RUTHERFORD BOARD OF EDUCATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

RUTHERFORD, NEW JERSEY

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Rutherford Board of Education

Rutherford, New Jersey

For The Fiscal Year Ended June 30, 2025

Prepared by

Business Office

RUTHERFORD BOARD OF EDUCATION
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INTRODUCTORY SECTION

RUTHERFORD PUBLIC SCHOOLS

RUTHERFORD PUBLIC SCHOOLS

JOHN J. HURLEY
Superintendent of Schools

MATTHEW WHITFORD
Business Administrator/Board Secretary

December 1, 2025

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

Dear Board Members:

The annual comprehensive financial report of the Rutherford School District (School District) for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of various funds of the School District. All disclosures necessary to enable the reader to gain an understanding of the School 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 School 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 School District is required to undergo an annual single audit in conformity with the provisions 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 the New Jersey State Treasury Circular 15-08-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

1 REPORTING ENTITY AND ITS SERVICES:

The Rutherford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB. All funds of the School District are included in this report. The Rutherford Board of Education and all its schools constitute the School District's reporting entity.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education for students so classified. The School District completed the 2024-2025 fiscal year with an average daily enrollment of 2486 students, which is students 5 less than the previous year's enrollment.

176 Park Avenue • Rutherford, NJ 07070 • 201-438-7675 • rutherfordschools.org

1 REPORTING ENTITY AND ITS SERVICES (CONT'D):

The following details the changes in the student enrollment of the School District over the last ten years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2024-2025	2,486	(0.1%)
2023-2024	2,491	1.5%
2022-2023	2,452	0.7%
2021-2022	2,435	(3.1%)
2020-2021	2,513	(3.6%)
2019-2020	2,607	0.2%
2018-2019	2,602	0.1%
2017-2018	2,599	3.4%
2016-2017	2,513	1.9%
2015-2016	2,466	(1.4%)

2. ECONOMIC CONDITION AND OUTLOOK:

The Borough of Rutherford is a mature community that has little space for future development in its core area. The recycling of existing homes has had some upward impact on pupil enrollment.

3. MAJOR INITIATIVES: The Rutherford School District remains committed to providing a comprehensive and forward-thinking educational experience for all students. Building on past initiatives such as the expansion of STEM programs, early childhood offerings, and the Life Skills program for students aged 18–21, the District continues to enhance teaching and learning through curriculum renewal, technology integration, and facility improvements made possible by the 2019 bond referendum. To further advance our mission and ensure that students graduate as critical and creative thinkers, the District has begun developing the Profile of the Rutherford Graduate which defines the essential skills and dispositions students should possess upon leaving our schools. Recognizing that curriculum must evolve with student needs and educational best practices, the District's curriculum is maintained as a living document through the use of the newly instituted Atlas Curriculum Platform. In addition, district-wide surveys are conducted regularly to gather feedback on school climate, culture, and curriculum, ensuring that the voices of our community help guide continuous improvement.

4. INTERNAL ACCOUNTING CONTROLS:

The administration of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with 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 School District is also responsible for implementing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the School District management.

As part of the School 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 School District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget. Annual appropriation budgets are adopted for the general, special revenue and debt service funds. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. DEBT ADMINISTRATION:

At June 30, 2025, the District's outstanding debt issues included $3,175,000 of Series 2016 school district refunding bonds and $40,880,000 of Series 2019 school district bonds.

JOHN J. HURLEY
Superintendent of Schools

MATTHEW WHITFORD
Business Administrator/Board Secretary

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. The South Bergen Workers' Compensation Pool provides coverage for workers' compensation claims.

10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200 (Uniform Guidance) and the New Jersey State Treasury Circular 15-08-OMB. 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. ACKNOWLEDGEMENTS:

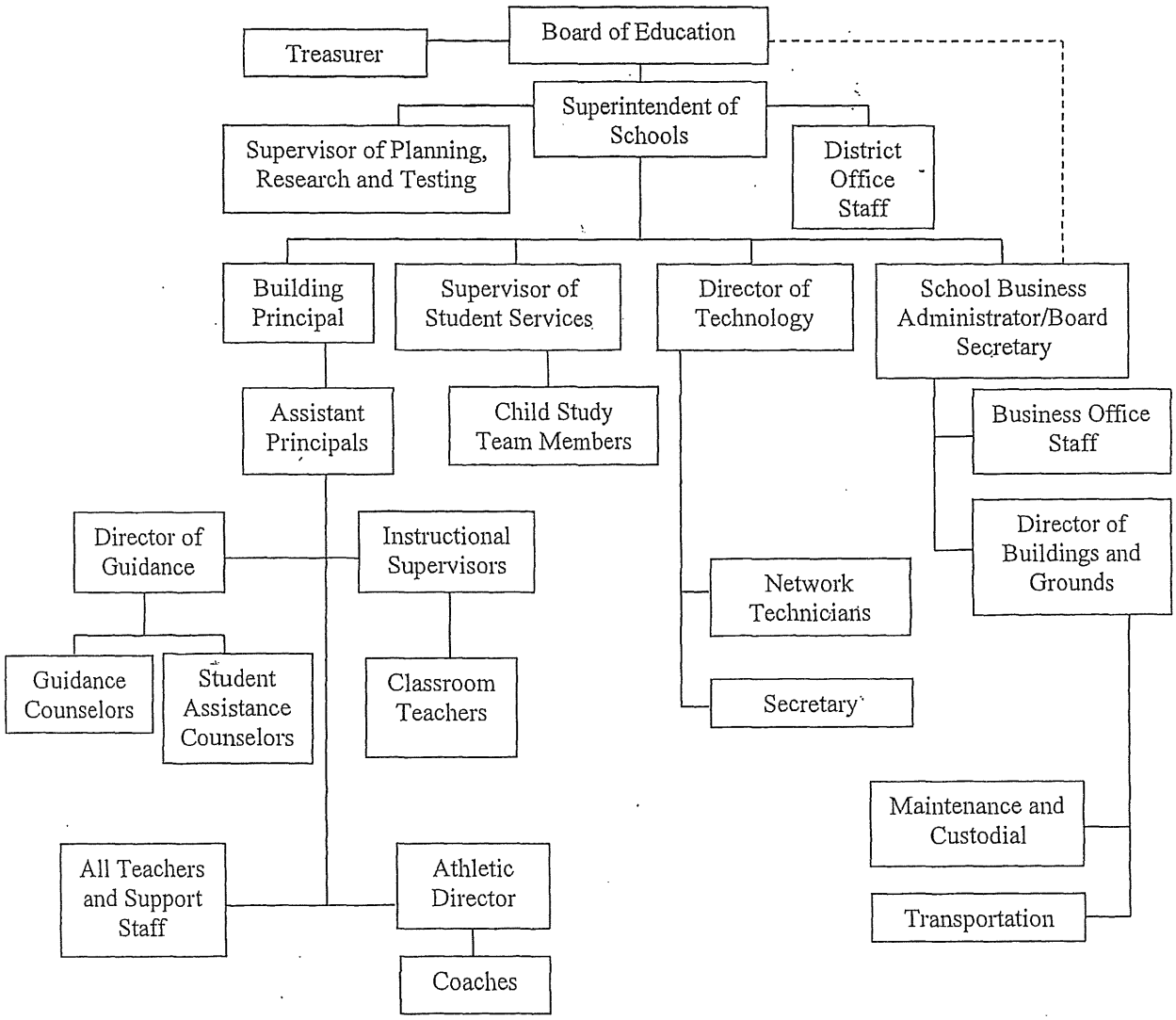
We would like to express our appreciation to the members of the Rutherford Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

John J. Hurley
Superintendent of Schools

Matthew Whitford
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



RUTHERFORD BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2025

Members of the Board of Education	**Term Expires December 31**
Dr. Sergio Alati, President	2027
Dennis Mazone, Vice President	2025
Christina Cole	2027
Christopher Conti	2025
James Bogosian	2026
Dennis Healey	2026
Diane Jones	2026
Greg Recine	2027
James Sprayberry	2025

Other Officials

John J. Hurley, Superintendent

Matthew Whitford, Business Administrator / Board Secretary

Stacy Garvey, Treasurer of School Monies

RUTHERFORD BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

JUNE 30, 2025

ARCHITECT

Parette Somjen Architects LLC
439 Route 46 East
Rockaway, NJ 07866

AUDIT FIRM

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

ATTORNEY

Fogarty, Hara, LaPira, & Cherry
Counselors at Law
1600 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORIES

BCB Community Bank
591-595 Avenue C
Bayonne, NJ 07002

State of New Jersey Cash Management Fund
50 West State Street
Trenton, NJ 08625

FINANCIAL SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Rutherford Board of Education
176 Park Avenue
Rutherford, New Jersey 07070

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rutherford Board of Education, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rutherford Board of Education as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rutherford Board of Education's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2025 on our consideration of the Rutherford Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rutherford Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rutherford Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

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

Gary J. Vinci

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 1, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Rutherford Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2024-2025) and the prior year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-2025 fiscal year include the following:

- The assets and deferred outflows of resources of the Rutherford Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $28,279,627 (net position).

- Overall District revenues were $65,074,626. General revenues accounted for $52,891,012 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for $12,183,614 or 19% of total revenues.

- The School District had $63,687,776 in expenses for governmental activities; only $11,066,328 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of $52,857,956 were adequate to provide for these programs.

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $6,905,170 a decrease of $2,388,052 when compared to the ending fund balance at June 30, 2024 of $9,293,222.

- The General Fund unassigned fund balance at June 30, 2025 was $386,875 a decrease of $34,417 when compared with the ending fund balance of $421,292 at June 30, 2024.

- The General Fund unassigned budgetary fund balance at June 30, 2025 was $1,523,252 which represents an increase of $86,033 when compared to the ending unassigned fund balance at June 30, 2024 of $1,437,219.

OVERVIEW OF THE FINANCIAL STATEMENTS

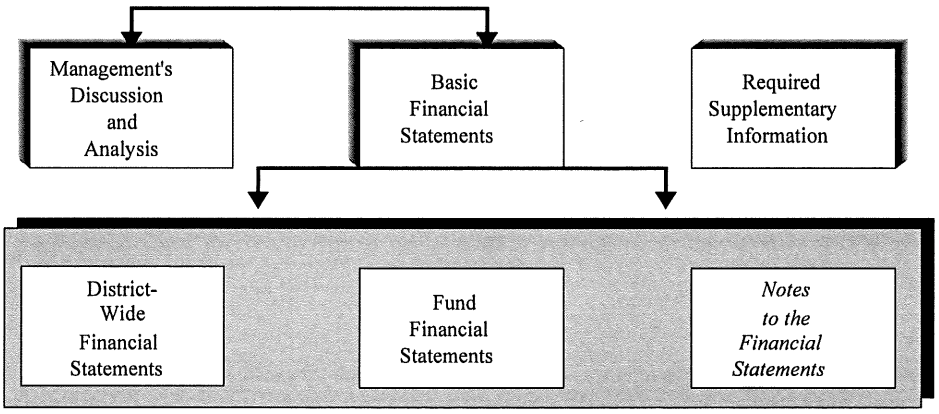
The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The 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.



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 summarized 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
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
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 Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-Wide Financial Statements

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

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

District-Wide Financial Statements (Continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.

- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund, Before and After Care Fund and Summer Music Program Fund are included here.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.

- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

• *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

• *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of

providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

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

Other Information

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

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $28,279,627 and $27,765,001 as of June 30, 2025 and 2024, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position
As of June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current Assets	$ 9,136,007	$ 13,277,052	$ 585,957	$ 920,248	$ 9,721,964	$ 14,197,300
Capital Assets	73,630,453	72,899,718	-	-	73,630,453	72,899,718
Total Assets	82,766,460	86,176,770	585,957	920,248	83,352,417	87,097,018
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Refunding of Debt	29,649	44,473			29,649	44,473
Deferred Amount on Net Pension Liability	257,532	429,327	-	-	257,532	429,327
Total Deferred Outflows of Resources	287,181	473,800	-	-	287,181	473,800
Total Assets and Deferred Outflows of Resources	83,053,641	86,650,570	585,957	920,248	83,639,598	87,570,818
LIABILITIES						
Other Liabilities	2,340,337	4,114,053	7,940	75,182	2,348,277	4,189,235
Long-Term Liabilities	51,969,144	54,920,168	-	-	51,969,144	54,920,168
Total Liabilities	54,309,481	59,034,221	7,940	75,182	54,317,421	59,109,403
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	1,042,550	696,404	-	-	1,042,550	696,404
Total Liabilities and Deferred Inflows of Resources	55,352,031	59,730,625	7,940	75,182	55,359,971	59,805,807
NET POSITION						
Net Investment in Capital Assets	30,906,926	29,568,957	578,017		31,484,943	29,568,957
Restricted	2,542,797	3,908,602			2,542,797	3,908,602
Unrestricted	(5,748,113)	(6,557,614)	-	845,056	(5,748,113)	(5,712,558)
Total Net Position	$ 27,701,610	$ 26,919,945	$ 578,017	$ 845,056	$ 28,279,627	$ 27,765,001

The changes in net position for fiscal years ended 2025 and 2024 are as follows:

	Governmental Activities		Business-Type Activities		Total	
Revenues	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Program Revenues						
Charges for Services	$ 726,103	$ 599,769	$ 1,117,286	$ 1,106,948	$ 1,843,389	$ 1,706,717
Operating Grants and Contributions	10,233,215	12,600,802			10,233,215	12,600,802
Capital Grants and Contributions	107,010				107,010	-
General Revenues						
Property Taxes	50,979,475	49,811,309			50,979,475	49,811,309
Unrestricted State Aid	1,099,387	817,011			1,099,387	817,011
Other	779,094	762,221	33,056	36,246	812,150	798,467
Total Revenues	63,924,284	64,591,112	1,150,342	1,143,194	65,074,626	65,734,306
Expenses						
Instruction						
Regular	26,151,985	27,783,997			26,151,985	27,783,997
Special Education	7,474,388	7,427,454			7,474,388	7,427,454
Other Instruction	1,846,162	1,685,585			1,846,162	1,685,585
School Sponsored Activities and Athletics	1,725,718	1,769,914			1,725,718	1,769,914
Support Services						
Student and Instruction Related Services	7,411,205	7,423,040			7,411,205	7,423,040
General Administration Services	906,885	880,904			906,885	880,904
School Administration Services	4,598,903	4,592,261			4,598,903	4,592,261
Central and Other Support Services	1,945,510	1,816,550			1,945,510	1,816,550
Plant Operations and Maintenance	8,059,189	7,159,282			8,059,189	7,159,282
Pupil Transportation	2,236,336	2,262,613			2,236,336	2,262,613
Interest on Long Term Debt	1,331,495	1,354,718			1,331,495	1,354,718
Food Service			128,541	129,672	128,541	129,672
Before and After Care			739,683	583,119	739,683	583,119
Summer Music Program	-	-	4,000	4,000	4,000	4,000
Total Expenses	63,687,776	64,156,318	872,224	716,791	64,560,000	64,873,109
Change in Net Position	236,508	434,794	278,118	426,403	514,626	861,197
Transfers	545,157	469,254	(545,157)	(469,254)	-	-
Net Position, Beginning of Year	26,919,945	26,015,897	845,056	887,907	27,765,001	26,903,804
Net Position, Ending of Year	$ 27,701,610	$ 26,919,945	$ 578,017	$ 845,056	$ 28,279,627	$ 27,765,001

Governmental Activities

The financial position of the District has remained stable. However, maintaining existing programs with decreased enrollment, the escalating cost of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, management of budgetary expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2025 and 2024.

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction				
Regular	$ 26,151,985	$ 27,783,997	$ 21,929,545	$ 22,260,318
Special Education	7,474,388	7,427,454	3,748,486	3,388,650
Other Instruction	1,846,162	1,685,585	1,635,201	1,434,219
School Sponsored Activities and Athletics	1,725,718	1,769,914	1,077,483	1,053,075
Support Services				
Student and Instruction Related Services	7,411,205	7,423,040	6,452,015	6,025,241
General Administration Services	906,885	880,904	863,317	827,874
School Administration Services	4,598,903	4,592,261	4,123,784	3,979,222
Central and Other Support Services	1,945,510	1,816,550	1,868,977	1,756,183
Plant Operations and Maintenance	8,059,189	7,159,282	7,755,222	7,004,920
Pupil Transportation	2,236,336	2,262,613	2,005,347	2,046,457
Interest on Long Term Debt	1,331,495	1,354,718	1,162,071	1,179,588
Total	$ 63,687,776	$ 64,156,318	$ 52,621,448	$ 50,955,747

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of $6,905,170, a decrease of $2,388,052 from last year's fund balance of $9,293,222.

Revenues and other financing sources the District's governmental funds were $72,206,220 total expenditures, and other financing uses were $74,594,272.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues and other financing sources of the General Fund were $66,092,072 for the fiscal year ended June 30, 2025. State sources were $16,116,881, federal sources were $14,389 and local sources amounted to $48,840,167.

Expenditures and other financing uses of the General Fund were $67,324,636. Instructional expenditures were $40,980,058, support services totaled $24,063,931, debt services charges were $293,974 and capital expenditures totaled $1,680,629 for the fiscal year ended June 30, 2025. The Board subsidized the food service program with a budget transfer of $54,843.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were $2,149,327 for the fiscal year ended June 30, 2025. State sources amounted to $172,637, federal sources totaled $1,409,065 and local sources were $567,625.

Expenditures of the Special Revenue Fund were $2,136,533. Instructional expenditures were $1,325,518, for support services were $237,059 and for capital expenditures $573,956 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by $1,168,282 decreasing the fund balance from $3,741,055 at June 30, 2024 to $2,572,773 at June 30, 2025.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program, Before and After Care Program and Summer Music Program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2024 encumbrances.
- Appropriation of unbudgeted 2023/24 Extraordinary Aid

CAPITAL ASSETS

The District's investment in capital assets for its governmental type activities as of June 30, 2025 and 2024 amounts to $73,630,453 and $72,899,718 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, buildings and building improvements, machinery and various other types of equipment. Depreciation charges for the fiscal year 2024-2025 amounted to $3,050,343 for governmental activities.

The following is a comparative analysis of capital assets at June 30, 2025 and 2024.

	Governmental Activities	
	2025	2024
Land	$ 7,502,700	$ 7,502,700
Construction in Progress	11,157,353	9,316,845
Land Improvements	1,718,796	1,811,568
Building and Building Improvements	51,736,824	53,086,020
Machinery and Equipment	1,514,780	1,182,585
Total	$ 73,630,453	$ 72,899,718

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2025, the District's long-term liabilities consisted of compensated absences payable of $1,338,409, serial bonds (including unamortized premium) of $44,752,784, capital financing agreements of $482,001, other financing agreements of $236,480, deferred pension liability of $39,000 and net pension liability of $5,120,470 totaling $51,969,144. This is in comparison to long-term liabilities at June 30, 2024 of $54,920,168 or a decrease of $2,951,024.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-2026 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Rutherford Board of Education, 176 Park Avenue, Rutherford, NJ 07070.

BASIC FINANCIAL STATEMENTS

RUTHERFORD BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 7,259,024	$ 1,189,997	$ 8,449,021
Receivables, net			
Receivables for Other Governments	1,271,232		1,271,232
Other	210	1,501	1,711
Internal Balances	605,541	(605,541)	-
Capital Assets			
Not Being Depreciated	18,660,053		18,660,053
Being Depreciated, Net	54,970,400		54,970,400
Total Assets	82,766,460	585,957	83,352,417
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	29,649		29,649
Deferred Amount of Net Pension Liability	257,532		257,532
Total Deferred Outflows of Resources	287,181		287,181
Total Assets and Deferred Outflows of Resources	83,053,641	585,957	83,639,598
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,995,692	-	1,995,692
Intergovernmental Payable	88,874		88,874
Unearned Revenue	146,271	7,940	154,211
Accrued Interest Payable	109,500		109,500
Noncurrent Liabilities			
Due Within One Year	2,489,753		2,489,753
Due Beyond One Year	49,479,391		49,479,391
Total Liabilities	54,309,481	7,940	54,317,421
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount of Net Pension Liability	1,042,550		1,042,550
Total Deferred Inflows of Resources	1,042,550	-	1,042,550
Total Liabilities and Deferred Inflows of Resources	55,352,031	7,940	55,359,971
NET POSITION			
Net Investment in Capital Assets	30,906,926		30,906,926
Restricted for:			
Capital Projects	1,773,112		1,773,112
Other Purposes	769,685		769,685
Unrestricted	(5,748,113)	578,017	(5,170,096)
Total Net Position	$ 27,701,610	$ 578,017	$ 28,279,627

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

EXHIBIT A-2

RUTHERFORD BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities							
Instruction							
Regular	$ 26,151,985	$ 232,310	$ 3,990,130		$ (21,929,545)		$ (21,929,545)
Special Education	7,474,388		3,725,902		(3,748,486)		(3,748,486)
Other Instruction	1,846,162		210,961		(1,635,201)		(1,635,201)
School Sponsored Activities and Athletics	1,725,718	493,793	154,442		(1,077,483)		(1,077,483)
Support Services							
Student and Instruction Related Svcs.	7,411,205		959,190		(6,452,015)		(6,452,015)
General Administrative Services	906,885		43,568		(863,317)		(863,317)
School Administrative Services	4,598,903		475,119		(4,123,784)		(4,123,784)
Plant Operations and Maintenance	8,059,189		196,957	$ 107,010	(7,755,222)		(7,755,222)
Pupil Transportation	2,236,336		230,989		(2,005,347)		(2,005,347)
Central and Other Support Services	1,945,510		76,533		(1,868,977)		(1,868,977)
Interest on Long-Term Debt	1,331,495		169,424		(1,162,071)	-	(1,162,071)
Total Governmental Activities	63,687,776	726,103	10,233,215	107,010	(52,621,448)	-	(52,621,448)
Business-Type Activities							
Food Service	128,541	72,762				$ (55,779)	(55,779)
Before and After Care	739,683	1,041,014				301,331	301,331
Summer Music Program	4,000	3,510		-		(490)	(490)
Total Business-Type Activities	872,224	1,117,286	-	-	-	245,062	245,062
Total Primary Government	$ 64,560,000	$ 1,843,389	$ 10,233,215	$ 107,010	(52,621,448)	245,062	(52,376,386)
General Revenues:							
Property Taxes, General Purposes					47,910,398		47,910,398
Property Taxes, Debt Service					3,069,077		3,069,077
State Aid - Unrestricted					812,913		812,913
Debt Service Aid					286,474		286,474
Miscellaneous Income					779,094	33,056	812,150
Transfers					545,157	(545,157)	-
Total General Revenues					53,403,113	(512,101)	52,891,012
Change in Net Position					781,665	(267,039)	514,626
Net Position, Beginning of Year					26,919,945	845,056	27,765,001
Net Position, End of Year					$ 27,701,610	$ 578,017	$ 28,279,627

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

FUND FINANCIAL STATEMENTS

RUTHERFORD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 4,782,480	$ 523,307	$ 1,953,236	$ 1	$ 7,259,024
Receivables, Net					
Receivables From Other Governments	84,046	49,249	1,137,937		1,271,232
Other	210				210
Due from Other Funds	605,541		166,811		772,352
Total Assets	$ 5,472,277	$ 572,556	$ 3,257,984	$ 1	$ 9,302,818
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 1,187,170	$ 57,969	$ 631,605		$ 1,876,744
Intergovernmental Payable	71,517	17,357			88,874
Payroll Deductions and Withholdings Payable	118,948				118,948
Due To Other Funds	166,811				166,811
Unearned Revenue	-	92,665	53,606		146,271
Total Liabilities	1,544,446	167,991	685,211	-	2,397,648
Fund Balances					
Restricted Fund Balance					
Excess Surplus	356,975				356,975
Excess Surplus - Designated for Subsequent Year's Budget	500,000				500,000
Capital Reserve	681,948				681,948
Capital Reserve- Designated for Subsequent Year's Budget	1,000,000				1,000,000
Maintenance Reserve- Designated for Subsequent Year's Budget	100,000				100,000
Unemployment Compensation Reserve	168,414				168,414
Capital Financing Agreement	96,705				96,705
Scholarship Awards		102,672			102,672
Student Activities		301,893			301,893
Capital Projects			2,572,773		2,572,773
Debt Service				$ 1	1
Assigned Fund Balance					
Designated for Subsequent Year's Budget	545,163				545,163
Encumbrances	91,751				91,751
Unassigned Fund Balance	386,875				386,875
Total Fund Balances	3,927,831	404,565	2,572,773	1	6,905,170
Total Liabilities and Fund Balances	$ 5,472,277	$ 572,556	$ 3,257,984	$ 1	

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 $126,662,295 and the accumulated depreciation is $53,031,842.		73,630,453
Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 2)		(51,969,144)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		29,649
The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:		(109,500)
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.		
Deferred Outflows of Resources	$ 257,532	
Deferred Inflows of Resources	(1,042,550)	(785,018)
Net Position of Governmental Activities		$ 27,701,610

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

RUTHERFORD BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Taxes	$ 47,910,398			$ 3,069,077	$ 50,979,475
Tuition	232,310				232,310
Miscellaneous	697,459	$ 567,625	$ 81,635		1,346,719
Total - Local Sources	48,840,167	567,625	81,635	3,069,077	52,558,504
State Sources	16,116,881	172,637	107,010	455,898	16,852,426
Federal Sources	14,389	1,409,065			1,423,454
Total Revenues	64,971,437	2,149,327	188,645	3,524,975	70,834,384
EXPENDITURES					
Current					
Instruction					
Regular Instruction	30,238,622	238,986			30,477,608
Special Education Instruction	7,125,230	605,533			7,730,763
Other Instruction	2,149,451				2,149,451
School Sponsored Activities and Athletics	1,466,755	480,999			1,947,754
Support Services					
Student and Instruction Related Services	8,202,189	237,059			8,439,248
General Administrative Services	968,128				968,128
School Administrative Services	5,176,967				5,176,967
Plant Operations and Maintenance	5,440,844				5,440,844
Pupil Transportation	2,234,627				2,234,627
Central and Other Support Services	2,041,176				2,041,176
Debt Service					
Principal	265,235			2,215,000	2,480,235
Interest	28,739			1,309,975	1,338,714
Capital Outlay	1,680,629	573,956	$ 1,526,493		3,781,078
Total Expenditures	67,018,592	2,136,533	1,526,493	3,524,975	74,206,593
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,047,155)	12,794	(1,337,848)	-	(3,372,209)
OTHER FINANCING SOURCES (USES)					
Capital Financing Agreements	439,000				439,000
Transfers In	681,635		251,201		932,836
Transfers Out	(306,044)		(81,635)		(387,679)
Total Other Financing Sources and Uses	814,591	-	169,566	-	984,157
Net Change in Fund Balance	(1,232,564)	12,794	(1,168,282)	-	(2,388,052)
Fund Balance, Beginning of Year	5,160,395	391,771	3,741,055	1	9,293,222
Fund Balance, End of Year	$ 3,927,831	$ 404,565	$ 2,572,773	$ 1	$ 6,905,170

