,162	3/13/2020	9/30/2023	(67,979)	(67,979)	203,593	135,614			
	84.425D	S425D200027	N/A	49,040	3/13/2020	9/30/2023			29,932	29,932			
	84.425D	S425D200027	N/A	45,000	3/13/2020	9/30/2023			4,250	4,250			
	84.425U	S425U210027	N/A	1,717,406	3/13/2020	9/30/2024	(196,683)	(196,683)	532,162	559,798		(224,319)	
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	40,000	3/13/2020	9/30/2024			17,300	18,875		(1,575)	
	84.425U	S425U210027	N/A	45,000	3/13/2020	9/30/2024			19,618	19,618			
NJTSS Mental Health Support Staffing													

BOROUGH OF EAST NEWARK SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2024	
					From	To						(Accounts Receivable)	Deferred Revenue
US Department of Agriculture													
Passed Through State Department of Agriculture:													
Enterprise Fund													
Food Distribution Program	10.555	23 INJ304N1096	N/A	18,161	7/1/2023	6/30/2024			18,161	18,161			
National School Breakfast Program	10.553	24 INJ304N1099	N/A	21,021	7/1/2023	6/30/2024			19,168	21,021		(1,853)	
National School Breakfast Program	10.553	23 INJ304N1099	N/A	36,313	7/1/2022	6/30/2023	(3,802)		3,802				
National School Lunch Program	10.555	24 INJ304N1099	N/A	93,221	7/1/2023	6/30/2024			87,646	93,221		(5,575)	
National School Lunch Program	10.555	23 INJ304N1099	N/A	126,475	7/1/2022	6/30/2023	(9,944)		9,944				
National School Snack Program	10.555	24 INJ304N1099	N/A	10,557	7/1/2023	6/30/2024			10,557	10,557			
Supply Chain Assistance Funding (4th Round)	10.555	23 INJ344N8903	N/A	10,088	7/1/2023	6/30/2024			10,088	10,088			
P-EBT Administrative Cost Reimbursement	10.649	202225900941	N/A	653	7/1/2023	6/30/2024			653	653			
Local Food for Schools Cooperative Agreement Program	10.185	USDA-AMS-10185	N/A	1,623	7/1/2022	6/30/2024			338	338			
Total Enterprise Fund													
							(13,746)		160,357	154,039		(7,428)	
Total Federal Financial Assistance													
				\$	(598,224)				1,680,024	1,598,799		(516,999)	

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

BOROUGH OF EAST NEWARK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2024

State Grantor/Program Titles	Balance at June 30, 2023				Balance at June 30, 2024				Memo				
	Award Amount	Grant Period From To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)		Deferred Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund													
Equalization Aid	495-034-5120-078	\$ 4,901,959	7/1/2023	6/30/2024	\$	4,419,495	4,901,959				*	(482,464)	4,901,959
Special Education Aid	495-034-5120-089	310,863	7/1/2023	6/30/2024		280,267	310,863				*	(30,596)	310,863
Security Aid	495-034-5120-084	173,154	7/1/2023	6/30/2024		156,112	173,154				*	(17,042)	173,154
Transportation Aid	495-034-5120-014	16,052	7/1/2023	6/30/2024		14,472	16,052				*	(1,580)	16,052
Extraordinary Aid	100-034-5120-473	114,095	7/1/2023	6/30/2024			114,095			(114,095)	*		114,095
Extraordinary Aid	100-034-5120-473	12,593	7/1/2022	6/30/2023	(12,593)	12,593					*		12,593
NTE Homeless Reimbursement	100-029-6060-034	17,285	7/1/2022	6/30/2023	(17,285)	17,285					*		17,285
Reimbursed TPAF Social Security	495-034-5094-003	104,962	7/1/2023	6/30/2024		95,945	104,962			(9,017)	*		104,962
Reimbursed TPAF Social Security	495-034-5094-003	96,491	7/1/2022	6/30/2023	(10,121)	10,121					*		96,491
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	145,161	7/1/2023	6/30/2024		145,161	145,161				*		145,161
On Behalf TPAF Pension Contributions	495-034-5094-002	527,345	7/1/2023	6/30/2024		527,345	527,345				*		527,345
On Behalf TPAF NCGI Premium	495-034-5094-004	6,014	7/1/2023	6/30/2024		6,014	6,014				*		6,014
On Behalf TPAF - LTDI	495-034-5094-004	387	7/1/2023	6/30/2024		387	387				*		387
Total General Fund					(39,999)	5,685,197	6,299,992			(123,112)	*	(531,682)	6,426,361
Special Revenue Fund											*		
Preschool Education Aid	495-034-5120-086	668,070	7/1/2023	6/30/2024		601,263	665,546			(66,807)	*	(66,807)	665,546
Preschool Education Aid	495-034-5120-086	575,880	7/1/2022	6/30/2023	88,483	57,588			2,524		*		429,809
Preschool Education Aid	495-034-5120-086	381,429	7/1/2021	6/30/2022	42,530				146,071		*		338,899
Preschool Education Aid	495-034-5120-086	42,920	7/1/2019	6/30/2020	14,315				14,315		*		34,920
SDA Emergency Needs & Capital		5,496	7/1/2023	6/30/2024		5,496	5,496				*		5,496
Total Special Revenue					145,328	664,347	671,042			(66,807)	*	(66,807)	1,474,670
Capital Projects Fund											*		
ROD Grant	1200-050-23-R502	414,462	6/11/2024	6/30/2024			17,205			(17,205)	*		17,205
Total Capital Projects Fund							17,205			(17,205)	*		17,205
Debt Service Fund											*		
State Department of Education											*		
Debt Service Type II Aid	495-034-5121-075	5,562	7/1/2023	6/30/2024		5,562	5,562				*		5,562
Total Debt Service Fund						5,562	5,562				*		5,562