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

RUTHERFORD BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		$ (2,388,052)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.		
Capital Outlay	$ 3,781,078	
Depreciation Expense	(3,050,343)	
		730,735
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources. Neither transaction, however, has any effect on Statement of Activities.		
Issuance of Debt:		
Capital Financing Agreements	(439,000)	
Principal Repayments:		
Bonds Payable	2,215,000	
Capital Financing Agreements	68,301	
Other Financing Agreements	196,934	
		2,041,235
In the statement of activities, costs related to the issuance of long term debt are deferred and amortized over the term of the debt. In the governmental funds, the issuance costs are reported upon the issuance of debt. This amount represents the current year amortization of the costs related to the issuance of long term debt in previous years.		
Deferred Amount on Refunding	(14,824)	
Original Issue Premium	36,725	
		21,901
In the statement of activities, certain operating expenses-compensated absences, pension expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):		
Net Increase in Compensated Absences	(57,788)	
Net Increase in Deferred Pension Obligation	(35,405)	
Net Decrease in Pension Expense	448,316	
		355,123
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Decrease in Accrued Interest		20,723
Change in Net Position of Governmental Activities (Exhibit A-2)		$ 781,665

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

EXHIBIT B-4

RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Other Non-Major Enterprise Funds
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,189,997
Other Receivables	1,501
Total Current Assets	1,191,498
Total Assets	1,191,498
LIABILITIES	
Current Liabilities	
Due to Other Funds	605,541
Unearned Revenue	7,940
Total Current Liabilities	613,481
Total Liabilities	613,481
NET POSITION	
Unrestricted	578,017
Total Net Position	$ 578,017

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

EXHIBIT B-5

RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Other Non-Major Enterprise Funds
OPERATING REVENUES	
Charges for Services	
Daily Sales	$ 67,587
Miscellaneous	5,175
Program Fees	1,044,524
Total Operating Revenues	1,117,286
OPERATING EXPENSES	
Cost of Sales	128,292
Salaries and Employee Benefits	688,467
General Supplies	55,216
Miscellaneous	249
Total Operating Expenses	872,224
Operating Income (Loss)	245,062
NONOPERATING REVENUES	
Interest Earned	33,056
Total Nonoperating Revenues	33,056
Net Income (Loss)	278,118
Operating Transfers	
Operating Transfers In	54,843
Operating Transfers Out	(600,000)
Change in Net Position	(267,039)
Total Net Position, Beginning of Year	845,056
Total Net Position, End of Year	$ 578,017

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

EXHIBIT B-6

RUTHERFORD BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Other Non-Major Enterprise Funds
Cash Flows from Operating Activities	
Cash Received from Customers	$ 1,139,584
Cash Payments to Employees' Salaries and Benefits	(688,467)
Cash Payments to Suppliers for Goods and Services	(248,520)
Net Cash Provided By (Used for) Operating Activities	202,597
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	(489,751)
Net Cash Provided by (Used for) Noncapital Financing Activities	(489,751)
Cash Flows from Capital and Related Financing Activities	
Interest Earned	33,056
Net Cash Provided by (Used for) Noncapital Financing Activities	33,056
Net Change in Cash and Cash Equivalents	(254,098)
Cash and Cash Equivalents, Beginning of Year	1,444,095
Cash and Cash Equivalents, End of Year	$ 1,189,997
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ 245,062
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Change in Assets and Liabilities	
(Increase)/Decrease in Other Accounts Receivable	19,236
Increase/(Decrease) in Due to Other Funds	5,541
Increase/(Decrease) in Unearned Revenue	(2,479)
Increase/(Decrease) in Accounts Payable	(64,763)
Total Adjustments	(42,465)
Net Cash Provided by (Used for) Operating Activities	$ 202,597

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences,* was 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.

- GASB Statement No. 102, *Certain Risk Disclosures*, was effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets,* will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

The *before and after care fund* accounts for the financial activity related to providing day care services for School District students before and after school.

The *summer music program fund* accounts for the financial activity related to providing summer music lessons to students.

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

Reclassifications

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Capital Assets

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

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

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

Assets	Years
Land Improvements	5-20
Buildings and Building Improvements	5-50
Machinery and Equipment	5-20

4. Deferred Outflows/Inflows of Resources

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Deferred Outflows/Inflows of Resources (Continued)

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

5. Compensated Absences

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

6. Pensions

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

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

7. Financing Agreements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Long-Term Obligations

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

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2025 audited excess surplus that is required to be appropriated in the 2026/2027 original budget certified for taxes.

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

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3B).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Capital Reserve – Designated for Subsequent Year's Budget – This designation was created to dedicated the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

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

Capital Financing Agreement – This restriction was created from unexpended proceeds of the capital financing agreement.

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

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

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

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of fund balance appropriated in the 2025/2026 original budget certified for taxes.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2023-2024 and 2024-2025 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. On-Behalf Payments

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

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

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Bonds Payable	$ (44,055,000)
Issuance Premium (to be amortized over life of debt)	(697,784)
Other Financing Agreements	(236,480)
Capital Financing Agreements	(482,001)
Compensated Absences	(1,338,409)
Deferred Pension Liability	(39,000)
Net Pension Liability	(5,120,470)
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Position - Governmental Activities	$ (51,969,144)

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2024/2025. Also, during 2024/2025 the Board increased the original General Fund budget by $1,348,461 due to the reappropriation of prior year encumbrances, withdrawal from Capital Reserve, appropriation of a capital financing agreement and the appropriation of 2023/24 extraordinary aid. The Board increased the Special Revenue Fund budget by $907,520 due to the additional grant awards and inclusion of the student activity and scholarship revenues.

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

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		$ 3,248,417
Increased by:		
Deposits Approved by Board Resolution	$ 100,000	
Transfers from Unexpended General Fund - Capital Outlay Budget Appropriations	260,358	
		360,358
		3,608,775
Decreased by:		
Withdrawals Approved in District Budget	1,597,550	
Withdrawals Approved by Board Resolution	329,277	
		1,926,827
Balance, June 30, 2025		$ 1,681,948

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be $22,620,892. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. $1,000,000 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/26 original budget certified for taxes.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	$ 100,000
Balance, June 30, 2025	$ 100,000

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of $1,058,320. The $100,000 maintenance reserve balance of $100,000 was designated and appropriated for use in the 2025/26 original budget certified for taxes.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2025 is $856,975. Of this amount, $500,000 was designated and appropriated in the 2025/2026 original budget certified for taxes and the remaining amount of $356,975 will be appropriated in the 2026/2027 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2025, the book value of the Board's deposits were $5,033,450 and bank and brokerage firm balances of the Board's deposits amounted to $8,076,859. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account	Bank Balance
Insured	$ 7,495,887
Uninsured and Collateralized	580,972
	$ 8,076,859

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2025 the Board's bank balances of $580,972 were exposed to custodial credit risk as follows:

Depository Account	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Board's name	$ 580,972

Investments

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

As of June 30, 2025, the Board had the following investments.

Investment Type:	Fair Value
N.J. Cash Management Fund	$ 3,415,571

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk. As of June 30, 2025, $3,415,571 of the Board's investments was exposed to custodial credit risk as follows:

	Fair Value
Uninsured and Collateralized:	
Collateral held by pledging financial institutions' trust department or agent but not in the Board's name	$ 3,415,571

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

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

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

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer. More than five (5) percent of the Board's investments are in NJ Cash Management Fund. These investments are 100% of the District's total investments.

Fair Value of Investments. The Rutherford Board of Education measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the District at June 30, 2025 are categorized as Level 2.

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2025 for the District's individual major and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Capital Projects	Before and After Care Fund	Total
Receivables:					
Accounts	$ 210			$ 1,501	$ 1,711
Intergovernmental					
Federal		$ 44,400			44,400
State	84,046	4,849	$ 1,137,937	-	1,226,832
Gross Receivables	84,256	49,249	1,137,937	1,501	1,272,943
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	$ 84,256	$ 49,249	$ 1,137,937	$ 1,501	$ 1,272,943

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	$ 92,665
Capital Projects fund	
Unrealized School Facilities Grants	53,606
Total Unearned Revenue for Governmental Funds	$ 146,271

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024	Increases	Decreases	Balance, June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 7,502,700			$ 7,502,700
Construction in Progress	9,316,845	$ 1,840,508	-	11,157,353
Total Capital Assets, Not Being Depreciated	16,819,545	1,840,508	-	18,660,053
Capital Assets, Being Depreciated:				
Land Improvements	2,207,368	36,341		2,243,709
Buildings and Building Improvements	99,095,779	1,231,058		100,326,837
Machinery and Equipment	4,758,525	673,171	-	5,431,696
Total Capital Assets Being Depreciated	106,061,672	1,940,570	-	108,002,242
Less Accumulated Depreciation for:				
Land Improvements	(395,800)	(129,113)		(524,913)
Buildings and Building Improvements	(46,009,759)	(2,580,254)		(48,590,013)
Machinery and Equipment	(3,575,940)	(340,976)	-	(3,916,916)
Total Accumulated Depreciation	(49,981,499)	(3,050,343)	-	(53,031,842)
Total Capital Assets, Being Depreciated, Net	56,080,173	(1,109,773)	-	54,970,400
Governmental Activities Capital Assets, Net	$ 72,899,718	$ 730,735	$ -	$ 73,630,453

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:	
Instruction	
Regular	$ 242,094
Total Instruction	242,094
Support Services	
School Administrative Services	94,564
Plant Operations and Maintenance	2,687,673
Pupil Transportation	26,012
Total Support Services	2,808,249
Total Depreciation Expense - Governmental Activities	$ 3,050,343

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2025:

Project	Spent to Date	Remaining Commitment
Lincoln Elementary School Fire Alarm Replacement		$ 534,000
Union & Lincoln School Unit Ventilators	$ 159,789	553,211
Site Improvements at Union School		80,980
Total		$ 1,168,191

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Before and After Care Fund	$ 605,541
Capital Projects Fund	General Fund	166,811
		$ 772,352

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Due To/From Other Funds (Continued)

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

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

Interfund Transfers

	Transfer In:			
	General Fund	Capital Projects Fund	Food Service Fund	Total
Transfer Out:				
General Fund		$ 251,201	$ 54,843	$ 306,044
Capital Projects Fund	$ 81,635			81,635
Before and After Care Fund	600,000	-	-	600,000
	$ 681,635	$ 251,201	$ 54,843	$ 987,679

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance other capital assets under capital financing agreements. The repayment under this financing agreement is subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreement at June 30, 2025 is comprised of the following:

$126,813, fiscal year 2024 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of $16,338 and $27,010 through January 20, 2028, interest at 3.50%	$ 69,148
$439,000, fiscal year 2025 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of $64,703 and $93,307 through Febuary 1, 2030, interest at 4.68%	412,853
	$ 482,001

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements

The District entered into the following agreement to finance the purchase of certain equipment that does not meet the threshold of a capital asset and therefore are classified as expendable supplies. The repayments under this financing agreement is subject to the annual appropriation of funds in the District's approved budget.