BOROUGH OF EAST NEWARK SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2024

State Grantor/Program Titles		Balance at June 30, 2023				Balance at June 30, 2024				Memo		
		Award Amount	Grant Period From To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable
Enterprise Fund												
State Department of Agriculture												
Severe Breakfast Program	100-010-3350-023	898	7/1/2023	6/30/2024		781	898		(117)			898
Severe Breakfast Program	100-010-3350-023	128	7/1/2022	6/30/2023	(1)	1						128
Breakfast After the Bell Program	100-010-3350-023	850	7/1/2023	6/30/2024		775	850		(75)			850
Breakfast After the Bell Program	100-010-3350-023	1,125	7/1/2022	6/30/2023	(117)	117						1,125
National School Lunch Program (State Share)	100-010-3350-023	5,499	7/1/2023	6/30/2024		5,170	5,499		(329)			5,499
National School Lunch Program (State Share)	100-010-3350-023	2,327	7/1/2022	6/30/2023	(167)	167						2,327
Total Enterprise Fund					(285)	7,011	7,247		(521)			10,827
Total State Financial Assistance					105,044	6,362,117	7,001,048		(207,645)	205,440		7,934,625
Less: On-Behalf TPAF Pension System Contributions												
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	145,161	7/1/2023	6/30/2024			145,161					
On Behalf TPAF Pension Contributions	495-034-5094-002	527,345	7/1/2023	6/30/2024			527,345					
On Behalf TPAF NCGI Premium	495-034-5094-004	6,014	7/1/2023	6/30/2024			6,014					
On Behalf TPAF - LTDI	495-034-5094-004	387	7/1/2023	6/30/2024			387					
Total State Financial Assistance							678,907					
							6,322,141					
Local Sources:												
Blackbad Giving Fund	N/A	2,614	7/1/2022	6/30/2023	2,614					2,614		
Total Local Sources					2,614					2,614		
Total State and Local Financial Assistance					107,658	6,362,117	7,001,048		(207,645)	208,054		7,934,625

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the East Newark Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of 2 *CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the 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 the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(94,199) for the general fund and \$-0- for the special revenue fund. See Notes to Required Supplemental 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 follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$6,205,793	\$6,205,793
Special Revenue Fund	1,444,760	671,042	2,115,802
Capital Projects Fund	-	17,205	17,205
Debt Service Fund	-	5,562	5,562
Food Service Fund	<u>154,039</u>	<u>7,247</u>	<u>161,286</u>
Total Awards and Financial Assistance	<u>\$1,598,799</u>	<u>\$6,906,849</u>	<u>\$8,505,648</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$678,907 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