Other financing agreement at June 30, 2025 is comprised of the following:

$88,440, fiscal year 2024 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of $17,715 and $18,589 through March 1, 2027, interest at 4.937%	$ 36,304
$78,320, fiscal year 2025 Agreement for the acquisition of technology equipment for a term of 3 years due in annual principal installments of $26,106 through September 15, 2025, interest at 0.00%	26,106
$290,000, fiscal year 2025 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of $54,672 and $61,441 through October 1, 2027 interest at 6.01%	174,070
	$ 236,480

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Capital Agreements Principal	Capital Agreements Interest	Other Agreements Principal	Other Agreements Interest	Total
2026	$ 106,760	$ 20,467	$ 98,493	$ 12,254	$ 237,974
2027	111,895	15,333	76,546	8,094	211,868
2028	105,335	10,043	61,441	3,693	180,512
2029	93,308	5,480			98,788
2030	64,703	1,155	-	-	65,858
Total	$ 482,001	$ 52,478	$ 236,480	$ 24,041	$ 795,000

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2025 are comprised of the following issues:

$11,115,000, 2016 Refunding Bonds, due in annual installments of $1,050,000 to $1,065,000 through January 15, 2028 interest from 4.00% - 5.00%	$ 3,175,000
$45,330,000, 2019 School District Bonds, due in annual installments of $1,150,000 to $2,200,000 through December 15, 2044 interest at 2.50% to 3.00%	40,880,000
	$ 44,055,000

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds Principal	Interest	Total
2026	$ 2,215,000	$ 1,238,625	$ 3,453,625
2027	2,225,000	1,167,088	3,392,088
2028	2,215,000	1,095,563	3,310,563
2029	2,200,000	1,001,000	3,201,000
2030	2,200,000	946,000	3,146,000
2031-2035	11,000,000	3,905,000	14,905,000
2036-2040	11,000,000	2,450,250	13,450,250
2041-2045	11,000,000	825,000	11,825,000
	$ 44,055,000	$ 12,628,526	$ 56,683,526

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

4% of Equalized Valuation Basis (Municipal)	$ 146,566,948
Less: Net Debt Issued and Authorized But Not Issued	44,055,000
Remaining Borrowing Power	$ 102,511,948

Deferred Pension Obligation

During the 2008/2009 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled $120,738 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017) at June 30, 2025 is $39,000.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Year Ended December 31	PERS
2025	$ 19,243
2024	19,162
2023	18,925

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable	$ 46,270,000		$ 2,215,000	$ 44,055,000	$ 2,215,000
Add: Premium on Refunding	734,509	-	36,725	697,784	-
Bonds Payable, Net	47,004,509	-	2,251,725	44,752,784	2,215,000
Other Financing Agreements	433,414		196,934	236,480	98,493
Capital Financing Agreements	111,302	$ 439,000	68,301	482,001	106,760
Compensated Absences	1,280,621	57,788		1,338,409	50,000
Deferred Net Pension Obligation	3,595	54,648	19,243	39,000	19,500
Net Pension Liability	6,086,727	-	966,257	5,120,470	-
Governmental Activity Long-Term Liabilities	$ 54,920,168	$ 551,436	$ 3,502,460	$ 51,969,144	$ 2,489,753

The change in compensated absences liability is presented as a net change.

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

NOTE 5 OTHER INFORMATION

A. Risk Management

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

The District is a member of the School Alliance Insurance Fund (SAIF). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. SAIF also provides insured coverage (multi-peril) to its member school districts.

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

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

Fiscal Year Ended June 30,	Employee Contributions	Amount Reimbursed	Ending Balance
2025	$ 53,688	$ 60,705	$ 168,414
2024	51,688	40,307	168,414
2023	48,955		168,414

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

NOTE 5 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is $13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is $49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2025.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2025 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2025	$ 512,774	$ 7,971,707	$ 65,909
2024	561,645	8,104,079	68,467
2023	548,197	7,735,983	56,116

In addition for fiscal years 2025, 2024 and 2023 the State contributed $3,448, $3,015 and $2,786, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $1,734,396 during the fiscal year ended June 30, 2025 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2023 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of $5,120,470 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2024. At June 30, 2024, the District's proportionate share was .03768 percent, which was a decrease of .00434 percent from its proportionate share measured as of June 30, 2023 of .04202 percent.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of $64,458 for PERS. The pension contribution made by the District during the current 2024/2025 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 102,572	$ 13,632
Changes of Assumptions	6,361	58,259
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		237,422
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	148,599	733,237
Total	$ 257,532	$ 1,042,550

At June 30, 2025, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending June 30,	Total
2025	$ (229,759)
2026	(171,898)
2027	(146,582)
2028	(236,779)
Thereafter	-
	$ (785,018)

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Actuarial Assumptions

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date calculated using the discount rate of 7.00, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the PERS Net Pension Liability	$ 6,803,846	$ 5,120,470	$ 3,687,927

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2023 through June 30, 2024. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2024, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of $339,014 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the net pension liability attributable to the District is $92,935,343. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2024. At June 30, 2024, the State's share of the net pension liability attributable to the District was .18803 percent, which was an increase of .00139 percent from its proportionate share measured as of June 30, 2023 of .18664 percent.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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:	2.75-5.65% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability as of the June 30, 2024 measurement date attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	$ 110,466,812	$ 92,935,343	$ 78,170,532

The sensitivity analysis was based on the State's proportionate share of the net pension liability as of the June 30, 2024 measurement date attributable to the District as of the measurement date of June 30, 2024. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2024 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
Total	372,741

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2024 is $59.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2024 were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the July 1, 2023 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of $1.50 billion to the OPEB plan in fiscal year 2024.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2025, 2024 and 2023 were $2,329,339, $2,205,634 and $2,032,224, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2023 through June 30, 2024. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of $3,729,960. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2025 the State's proportionate share of the OPEB liability attributable to the District is $93,613,851. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2024, the state's share of the OPEB liability attributable to the District was .15694 percent, which was an increase of .00270 percent from its proportionate share measured as of June 30, 2023 of .15424 percent.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	PERS	TPAF
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 5.65% Based on Years of Service

Mortality Rates

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

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	$ 80,762,595
Changes Recognized for the Fiscal Year:	
Service Cost	3,451,440
Interest on the Total OPEB Liability	3,081,546
Differences Between Expected and Actual Experience	1,587,552
Changes of Assumptions	7,003,561
Gross Benefit Payments	(2,353,427)
Contributions from the Member	80,584
Net Changes	$ 12,851,256
Balance, June 30, 2024 Measurement Date	$ 93,613,851

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024.

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 109,641,869	$ 93,613,851	$ 80,723,998

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District as of the June 30, 2024 measurement date calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	$ 77,981,019	$ 93,613,851	$ 113,976,646

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

F. Tax Abatements

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	$ 47,910,398		$ 47,910,398	$ 47,910,398	
Tuition From Other Sources	144,000		144,000	232,310	$ 88,310
Tuition From Summer School	61,200		61,200		(61,200)
Interest Earned on Capital Reserve Funds	35,000		35,000		(35,000)
Interest Earned on Maintenance Reserve Funds	1,500		1,500		(1,500)
Unrestricted Miscellaneous Revenues	820,000	-	820,000	697,459	(122,541)
Total Local Sources	48,972,098	-	48,972,098	48,840,167	(131,931)
State Sources					
Special Education Aid	2,212,423		2,212,423	2,212,423	
Security Aid	133,835		133,835	133,835	
Transportation Aid	209,359		209,359	209,359	
Equalization Aid	815,410		815,410	815,410	
Extraordinary Aid	400,000		400,000	827,414	427,414
On Behalf TPAF (Non Budgeted)					
Pension Contribution				7,874,167	7,874,167
NCGI Premium				97,540	97,540
LTDI				3,448	3,448
Post Retirement Medical Contributions				2,329,339	2,329,339
Social Security Contributions	-	-	-	1,734,396	1,734,396
Total State Sources	3,771,027	-	3,771,027	16,237,331	12,466,304
Federal Sources					
Medicaid Assistance Program (SEMI)	46,704	-	46,704	14,389	(32,315)
Total Federal Sources	46,704	-	46,704	14,389	(32,315)
Total Revenues	52,789,829	-	52,789,829	65,091,887	12,302,058
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	145,530	$ 600	146,130	146,130	-
Kindergarten	634,489	(52,173)	582,316	582,163	153
Grades 1-5	5,631,201	(127,725)	5,503,476	5,503,476	-
Grades 6-8	4,633,964	(156,684)	4,477,280	4,476,637	643
Grades 9-12	5,762,017	(4,841)	5,757,176	5,739,047	18,129
Regular Programs - Home Instruction					
Salaries of Teachers	20,000	5,375	25,375	25,375	-
Purchased Professional/Educational Services		30,794	30,794	20,931	9,863
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	278,840	10,576	289,416	287,858	1,558
Purchased Professional/Educational Services		50,229	50,229	49,917	312
Other Purchased Services	476,247	(91,120)	385,127	368,263	16,864
General Supplies	634,840	(87,821)	547,019	537,204	9,815
Textbooks	26,370	(1,459)	24,911	24,865	46
Total Regular Programs	18,243,498	(424,249)	17,819,249	17,761,866	57,383
Learning and / or Language Disabilities - Mild/Moderate					
Salaries of Teachers	469,206	(7,585)	461,621	461,621	-
Other Salaries for Instruction	209,137	3,969	213,106	213,106	-
Purchased Professional/Educational Services	435,000	23,083	458,083	454,933	3,150
General Supplies	18,000	(7,062)	10,938	10,938	-
Textbooks	200	(200)	-	-	-
Total Learning and/or Language Disabilities Mild/Moderate	1,131,543	12,205	1,143,748	1,140,598	3,150
Multiple Disabilities					
Salaries of Teachers	344,336	(605)	343,731	343,731	-
Other Salaries for Instruction	97,170	31,091	128,261	128,261	-
General Supplies	20,500	(11,791)	8,709	8,709	-
Textbooks	500	(500)	-	-	-
Total Multiple Disabilities	462,506	18,195	480,701	480,701	-
Preschool Disabilities - Full-Time					
Salaries of Teachers	56,980	-	56,980	56,980	-
Other Salaries for Instruction	83,187	2,249	85,436	85,436	-
Total Preschool Disabilities - Full-Time	140,167	2,249	142,416	142,416	-
Total Special Education	1,734,216	32,649	1,766,865	1,763,715	3,150

(Continued)

RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Basic Skills/Remedial					
Salaries of Teachers	$ 951,185	$ (11,276)	$ 939,909	$ 939,527	$ 382
Total Basic Skills/Remedial	951,185	(11,276)	939,909	939,527	382
Bilingual Education					
Salaries of Teachers	172,965	393	173,358	173,358	-
Total Bilingual Education	172,965	393	173,358	173,358	-
School Sponsored Co/Extra Curricular Activities					
Salaries	145,000	-	145,000	136,921	8,079
Transfer to Cover Deficit (Custodial Funds)	58,000	500	58,500	48,267	10,233
Total School Sponsored Co/Extra Curricular Activities	203,000	500	203,500	185,188	18,312
School Sponsored Athletics					
Salaries	479,944	(16,240)	463,704	440,323	23,381
Purchased Services	75,000	75,569	150,569	149,269	1,300
Supplies and Materials	145,740	(34,908)	110,832	110,618	214
Total School Sponsored Athletics	700,684	24,421	725,105	700,210	24,895
Summer School - Instruction					
Other Salaries for Instruction	104,000	-	104,000	100,926	3,074
General Supplies	10,000	(7,824)	2,176	2,176	-
Total Summer School - Instruction	114,000	(7,824)	106,176	103,102	3,074
Instructional Alternative Ed Program - Instruction					
Salaries	106,204	2,554	108,758	108,758	-
Other Salaries for Instruction	73,618	(42,554)	31,064	27,805	3,259
General Supplies	6,500	(238)	6,262	2,796	3,466
Total Instructional Alternative Ed Program - Instruciton	186,322	(40,238)	146,084	139,359	6,725
Total Instruction	22,305,870	(425,624)	21,880,246	21,766,325	113,921
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	279,052	219,917	498,969	492,505	6,464
Tuition to County Voc. School District-Regular	820,944	(5,919)	815,025	811,059	3,966
Tuition to County Voc. School District-Special	83,268	55,296	138,564	138,564	-
Tuition to CSSD and Regional Day Schools	239,660	(50,436)	189,224	189,224	-
Tuition to Priv. Sch. for the Disabled - w/i state	3,367,390	207,123	3,574,513	3,565,217	9,296
Tuition to Priv. Sch. for the Disabled - Outside State	80,350	1,946	82,296	81,588	708
Tuition - Other	-	64,795	64,795	64,795	-
Total Undistributed Expenditures - Instruction	4,870,664	492,722	5,363,386	5,342,952	20,434
Attendance and Social Work					
Salaries	83,362	1,001	84,363	84,363	-
Other Objects	-	2,914	2,914	2,914	-
Total Attendance and Social Work	83,362	3,915	87,277	87,277	-
Health Services					
Salaries	579,991	(6,041)	573,950	573,950	-
Supplies and Materials	17,795	(2,988)	14,807	12,081	2,726
Total Health Services	597,786	(9,029)	588,757	586,031	2,726
Speech, OT, PT & Related Services					
Salaries	391,367	(1,950)	389,417	389,417	
Supplies and Materials	3,358	(274)	3,084	3,084	-
Total Speech, OT, PT & Related Services	394,725	(2,224)	392,501	392,501	-

(Continued)

RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Students - Extra Services					
Salaries	$ 616,853	$ 4,265	$ 621,118	$ 621,118	
Purchased Professional/Educational Services	576,183	218,078	794,261	784,829	$ 9,432
Total Other Supp.Serv. Student - Extra Services	1,193,036	222,343	1,415,379	1,405,947	9,432
Guidance					
Salaries of Other Professional Staff	960,579	(19,475)	941,104	933,007	8,097
Salaries of Secretarial & Clerical Assistants	114,753	-	114,753	114,753	-
Purchased Professional/Educational Services	85,491	(16,793)	68,698	59,504	9,194
Supplies and Materials	1,625	(775)	850	64	786
Other Objects	37,520	(6,813)	30,707	26,132	4,575
Total Guidance	1,199,968	(43,856)	1,156,112	1,133,460	22,652
Child Study Teams					
Salaries of Other Professional Staff	872,416	(3,379)	869,037	869,037	-
Salaries of Secretarial & Clerical Assistants	63,308	355	63,663	63,663	-
Other Purchased Services	3,000	(2,076)	924	924	-
Supplies and Materials	16,000	(1,682)	14,318	13,863	455
Total Child Study Teams	954,724	(6,782)	947,942	947,487	455
Other Support Services - Improvement of Instructional Services					
Purchased Professional- Educational Services	16,124	-	16,124	14,124	2,000
Other Purchased Services	2,450	5,151	7,601	1,782	5,819
Total Other Support Services - Improvement of Inst. Svcs.	18,574	5,151	23,725	15,906	7,819
Educational Media/School Library					
Salaries	482,168	(45,132)	437,036	436,225	811
Salaries of Technology Coordinators	185,592	21,642	207,234	207,234	-
Supplies and Materials	37,550	3,413	40,963	39,929	1,034
Other Objects	22,000	(112)	21,888	21,888	-
Total Educational Media/School Library	727,310	(20,189)	707,121	705,276	1,845
Instructional Staff Training Services					
Purchased Professional/Educational Services	2,000	(2,000)	-	-	-
Total Instructional Staff Training Services	2,000	(2,000)	-	-	-
Support Services General Administration					
Salaries	287,711	10,000	297,711	296,169	1,542
Legal Services	30,000	6,070	36,070	36,070	-
Audit Fees	48,000	(2,881)	45,119	45,101	18
Other Purchased Professional Service	177,360	10,617	187,977	181,085	6,892
Architectural/Engineering Services	15,000	(12,500)	2,500		2,500
Communications/Telephone	124,450	(34,241)	90,209	81,102	9,107
Miscellaneous Purchased Services	10,000	(5,142)	4,858	2,539	2,319
BOE Other Purchased Services	2,000	1,700	3,700	3,084	616
General Supplies	20,000	14,850	34,850	34,420	430
BOE Membership Dues and Fees	20,605	142	20,747	20,605	142
Total Support Services General Administration	735,126	(11,385)	723,741	700,175	23,566
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Directors	1,383,574	(5,612)	1,377,962	1,377,962	-
Salaries of Other Professional Staff	951,313	18,260	969,573	969,573	-
Salaries of Secretarial and Clerical Assistants	634,118	22,333	656,451	656,450	1
Other Purchased Services	43,950	14,563	58,513	57,784	729
Supplies and Materials	37,716	26,452	64,168	59,698	4,470
Other Objects	119,350	(67,754)	51,596	50,796	800
Total Support Services School Administration	3,170,021	8,242	3,178,263	3,172,263	6,000

(Continued)

RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	$ 759,203	$ 48,355	$ 807,558	$ 807,558	
Purchased Technical Services	136,278	5,161	141,439	131,841	$ 9,598
Misc. Purchased Services	3,500	2,600	6,100	4,722	1,378
Supplies and Materials	10,000	14,813	24,813	10,726	14,087
Miscellaneous Expenditures	2,000	825	2,825	2,825	-
Total Central Services	910,981	71,754	982,735	957,672	25,063
Admin. Info. Technology					
Salaries	268,445	18,155	286,600	281,234	5,366
Purchased Technical Services	14,300	(470)	13,830	13,830	-
Other Purchased Services	1,900	(525)	1,375	804	571
Other Objects	178,200	25,781	203,981	201,827	2,154
Total Admin. Info. Technology	462,845	42,941	505,786	497,695	8,091
Required Maintenance for School Facilities					
Salaries	584,134	(106,472)	477,662	454,398	23,264
Cleaning, Repair and Maintenance	477,490	(22,068)	455,422	414,551	40,871
General Supplies	138,447	10,596	149,043	132,538	16,505
Other Objects	10,600	(877)	9,723	9,166	557
Total Required Maintenance for School Facilities	1,210,671	(118,821)	1,091,850	1,010,653	81,197
Custodial Services					
Salaries	751,561	41,701	793,262	762,222	31,040
Salaries of Non-Instructional Aides	165,000	3,170	168,170	168,170	-
Cleaning, Repair and Maintenance	1,235,202	(23,674)	1,211,528	1,201,943	9,585
Other Purchased Property Services	72,000	1,048	73,048	59,967	13,081
Insurance	260,000	3,014	263,014	263,014	-
General Supplies	172,045	(24,563)	147,482	138,360	9,122
Energy (Natural Gas)	180,000	166,106	346,106	337,947	8,159
Energy (Electricity)	552,000	197,190	749,190	714,183	35,007
Total Custodial Services	3,387,808	363,992	3,751,800	3,645,806	105,994
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance	86,700	4,740	91,440	89,071	2,369
Total Care & Upkeep of Grounds	86,700	4,740	91,440	89,071	2,369
Student Transportation Services					
Salaries of Non-Instructional Aides	62,740	1,590	64,330	64,330	-
Salaries of Pupil Trans (Between Home & School) Regular	84,878	5,185	90,063	90,063	-
Salaries of Pupil Trans (Between Home & School) Special Ed	268,429	62,618	331,047	331,047	-
Sal. For Pupil Trans (Other than Bet. Home & School)	15,000	(15,000)			-
Cleaning, Repair and Maintenance Services	90,000	1,112	91,112	90,868	244
Lease Purchase Payments - School Buses	26,000	(26,000)			-
Contracted Services - (Special Ed. Students) - Vendors	1,500,000	(135,499)	1,364,501	1,364,501	-
General Supplies	47,859	4,036	51,895	50,075	1,820
Total Student Transportation Services	2,094,906	(101,958)	1,992,948	1,990,884	2,064
Unallocated Benefits- Employee Benefits					
Social Security Contributions	540,000	19,284	559,284	559,284	-
Other Retirement Contributions - PERS	599,000	(66,983)	532,017	532,017	-
Other Retirement Contributions - Regular	65,000	909	65,909	65,909	-
Workmen's Compensation	180,000	32,443	212,443	212,443	-
Health Benefits	7,192,801	(333)	7,192,468	7,192,468	-
Tuition Reimbursement	22,000	(14,295)	7,705	7,705	-
Other Employee Benefits	216,300	(9,560)	206,740	206,740	-
Total Unallocated Benefits	8,815,101	(38,535)	8,776,566	8,776,566	-

(Continued)

RUTHERFORD BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
On Behalf TPAF (Non Budgeted)					
Pension Contribution				$ 7,874,167	$ (7,874,167)
NCGI Premium				97,540	(97,540)
Long Term Disability Insurance				3,448	(3,448)
Post Retirement Medical Contributions				2,329,339	(2,329,339)
Social Security Contributions	-	-	-	1,734,396	(1,734,396)
Total On-Behalf TPAF	-	-	-	12,038,890	(12,038,890)
Total Undistributed Expenditures	$ 30,916,308	$ 861,021	$ 31,777,329	43,496,512	(11,719,183)
Interest Deposit to Maintenance Reserve	1,500	-	1,500	-	1,500
Total Current Expenditures	53,223,678	435,397	53,659,075	65,262,837	(11,603,762)
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 9-12		98,550	98,550	98,549	1
Undistributed Expenditures					
Admin Info Technology		439,000	439,000	319,836	119,164
Required Maintenance for School Facilities	727,424	(727,424)	-	-	-
Total Equipment	727,424	(189,874)	537,550	418,385	119,165
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		68,000	68,000	14,982	53,018
Construction Services	795,000	728,894	1,523,894	1,247,262	276,632
Assessment for Debt Service on SDA Funding	75,126	-	75,126	75,126	-
Total Facilities Acquisition and Construction Services	870,126	796,894	1,667,020	1,337,370	329,650
Interest Deposit to Capital Reserve	35,000	-	35,000	-	35,000
Total Capital Outlay	1,632,550	607,020	2,239,570	1,755,755	483,815
Total General Fund Expenditures	54,856,228	1,042,417	55,898,645	67,018,592	(11,119,947)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,066,399)	(1,042,417)	(3,108,816)	(1,926,705)	1,182,111
Other Financing Sources (Uses)					
Capital Financing Agreement Proceeds				439,000	439,000
Capital Reserve - Transfer to Capital Projects		(251,201)	(251,201)	(251,201)	-
Transfer from Capital Projects Fund				81,635	81,635
Transfer from Before and After Care Fund				600,000	600,000
Transfer to Enterprise Fund - Food Service	-	(54,843)	(54,843)	(54,843)	-
Total Other Financing Sources (Uses)	-	(306,044)	(306,044)	814,591	1,120,635
Excess /(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,066,399)	(1,348,461)	(3,414,860)	(1,112,114)	2,302,746
Fund Balance, Beginning of Year	6,176,322	-	6,176,322	6,176,322	-
Fund Balance, End of Year	$ 4,109,923	$ (1,348,461)	$ 2,761,462	$ 5,064,208	$ 2,302,746
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				$ 681,948	
Capital Reserve - Designated for Subsequent Year's Budget				1,000,000	
Maintenance Reserve - Designated for Subsequent Year's Budget				100,000	
Excess Surplus				356,975	
Excess Surplus - Designated for Subsequent Year's Budget				500,000	
Capital Financing Agreement				96,705	
Unemployment Compensation Reserve				168,414	
Assigned					
Encumbrances				91,751	
Designated for Subsequent Year's Budget				545,163	
Unassigned				1,523,252	
Fund Balance - Budgetary Basis				5,064,208	
Reconciliation to Governmental Fund Statements (GAAP)					
State Aid Payments Not Recognized on a GAAP Basis				(1,136,377)	
Fund Balance per Governmental Funds (GAAP)				$ 3,927,831	

RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
State	$ 173,000	$ 57,164	$ 230,164	$ 168,031	$ (62,133)
Federal	685,000	295,680	980,680	835,109	(145,571)
Local Sources					
Miscellaneous	10,000	554,676	564,676	567,470	2,794
Total Revenues	868,000	907,520	1,775,520	1,570,610	(204,910)
EXPENDITURES					
Instruction					
Salaries of Teachers	34,060	3,600	37,660	36,660	1,000
Purchased Professional Educational Services	186,026	34,589	220,615	91,545	129,070
Other Purchased Services	441,400	164,133	605,533	605,533	-
General Supplies	32,812	81,195	114,007	95,163	18,844
Textbooks		11,778	11,778	11,153	625
Co-Curricular Student Activities & Athletics		468,999	468,999	468,999	-
Other Objects	-	4,748	4,748	4,310	438
Total Instruction	694,298	769,042	1,463,340	1,313,363	149,977
Support Services					
Salaries of Teachers	2,600	2,700	5,300	4,810	490
Purchased Professional and Technical Services	119,055	38,370	157,425	110,525	46,900
Purchased Professional Educational Services	7,420	88,975	96,395	80,742	15,653
Cleaning, Repair and Maintenance Services		639	639	-	639
Other Purchased Services	41,655	(4,050)	37,605	33,769	3,836
General Supplies	2,972	(294)	2,678	2,607	71
Scholarship Awards	-	12,000	12,000	12,000	-
Total Support Services	173,702	138,340	312,042	244,453	67,589
Facilities Acquisition and Construction Svs					
Instructional Equipment	-	138	138	-	138
Total Facilities Acquisition and Const Svs	-	138	138	-	138
Total Expenditures	868,000	907,520	1,775,520	1,557,816	217,704
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	12,794	12,794
Fund Balance, Beginning of Year	391,771	-	391,771	391,771	-
Fund Balance, End of Year	$ 391,771	$ -	$ 391,771	$ 404,565	$ 12,794

Recapitulation of Fund Balance

Restricted:	
Scholarships	$ 102,672
Student Activities	301,893
	$ 404,565

RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual Revenues (Budgetary Basis)	$ 65,091,887	$ 1,570,610
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2024 Encumbrances, Net		578,717
State Aid payments recognized for GAAP purposes, not recognized for budgetary purposes.	1,015,927	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(1,136,377)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.(Exhibit B-2)	$ 64,971,437	$ 2,149,327
Uses/outflows of resources		
Actual Expenditures (Budgetary Basis)	$ 67,018,592	$ 1,557,816
Differences - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
June 30, 2024 Encumbrances, Net	-	578,717
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	$ 67,018,592	$ 2,136,533

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0.03768%	0.04202%	0.04347%	0.04175%	0.04295%	0.04063%	0.03900%	0.04088%	0.04081%	0.04436%
District's Proportionate Share of the Net Pension Liability (Asset)	$ 5,120,470	$ 6,086,727	$ 6,560,454	$ 4,946,156	$ 7,004,419	$ 7,320,776	$ 7,678,965	$ 9,517,153	$ 12,087,044	$ 9,958,348
District's Covered-Employee Payroll	$ 3,243,754	$ 3,101,373	$ 3,122,940	$ 3,124,524	$ 3,010,068	$ 2,841,376	$ 2,890,152	$ 2,907,516	$ 3,246,116	$ 3,004,876
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	157.86%	196.26%	210.07%	158.38%	224.18%	243.21%	270.26%	329.30%	415.72%	306.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 512,774	$ 561,645	$ 548,197	$ 488,965	$ 469,879	$ 395,203	$ 387,927	$ 378,747	$ 362,559	$ 381,393
Contributions in Relation to the Contractually Required Contribution	$ 512,774	$ 561,645	$ 548,197	$ 488,965	$ 469,879	$ 395,203	$ 387,927	$ 378,747	$ 362,559	$ 381,393
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
District's Covered-Employee Payroll	$ 3,321,352	$ 3,243,754	$ 3,101,373	$ 3,122,940	$ 3,124,524	$ 3,010,068	$ 2,841,376	$ 2,890,152	$ 2,907,516	$ 3,246,116
Contributions as a Percentage of Covered-Employee Payroll	15.44%	17.31%	17.68%	17.80%	15.60%	16.03%	13.63%	13.73%	14.10%	13.29%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*
(Dollar amounts in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Lability (Asset)	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	$ 92,935,343	$ 95,249,473	$ 96,820,938	$ 88,897,083	$ 119,706,526	$ 112,277,508	$ 119,124,311	$ 121,683,972	$ 142,648,960	$ 117,584,718
	$ 92,935,343	$ 95,249,473	$ 96,820,938	$ 88,897,083	$ 119,706,526	$ 112,277,508	$ 119,124,311	$ 121,683,972	$ 142,648,960	$ 117,584,718
District's Covered-Employee Payroll	$ 23,812,042	$ 23,379,250	$ 22,813,839	$ 24,788,744	$ 23,694,116	$ 23,083,788	$ 22,592,288	$ 22,720,348	$ 21,656,256	$ 21,525,380
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 3,451,440	$ 3,489,646	$ 4,567,166	$ 5,287,001	$ 2,880,505	$ 2,677,766	$ 2,990,540	$ 3,618,763
Interest on the Total OPEB Liability	3,081,546	2,844,360	2,078,743	2,425,435	2,311,229	2,793,623	2,938,194	2,533,581
Changes of Benefit Terms				(99,517)				
Differences Between Expected and Actual Experience	1,587,552	(2,029,737)	1,331,247	(17,054,244)	18,116,232	(10,941,541)	(5,554,903)	
Changes of Assumptions	7,003,561	162,784	(21,042,201)	92,243	19,124,281	954,703	(8,084,888)	(10,549,402)
Contribution from the Member	80,584	72,891	66,056	62,006	55,245	58,264	65,111	68,217
Gross Benefit Payments	(2,353,427)	(2,217,225)	(2,059,057)	(1,910,563)	(1,822,664)	(1,965,553)	(1,883,901)	(1,852,583)
Net Change in Total OPEB Liability	12,851,256	2,322,719	(15,058,046)	(11,197,639)	40,664,828	(6,422,738)	(9,529,847)	(6,181,424)
Total OPEB Liability - Beginning	80,762,595	78,439,876	93,497,922	104,695,561	64,030,733	70,453,471	79,983,318	86,164,742
Total OPEB Liability - Ending	$ 93,613,851	$ 80,762,595	$ 78,439,876	$ 93,497,922	$ 104,695,561	$ 64,030,733	$ 70,453,471	$ 79,983,318
District's Proportionate Share	$0	$0	$0	$0	$0	$0	$0	$0
State's Proportionate Share	$ 93,613,851	$ 80,762,595	$ 78,439,876	$ 93,497,922	$ 104,695,561	$ 64,030,733	$ 70,453,471	$ 79,983,318
Total OPEB Liability - Ending	$ 93,613,851	$ 80,762,595	$ 78,439,876	$ 93,497,922	$ 104,695,561	$ 64,030,733	$ 70,453,471	$ 79,983,318
Covered Payroll	$ 27,055,796	$ 26,480,623	$ 25,936,779	$ 24,444,650	$ 23,978,980	$ 23,012,319	$ 22,394,329	$ 21,860,509
District's Proportionate Share of the OPEB Liability as a Percentage of Covered Payroll:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

EXHIBIT M-2

RUTHERFORD BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
IEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABIL
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Changes in Benefit Terms:	None.
Changes of Assumptions	Assumptions used in calculating the OPEB liability are presented in Note 4E.

SPECIAL REVENUE FUND

RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ESEA										
REVENUES	**Title IA**	**Title IIA**	**Title III**	**Title III Immigrant**	**Title IV**	**Scholarship**	**Student Activity/ Athletics**	**Other Local Projects**	**Total Exhibit E-1a**	**Total Exhibit E-1b**	**Total**
Intergovernmental											
State										$ 168,031	$ 168,031
Federal	$ 115,456	$ 45,214	$ 10,413	$ 9,883	$ 19,135				$ 635,008		835,109
Local	-	-	-	-	-	$ 13,279	$ 480,514	$ 73,677	-	-	567,470
Total Revenues	115,456	45,214	10,413	9,883	19,135	13,279	480,514	73,677	635,008	168,031	1,570,610
EXPENDITURES											
Instruction											
Salaries of Teachers	33,060								3,600		36,660
Purchased Professional Educational Services			6,000	1,495	12,340					71,710	91,545
Other Purchased Services									605,533		605,533
General Supplies	8,096		1,063	1,106				73,677		11,221	95,163
Textbooks										11,153	11,153
Other Objects				4,310							4,310
Co-Curricular - Student Activities							393,748				393,748
Co-Curricular - Athletics	-	-	-	-	-	-	75,251	-	-	-	75,251
Total Instruction	41,156	-	7,063	6,911	12,340	-	468,999	73,677	609,133	94,084	1,313,363
Support Services											
Salaries of Teachers		4,810									4,810
Purchased Professional and Technical Services	74,300	10,350							25,875		110,525
Purchased Professional Educational Services					6,795					73,947	80,742
Other Purchased Services		30,054	2,715	1,000							33,769
General Supplies			635	1,972							2,607
Scholarships	-	-	-	-	-	$ 12,000	-	-	-	-	12,000
Total Support Services	74,300	45,214	3,350	2,972	6,795	12,000	-	-	25,875	73,947	244,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	1,279	11,515	-	-	-	12,794
Fund Balance, July 1, 2024	-	-	-	-	-	101,393	290,378	-	-	-	391,771
Fund Balance, June 30, 2025	$ -	$ -	$ -	$ -	$ -	$ 102,672	$ 301,893	$ -	$ -	$ -	$ 404,565

EXHIBIT E-1a

RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP	IDEA		
	Accelerated Learning Coach and Educator	Part B-Basic	Pre-School	Total
REVENUES				
Intergovernmental				
Federal	$ 3,600	$ 608,319	$ 23,089	$ 635,008
Total Revenues	3,600	608,319	23,089	635,008
EXPENDITURES				
Instruction				
Salaries of Teachers	3,600			3,600
Other Purchased Services	-	582,444	23,089	605,533
Total Instruction	3,600	582,444	23,089	609,133
Support Services				
Purchased Professional and Technical Services	-	25,875	-	25,875
Total Support Services	-	25,875	-	25,875
Total Expenditures	3,600	608,319	23,089	635,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance, July 1, 2024	-	-	-	-
Fund Balance, June 30, 2025	$ -	$ -	$ -	$ -

RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Corrective Speech	Exam and Classification	Supplementary Instruction	Home Instruction	Nonpublic Nursing	Nonpublic Textbook	Nonpublic Technology	Nonpublic Security	Total
REVENUES									
Intergovernmental									
State	$ 2,325	$ 34,883	$ 29,653	$ 4,849	$ 29,770	$ 11,153	$ 11,221	$ 44,177	$ 168,031
Total Revenues	2,325	34,883	29,653	4,849	29,770	11,153	11,221	44,177	168,031
EXPENDITURES									
Instruction									
Purchased Professional Educational Services	2,325	34,883	29,653	4,849					71,710
General Supplies							11,221		11,221
Textbooks	-	-	-	-	-	11,153	-	-	11,153
Total Instruction	2,325	34,883	29,653	4,849	-	11,153	11,221	-	94,084
Support Services									
Purchased Professional Educational Services	-	-	-	-	29,770	-	-	44,177	73,947
Total Support Services	-	-	-	-	29,770	-	-	44,177	73,947
Total Expenditures	2,325	34,883	29,653	4,849	29,770	11,153	11,221	44,177	168,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1, 2024	-	-	-	-	-	-	-	-	-
Fund Balance, June 30, 2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT E-2

RUTHERFORD BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

EXHIBIT E-3

SCHEDULE OF STUDENT ACTIVITY AND SCHOLARSHIP ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Cash Receipts	Cash Disbursements	Balance, June 30, 2025
Student Activities Account	$ 287,030	$ 404,556	$ 393,748	$ 297,838
Scholarships Account	101,393	13,279	12,000	102,672
Athletic Account	3,348	75,958	75,251	4,055
Total	$ 391,771	$ 493,793	$ 480,999	$ 404,565

CAPITAL PROJECTS FUND

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Project Title	Modified Appropriation	Expenditures to Date Prior Year	Expenditures to Date Current Year	Balance, June 30, 2025
Rutherford High School Renovations	$ 11,295,309	$ 11,008,660	$ 26,653	$ 259,996
Lincoln School Addition	2,001,247	1,463,677	422,248	115,322
Pierrepont Addition and Renovation	17,764,923	15,972,209	43,117	1,749,597
Kindergarten Center Renovation	2,745,420	2,505,919	239,501	-
Union School Addition and Renovation	11,523,579	10,638,958	527,449	357,172
Union School Unit Ventilators Replacement	411,817	-	267,525	144,292
	$ 45,742,295	$ 41,589,423	$ 1,526,493	$ 2,626,379

Reconciliation to GAAP Basis:

Fund Balance, June 30, 2025 - Budgetary Bas	$ 2,626,379
Less:	
Unearned Revenue - SDA Grants	(53,606)
Fund Balance, June 30, 2025- GAAP Basis	$ 2,572,773

Analysis of Balance

Year End Encumbrances	$ 340,594
Available for Capital Projects	2,232,179
	$ 2,572,773

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues and Other Financing Sources	
State Sources - SDA Grant	$ 160,616
Transfer from Capital Reserve	251,201
Interest Earned	81,635
Total Revenues and Other Financing Sources	493,452
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	125,085
Construction Services	1,221,522
Equipment	179,886
Transfers to General Fund	81,635
Total Expenditures and Other Financing Uses	1,608,128
Net Change in Fund Balance	(1,114,676)
Fund Balance, July 1, 2024	3,741,055
Fund Balance, June 30, 2025	$ 2,626,379
Reconciliation to GAAP:	
Fund Balance, End of Year - Budgetary Basis	$ 2,626,379
Less: Unearned Revenue - ROD Grants	(53,606)
Fund Balance, End of Year - GAAP Basis	$ 2,572,773

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RUTHERFORD HIGH SCHOOL RENOVATIONS
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 11,263,000		$ 11,263,000	$ 11,263,000
Transfer from Other Projects		$ 32,151	32,151	$ 32,151
Transfer from Capital Reserve	158	-	158	158
Total Revenues and Other Financing Sources	11,263,158	32,151	11,295,309	11,295,309
Expenditures and Other Financing Uses				
Legal Services	25,984		25,984	35,931
Purchased Professional and Technical Services	2,041,850	26,653	2,068,503	2,578,530
Construction Services	8,468,809		8,468,809	8,532,665
Supplies and Materials	17,149		17,149	32,151
Equipment	454,868	-	454,868	116,032
Total Expenditures and Other Financing Uses	11,008,660	26,653	11,035,313	11,295,309
Excess of Revenues Over Expenditures	$ 254,498	$ 5,498	$ 259,996	$ -

Additional Project Information:	
Project Number	4600-050-19-1000
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	$ 11,263,000
Bonds Issued	$ 11,263,000
Original Authorized Cost	$ 14,935,205
Authorized Cost Adjustments	$ (3,639,896)
Revised Authorized Cost	$ 11,295,309

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
LINCOLN SCHOOL ADDITION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 1,508,755		$ 1,508,755	$ 1,508,755
Transfer from Other Projects		$ 492,475	492,475	492,475
Transfer from Capital Reserve	17	-	17	17
Total Revenues and Other Financing Sources	1,508,772	492,475	2,001,247	2,001,247
Expenditures and Other Financing Uses				
Legal Services	12,182		12,182	19,166
Purchased Professional and Technical Services	209,789	3,570	213,359	308,697
Construction Services	1,176,423	418,678	1,595,101	1,647,708
Equipment	65,283	-	65,283	25,676
Total Expenditures and Other Financing Uses	1,463,677	422,248	1,885,925	2,001,247
Excess of Revenues Over Expenditures	$ 45,095	$ 70,227	$ 115,322	$ -

Additional Project Information:

Project Number	4600-070-19-1000
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	$ 1,508,755
Bonds Issued	$ 1,508,755
Original Authorized Cost	$ 1,595,135
Authorized Cost Adjustments	$ 406,112
Revised Authorized Cost	$ 2,001,247

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
PIERREPONT ADDITION AND RENOVATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 18,220,759		$ 18,220,759	$ 17,764,755
Transfer from Capital Reserve	168	-	168	168
Total Revenues and Other Financing Sources	18,220,927	-	18,220,927	17,764,923
Expenditures and Other Financing Uses				
Legal Services	27,728		27,728	38,175
Purchased Professional and Technical Services	2,154,957	$ 43,117	2,198,074	2,712,295
Construction Services	13,278,849		13,278,849	15,383,502
Supplies and Materials	9,938		9,938	
Equipment	500,737		500,737	86,955
Transfer to Other Projects	-	456,004	456,004	(456,004)
Total Expenditures and Other Financing Uses	15,972,209	499,121	16,471,330	17,764,923
Excess of Revenues Over Expenditures	$ 2,248,718	$ (499,121)	$ 1,749,597	$ -