The East Newark Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$297,411
Title II, Part A: <i>Supporting Effective Instruction</i>	25,659
Title III: English Language Acquisition State Grants	5,000
Title IV: <i>Student Support and Academic Enrichment</i>	<u>14,888</u>
Total	<u><u>\$342,958</u></u>

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | | |
|---|-----------|------------------------------|--|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no | |
| 2. Significant deficiencies identified that are 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

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

Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no	
--	-----------	-------------------	--

Internal Control over major programs:

- | | | | |
|---|-----------|------------------------------|--|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> no | |
| 2. Material weakness(es) identified? | _____ yes | _____ <u>X</u> none reported | |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance?	_____ yes	_____ <u>X</u> no	
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
--	------------------------------	--

CRRSA-ESSER II/ CR Learning Acceleration/
CR Mental Health/ APR-ESSER/ARP-
Evidence Based Comprehensive Beyond the
School Day/NJTSS Mental Health Support
Staffing

84.425D/84.425U	(A) S425D210027/ S425U210027	
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Note: (A) - Tested as Major Type A Program.

**EAST NEWARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section I - Summary of Auditor's Results
(continued)

State Awards

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

Auditee qualified as low-risk auditee? yes X no

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes _____ X no
2. Material weakness(es) identified? _____ yes _____ X none reported

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

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-78/ 495-034-5120-89/ 495-034-5120-84	State Aid Public Cluster: Equalization Aid/Special Education Categorical Aid/Security Aid

Note: (A) Tested as Major Type A Program.

**BOROUGH OF EAST NEWARK SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, STATE AND FEDERAL FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

None

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

None

STATE AWARDS

Finding 2024-001

Information on the state program:

State Aid – Public Cluster, NJCFS Numbers 495-034-5120-(079/089/084) Grant Period 7/1/23-6/30/24.

Criteria or specific requirement:

In accordance with N.J.S.A. 18A:16-17.1, employees of a board of education shall contribute, through the withholding of the contribution from the pay, salary or other compensation, toward the cost of health care benefits coverage for the employee and any dependent provided pursuant to P.L. 1979, c.391. The amount payable by any employee shall not under any circumstance be less than the 1.5 percent of base salary notwithstanding any other amount that may be required additionally.

Condition:

Recalculation of employee health benefit contributions do not agree to amounts being deducted from employees pay.

Questioned Costs:

None

Context:

Recalculation of employee health benefit contributions do not agree to amounts being deducted from employees pay.

Effect:

Employee health benefit contributions are not being deducted in accordance with N.J.S.A. 18A:16-17.1.

Cause:

There were instances in which the incorrect number of pay-periods and incorrect percentages were utilized to calculate employee contributions. There were also instances in which the employee share of dental insurance was not deducted.

**BOROUGH OF EAST NEWARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2024-001 (continued)

Recommendation:

The district should review all information input into the system for employee contribution calculations and make necessary adjustments.

Management's response:

The district engaged an external accounting firm to perform an agreed upon procedures engagement verifying and correcting all employee contribution input information as of July 1, 2024. The results of these procedures have been used to correct any erroneous deductions and have been entered into the district's payroll system as of July 1, 2024.

**BOROUGH OF EAST NEWARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Status of Prior Year Findings

Finding 2023-001

Condition:

There were instances in which the number of students reported as On-Roll, Resident Low Income and Resident Low Income Limited English Proficient did not agree to the District's workpapers. Our sample of students included on the workpapers contained errors in the following categories: On-Roll, Resident Low Income and Resident Low Limited English Proficient.

Current Status:

Current year counts agreed to the District's workpapers.

Finding 2023-002

Condition:

Recalculation of employee health benefit contributions do not agree to amounts being deducted from employees pay.

Current Status:

Unresolved, see finding 2024-001.

Finding 2023-003

Condition:

The Board Secretary's and Treasurer's reports were not presented monthly to the board and were not submitted to the executive county superintendent as prescribed (N.J.S.A. 18A:17-9 and 18A:17-36). Also, the district could not provide documentation that the Annual Report was submitted to the executive county superintendent by August 1.

Current Status:

Correct year reports were submitted on time.