Additional Project Information:	
Project Number	4600-080-19-1000
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	$ 18,220,759
Bonds Issued	$ 18,220,759
Original Authorized Cost	$ 18,220,927
Authorized Cost Adjustments	$ (456,004)
Revised Authorized Cost	$ 17,764,923

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
KINDERGARTEN CENTER RENOVATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 2,738,068		$ 2,738,068	$ 2,738,068
Transfer from Other Projects		$ 7,329	7,329	$ 7,329
Transfer from Capital Reserve	23	-	23	23
Total Revenues and Other Financing Sources	2,738,091	7,329	2,745,420	2,745,420
Expenditures and Other Financing Uses				
Legal Services	17,744		17,744	21,131
Purchased Professional and Technical Services	330,579	6,479	337,058	354,404
Construction Services	2,142,565	53,136	2,195,701	2,362,556
Equipment	15,031	179,886	194,917	7,329
Total Expenditures and Other Financing Uses	2,505,919	239,501	2,745,420	2,745,420
Excess of Revenues Over Expenditures	$ 232,172	$ (232,172)	$ -	$ -

Additional Project Information:

Project Number	4600-090-19-1000
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	$ 2,738,068
Bonds Issued	$ 2,738,068
Original Authorized Cost	$ 2,199,935
Authorized Cost Adjustments	$ 545,485
Revised Authorized Cost	$ 2,745,420

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
UNION SCHOOL ADDITION AND RENOVATION
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bond Proceeds	$ 11,599,418		$ 11,599,418	$11,599,418
Transfer from Capital Reserve	112	-	112	112
Total Revenues and Other Financing Sources	11,599,530	-	11,599,530	11,599,530
Expenditures and Other Financing Uses				
Legal Services	26,888		26,888	35,760
Purchased Professional and Technical Services	1,611,012	$ 27,449	1,638,461	1,926,365
Construction Services	8,744,715	500,000	9,244,715	9,613,823
Supplies and Materials	5,761		5,761	
Equipment	250,582		250,582	23,582
Transfer to Other Projects	-	75,951	75,951	-
Total Expenditures and Other Financing Uses	10,638,958	603,400	11,242,358	11,599,530
Excess of Revenues Over Expenditures	$ 960,572	$ (603,400)	$ 357,172	$ -

Additional Project Information:

Project Number	4600-100-19-1000
Grant Date	N/A
Bond Authorization Date	9/24/2019
Bonds Authorized	$ 11,599,418
Bonds Issued	$ 11,599,418
Original Authorized Cost	$ 10,684,700
Authorized Cost Adjustments	$ 914,830
Revised Authorized Cost	$ 11,599,530

EXHIBIT F-2f

RUTHERFORD BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
UNION SCHOOL UNIT VENTILATORS REPLACEMENT
FROM INCEPTION THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
SDA - ROD Grant	-	$ 160,616	$ 160,616	$ 160,616
Transfer from Capital Reserve	-	251,201	251,201	251,201
Total Revenues and Other Financing Sources	-	411,817	411,817	411,817
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		17,817	17,817	17,817
Construction Services	-	249,708	249,708	394,000
Total Expenditures and Other Financing Uses	-	267,525	267,525	411,817
Excess of Revenues Over Expenditures	$ -	$ 144,292	$ 144,292	$ -

Additional Project Information:

Project Number	4600-100-23-R501
Grant Date	12/3/2023
Original Authorized Cost	$ 401,540
Authorized Cost Adjustments	$ 10,277
Revised Authorized Cost	$ 411,817

ENTERPRISE FUNDS

RUTHERFORD BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Food Service Fund	Before and After Care Fund	Summer Music Program Fund	Totals
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 31	$ 1,162,131	$ 27,835	$ 1,189,997
Other Receivables	-	1,501	-	1,501
Total Current Assets	31	1,163,632	27,835	1,191,498
Total Assets	31	1,163,632	27,835	1,191,498
LIABILITIES				
Current Liabilities				
Due to Other Funds		605,541		605,541
Unearned Revenue	-	5,000	2,940	7,940
Total Current Liabilities	-	610,541	2,940	613,481
Total Liabilities	-	610,541	2,940	613,481
NET POSITION				
Unrestricted	31	553,091	24,895	578,017
Total Net Position	$ 31	$ 553,091	$ 24,895	$ 578,017

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

RUTHERFORD BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service Fund	Before and After Care Fund	Summer Music Program Fund	Totals
OPERATING REVENUES				
Charges for Services				
Daily Sales	$ 67,587			$ 67,587
Miscellaneous	5,175			5,175
Program Fees	-	$ 1,041,014	$ 3,510	1,044,524
Total Operating Revenues	72,762	1,041,014	3,510	1,117,286
OPERATING EXPENSES				
Cost of Sales	128,292			128,292
Salaries and Employee Benefits		684,467	4,000	688,467
General Supplies		55,216		55,216
Miscellaneous	249	-	-	249
Total Operating Expenses	128,541	739,683	4,000	872,224
Operating Income (Loss)	(55,779)	301,331	(490)	245,062
NONOPERATING REVENUES				
Interest Earned	967	32,089	-	33,056
Total Nonoperating Revenues	967	32,089	-	33,056
Net Income (Loss)	(54,812)	333,420	(490)	278,118
Operating Transfers				
Operating Transfers In	54,843			54,843
Operating Transfers Out	-	(600,000)	-	(600,000)
Change in Net Position	31	(266,580)	(490)	(267,039)
Total Net Position, Beginning of Year	-	819,671	$ 25,385	845,056
Total Net Position, End of Year	$ 31	$ 553,091	$ 24,895	$ 578,017

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

RUTHERFORD BOARD OF EDUCATION
NON-MAJOR ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Food Service Fund	Before and After Care Fund	Summer Music Program Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 72,762	$ 1,063,322	$ 3,500	$ 1,139,584
Cash Payments to Employees' Salaries and Benefits		(684,467)	(4,000)	(688,467)
Cash Payments to Suppliers for Goods and Services	(189,327)	(59,193)	-	(248,520)
Net Cash Provided By (Used for) Operating Activities	(116,565)	319,662	(500)	202,597
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (to)/from Other Funds	85,589	(594,865)	19,525	(489,751)
Net Cash Provided by (Used for) Noncapital Financing Activities	85,589	(594,865)	19,525	(489,751)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Earned	967	32,089	-	33,056
Net Cash Provided by Noncapital Financing Activities	967	32,089	-	33,056
Net Change in Cash and Cash Equivalents	(30,009)	(243,114)	19,025	(254,098)
Cash and Cash Equivalents, Beginning of Year	30,040	1,405,245	8,810	1,444,095
Cash and Cash Equivalents, End of Year	$ 31	$ 1,162,131	$ 27,835	$ 1,189,997
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	$ (55,779)	$ 301,331	$ (490)	$ 245,062
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Change in Assets and Liabilities				
(Increase)/Decrease in Other Accounts Receivable		19,236		19,236
Increase/(Decrease) in Due to Other Funds		5,541		5,541
Increase/(Decrease) in Unearned Revenue		(2,469)	(10)	(2,479)
Increase/(Decrease) in Accounts Payable	(60,786)	(3,977)	-	(64,763)
Total Adjustments	(60,786)	18,331	(10)	(42,465)
Net Cash Provided by (Used for) Operating Activities	$ (116,565)	$ 319,662	$ (500)	$ 202,597

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

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance, July 1, 2024	Retired	Balance, June 30, 2025
School District Refunding Bonds	11/22/2016	$ 11,115,000	1/15/2026	$ 1,065,000	4.00%			
			1/15/2027	1,060,000	4.00%			
			1/15/2028	1,050,000	5.00%	$ 4,240,000	$ 1,065,000	$ 3,175,000
School District Bonds	12/19/2019	45,330,000	12/15/2025	1,150,000	2.50%			
			12/15/2026	1,165,000	2.50%			
			12/15/2027	1,165,000	2.50%			
			12/15/2028-34	2,200,000	2.50%			
			12/15/2035-37	2,200,000	2.75%			
			12/15/2038-44	2,200,000	3.00%	42,030,000	1,150,000	40,880,000
						$ 46,270,000	$ 2,215,000	$ 44,055,000

RUTHERFORD BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL AND OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2025

	Interest Rate	Amount of Original Issue	Balance, July 1, 2024	Issued	Retired	Balance, June 30, 2025
Other Financing Agreements						
Technology Equipment - Dell Chromebooks	2.720%	$ 117,840	$ 24,026		$ 24,026	
Technology Equipment - Apple Laptops	0.000%	105,900	26,475		26,475	
Technology Equipment - Dell Chromebooks	4.710%	89,850	23,099		23,099	
Technology Equipment - Dell Chromebooks	4.937%	88,440	53,185		16,881	$ 36,304
Technology Equipment - Apple Laptops	0.000%	86,320	28,774		28,774	
Technology Equipment - Apple Laptops	0.000%	78,320	52,213		26,107	26,106
Technology Equipment - Dell Chromebooks	6.010%	290,000	225,642	-	51,572	174,070
			$ 433,414	$ -	$ 196,934	$ 236,480
Capital Financing Agreements						
Copier Equipment	Variable	331,080	$ 17,514		$ 17,514	
Technology Equipment	4.68%	439,000		$ 439,000	26,147	$ 412,853
Copier Equipment	3.50%	126,813	93,788	-	24,640	69,148
			$ 111,302	$ 439,000	$ 68,301	$ 482,001

RUTHERFORD BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Property Taxes	$ 3,069,077		$ 3,069,077	$ 3,069,077	
State Source					
Debt Service Aid	455,898		455,898	455,898	
Total Revenues	3,524,975	-	3,524,975	3,524,975	-
EXPENDITURES					
Regular Debt Service					
Principal	2,215,000		2,215,000	2,215,000	
Interest on Bonds	1,309,975		1,309,975	1,309,975	
Total Expenditures	3,524,975	-	3,524,975	3,524,975	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	1		1	1	
Fund Balance, End of Year	$ 1	$ -	$ 1	$ 1	$ -

Analysis of Balance

Designated for Subsequent Year's Budget	$ 1

STATISTICAL SECTION
(UNAUDITED)

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

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

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

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	$ 21,403,452	$ 22,166,781	$ 22,740,283	$ 23,108,914	$ 22,029,183	$ 22,511,720	$ 23,104,849	$ 26,028,519	$ 29,568,957	$ 30,906,926
Restricted	1,731,693	2,646,797	2,051,588	2,645,023	4,210,876	5,161,044	6,346,844	5,685,140	3,908,602	2,542,797
Unrestricted	(8,310,792)	(9,267,947)	(9,227,746)	(9,135,673)	(8,597,727)	(7,140,061)	(4,390,500)	(5,697,762)	(6,557,614)	(5,748,113)
Total Governmental Activities Net Position	$ 14,824,353	$ 15,545,631	$ 15,564,125	$ 16,618,264	$ 17,642,332	$ 20,532,704	$ 25,061,193	$ 26,015,897	$ 26,919,945	$ 27,701,610
Business-Type Activities										
Investment in Capital Assets				$ 2,099	$ 1,653					
Unrestricted	$ 107,689	$ 120,934	$ 98,554	34,993	(37,284)	$ 3,939	$ 330,489	$ 887,907	$ 845,056	$ 578,017
Total Business-Type Activities Net Position	$ 107,689	$ 120,934	$ 98,554	$ 37,092	$ (35,631)	$ 3,939	$ 330,489	$ 887,907	$ 845,056	$ 578,017
District-Wide										
Net Investment in Capital Assets	$ 21,403,452	$ 22,166,781	$ 22,740,283	$ 23,111,013	$ 22,030,836	$ 22,511,720	$ 23,104,849	$ 26,028,519	$ 29,568,957	$ 30,906,926
Restricted	1,731,693	2,646,797	2,051,588	2,645,023	4,210,876	5,161,044	6,346,844	5,685,140	3,908,602	2,542,797
Unrestricted	(8,203,103)	(9,147,013)	(9,129,192)	(9,100,680)	(8,635,011)	(7,136,121)	(4,060,011)	(4,809,855)	(5,712,558)	(5,170,096)
Total District-wide Net Position	$ 14,932,042	$ 15,666,565	$ 15,662,679	$ 16,655,356	$ 17,606,702	$ 20,536,643	$ 25,391,682	$ 26,903,804	$ 27,765,001	$ 28,279,627

Note 1 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".
Note 2 - Net Position at June 30, 2021 is restated to reflect the implementation of GASB Statement No. 87, "Leases".

Source: District's Financial Statements

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
Instruction										
Regular	$ 15,876,661	$ 15,822,562	$ 15,288,081	$ 15,494,991	$ 16,452,636	$ 16,482,573	$ 16,787,688	$ 27,636,597	$ 27,783,997	$ 26,151,985
Special Education	2,137,433	2,489,649	1,958,704	2,118,030	2,160,581	2,240,674	2,620,864	6,430,168	7,427,454	7,474,388
Other Instruction	1,221,912	1,168,504	1,871,341	1,956,345	1,279,576	1,179,168	1,250,788	1,778,892	1,685,585	1,846,162
School Sponsored Activities					798,705	824,984	882,560	1,742,738	1,769,914	1,725,718
Support Services:										
Tuition	4,881,581	4,228,236	4,385,168	4,407,493	4,495,421	4,366,901	4,353,849			
Student & Instruction Related Services	4,098,505	4,205,926	4,578,138	4,788,644	4,921,726	5,167,679	5,201,961	6,847,057	7,423,040	7,411,205
School Administrative Services	1,798,634	1,772,973	2,616,396	2,670,736	2,801,719	2,841,968	2,986,222	4,398,366	4,592,261	4,598,903
General Administrative Services	866,513	879,177	887,700	869,365	845,871	666,367	791,288	874,800	880,904	906,885
Central Services	637,806	641,365	722,329	794,896	767,267	801,711	832,105	1,593,987	1,816,550	1,945,510
Administrative Information Technology					189,935	314,362	355,213			
Plant Operations And Maintenance	3,549,956	3,641,088	3,775,471	3,911,553	3,645,683	3,995,355	4,135,233	6,052,357	7,159,282	8,059,189
Pupil Transportation	1,212,500	1,424,136	1,485,770	1,573,147	1,537,502	1,585,350	1,652,827	2,248,025	2,262,613	2,236,336
Unallocated Benefits	16,159,168	20,138,105	21,437,670	18,279,487	16,334,291	20,729,820	14,702,665			
Transfer to Charter School		19,647	10,915	35,106	11,860	12,240	12,901			
Interest On Long-Term Debt	622,555	325,248	433,613	405,359	388,203	2,019,763	1,414,660	1,418,410	1,354,718	1,331,495
Unallocated Depreciation	1,246,907	1,242,419	1,285,112	1,313,485	1,332,356	1,355,569	1,390,263			
Debt Issuance Costs		240,200			280,691					
Loss on Retirement of Capital Assets	37,655									
Total Governmental Activities Expenses	54,347,786	58,239,236	60,736,408	58,618,638	58,244,023	64,584,485	59,371,086	61,021,397	64,156,318	63,687,776
Business-Type Activities:										
Food Service	95,959	93,558	104,635	1,062,322	74,156	66,394	103,477	130,365	129,672	128,541
Community Education	91,329	93,244	21,164	12,982	108,306	12,458				
Before and After Care						206,924	343,558	390,181	583,119	739,683
Summer Music Program	7,500	10,786	92,547	105,607	12,000	-	-	3,969	4,000	4,000
Total Business-Type Activities Expense	194,788	197,588	218,346	224,821	194,462	285,776	447,035	524,515	716,791	872,224
Total District Expenses	$ 54,542,753	$ 58,436,823	$ 60,964,754	$ 58,843,459	$ 58,438,485	$ 64,870,261	$ 59,818,121	$ 61,545,912	$ 64,873,109	$ 64,560,000
Program Revenues										
Governmental Activities:										
Charges For Services:	$ 12,969	$ 180,779	$ 196,288	$ 452,835	$ 416,286	$ 415,712	$ 456,737	$ 570,454	$ 599,769	$ 726,103
Capital Grants and Contributions			3,290		16,760	30,257	309,395			107,010
Operating Grants and Contributions	11,305,760	14,808,765	15,744,767	12,908,575	11,129,418	15,847,006	11,275,970	11,875,712	12,600,802	10,233,215
Total Governmental Activities Program Revenues	11,318,729	14,989,544	15,944,345	13,361,410	11,562,464	16,292,975	12,042,102	12,446,166	13,200,571	11,066,328
Business-Type Activities:										
Charges For Services										
Food Service	63,999	66,950	73,918	74,569	56,684	37,192	73,845	77,905	71,959	72,762
Before and After Care						175,190	673,772	908,073	1,029,129	1,041,014
Summer Music Program	5,195	16,882	91,905	47,892	15,581				5,860	3,510
Community Education	97,926	102,062	15,143	15,855	24,158	869	-	-	-	-
Total Business Type Activities Program Revenues	167,120	185,834	180,966	138,316	96,422	213,252	747,617	985,978	1,106,948	1,117,286
Total District Program Revenues	$ 11,485,848	$ 15,175,378	$ 16,125,310	$ 13,499,726	$ 11,658,886	$ 16,506,227	$ 12,789,719	$ 13,432,144	$ 14,307,519	$ 12,183,614
Net (Expense)/Revenue										
Governmental Activities	$ (43,029,057)	$ (43,249,691)	$ (44,802,063)	$ (45,257,228)	$ (46,681,559)	$ (48,291,510)	$ (47,328,984)	$ (48,575,231)	$ (50,955,747)	$ (52,621,448)
Business-Type Activities	(27,668)	(11,754)	(37,380)	(86,505)	(98,040)	(72,524)	300,582	461,463	390,157	245,062
Total District-Wide	$ (43,056,725)	$ (43,839,444)	$ (44,839,434)	$ (45,343,733)	$ (46,779,599)	$ (48,364,034)	$ (47,028,402)	$ (48,113,768)	$ (50,565,590)	$ (52,376,386)

Continued

EXHIBIT J-2

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Total Governmental Activities	$ 43,250,281	$ 43,970,969	$ 44,820,558	$ 46,311,367	$ 47,705,627	$ 50,644,847	$ 51,857,473	$ 49,529,934	$ 51,859,795	$ 53,403,113
Total Business-type Activities	60,155	25,000	15,000	25,043	25,317	112,094	25,968	95,955	(433,008)	(512,101)
Total District-wide	$ 43,310,435	$ 43,995,969	$ 44,835,558	$ 46,336,410	$ 47,730,944	$ 50,756,941	$ 51,883,441	$ 49,625,889	$ 51,426,787	$ 52,891,012
Change in Net Position										
Governmental Activities	$ 721,277	$ 18,495	$ 1,054,139	$ 1,035,068	$ 2,353,337	$ 2,353,337	$ 4,528,489	$ 954,703	$ 904,048	$ 781,665
Business-type Activities	13,246	(22,380)	(61,462)	(72,723)	39,570	39,570	326,550	557,418	(42,851)	(267,039)
Total District	$ 734,523	$ (3,886)	$ 992,677	$ 951,345	$ 2,392,907	$ 2,392,907	$ 4,855,039	$ 1,512,121	$ 861,197	$ 514,626

EXHIBIT J-3

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

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	$ 1,202,428	$ 2,551,646	$ 1,846,955	$ 2,586,096	$ 4,210,398	$ 4,819,611	$ 4,589,622	$ 6,276,725	$ 4,485,680	$ 2,904,042
Assigned	35,384	225,832	315,056	128,322	680,659	928,416	2,861,331	1,673,766	253,423	636,914
Unassigned	1,345,261	915,184	1,131,017	1,289,734	1,259,162	2,452,672	2,427,899	334,209	421,292	386,875
Total General Fund	$ 2,583,073	$ 3,692,662	$ 3,293,028	$ 4,004,152	$ 6,150,220	$ 8,200,699	$ 9,878,853	$ 8,284,700	$ 5,160,395	$ 3,927,831
All Other Governmental Funds:										
Restricted	$ 529,265	$ 95,151	$ 204,633	$ 58,927	$ 41,891,681	$ 27,659,167	$ 12,331,852	$ 5,070,612	$ 4,132,827	$ 2,977,339
Unassigned										
Total All Other Governmental Funds	$ 529,265	$ 95,151	$ 204,633	$ 58,927	$ 41,891,681	$ 27,659,167	$ 12,331,852	$ 5,070,612	$ 4,132,827	$ 2,977,339

Note 1 - Fund Balances in the General and Special Revenue Funds at June 30, 2020 are restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Source: District Financial Records

EXHIBIT J-4

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property Taxes	$ 39,690,240	$ 40,533,916	$ 41,531,633	$ 42,704,062	$ 43,821,107	$ 46,144,384	$ 47,395,622	$ 48,261,575	$ 49,811,309	$ 50,979,475
Tuition Charges	12,969	180,779	196,288	403,265	385,526	208,440	133,811	116,050	98,565	232,310
Transportation				49,750	30,760					
Miscellaneous	75,103	164,883	138,521	190,977	446,144	396,472	146,694	900,224	1,078,333	1,346,719
Local Sources						272,949	369,318			
State Sources	8,360,636	8,631,462	9,359,332	10,405,702	10,822,353	13,045,093	15,868,803	14,993,404	16,746,862	16,852,426
Federal Sources	762,531	786,398	718,295	888,816	873,148	1,119,893	1,581,849	1,821,824	2,191,122	1,423,454
Total Revenue	48,901,479	50,297,438	51,944,070	54,642,571	56,379,038	61,187,230	65,496,096	66,093,077	69,926,191	70,834,384
Expenditures:										
Instruction										
Regular Instruction	15,577,000	15,888,882	15,425,204	15,534,815	16,381,243	16,537,270	16,781,131	30,114,803	31,201,315	30,477,608
Special Education Instruction	2,130,599	2,486,838	1,953,093	2,117,517	2,133,932	2,242,704	2,611,708	6,601,587	7,634,403	7,730,763
Other Instruction	1,221,912	1,168,504	1,871,341	1,955,871	1,263,794	1,180,236	1,246,418	1,950,449	1,891,991	2,149,451
School Sponsored Activities					788,853	825,732	879,476	1,887,890	1,946,980	1,947,754
Support Services										
Tuition	4,881,581	4,228,236	4,385,168	4,406,426	4,480,211	4,370,858	4,338,638			
Student and Inst. Related Services	4,098,505	4,205,926	4,578,138	4,787,484	4,905,072	5,172,362	5,183,787	7,526,680	8,253,192	8,439,248
General Administrative Services	843,465	861,478	881,159	952,078	843,009	725,940	849,625	907,775	932,475	968,128
School Administrative Services	1,798,634	1,772,973	2,616,396	2,670,089	2,820,012	2,825,872	2,958,813	4,871,728	5,084,841	5,176,967
Central Services					764,670	802,438	829,198	1,766,928	1,947,422	2,041,176
Administrative Information Technology					334,167	314,647	353,972			
Plant Operations And Maintenance	3,523,414	3,551,068	3,686,687	3,808,656	3,545,521	3,913,907	4,038,296	4,931,144	5,672,968	5,440,844
Pupil Transportation	1,253,486	1,418,200	1,479,331	1,567,361	1,515,469	1,515,054	1,583,659	2,263,775	2,273,065	2,234,627
Unallocated Benefits					6,504,130	6,445,425	6,223,458			
Reimbursed TPAF Pension and Social Security					7,067,333	8,715,752	11,246,768			
Other Support Services	10,765,330	11,394,601	13,111,480	14,161,596						
Transfer to Charter School		19,647	10,915	35,106	11,860	12,240	12,901			
Capital Outlay	1,832,251	1,059,237	945,742	648,349	3,374,775	15,248,110	16,331,910	8,575,335	4,102,319	3,781,078
Bond Issuance Costs					280,691					
Debt Service:										
Principal	920,000	940,000	840,000	910,000	945,000	995,000	2,130,000	2,402,924	2,487,319	2,480,235
Interest and Other Charges	565,350	601,376	570,679	496,626	385,100	2,173,794	1,520,500	1,463,875	1,397,565	1,338,714
Total Expenditures	49,411,527	49,596,963	52,355,334	54,051,973	58,344,843	74,017,342	79,120,258	75,264,893	74,825,855	74,206,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	(510,138)	700,475	(411,264)	590,418	(1,954,805)	(12,830,112)	(13,624,162)	(9,171,816)	(4,899,664)	(3,372,209)
Other Financing Sources (Uses):										
Proceeds from Borrowing		11,115,000			45,330,000					
Payment to Refunded Debt Escrow Agent		(12,147,723)								
Premium on Sale of Bonds		1,032,723			280,691					
Assets Acquired Under Capital Lease	646,663		495,626		358,936	223,740				
Capital Financing Agreements								126,813		439,000
Other Financing Agreements								264,610	368,320	
Transfers In	702,994	63,312	633,062	132,942	670,916			124,754	627,193	932,836
Transfers Out	(763,149)	(88,312)	(648,062)	(157,942)	(695,916)	(112,697)	(25,000)	(199,754)	(157,939)	(387,679)
Total Other Financing Sources (Uses)	586,508	(25,000)	480,626	(25,000)	45,944,627	111,043	(25,000)	316,423	837,574	984,157
Net Change in Fund Balances	76,370	675,475	69,362	565,418	43,978,822	(12,719,069)	(13,649,162)	(8,855,393)	(4,062,090)	(2,388,052)
Debt Service as a Percentage of Non-capital Expenditures	3.12%	3.18%	2.74%	2.63%	2.42%	5.93%	5.81%	5.80%	5.49%	5.42%

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

Fiscal Year Ended June 30	Interest Earned	Tuition	Refunds	Other	Total
2016			$ 5,056	$ 2,827	7,883
2017			46,965	20,716	67,681
2018			139	106,002	106,141
2019	$ 3,319	$ 3,734	65,063	34,991	107,108
2020	310,856	2,475	25,850	40,882	380,063
2021	318,154	2,945	9,163	66,210	396,472
2022	79,274	225	40,167	27,028	146,694
2023	122,528	116,050		5,130	243,708
2024	175,840	98,565	156,401	26,393	457,199
2025	241,149	232,310	373,863	82,447	929,769

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (a)
2016	$ 21,133,300	$ 2,160,845,000	$ 329,136,500	$ 86,559,000	$ 110,890,400	$ 2,708,564,200	$11,448,192	$ 2,720,012,392	$ 2,768,701,000	1.475
2017	20,459,000	2,156,867,600	327,313,300	86,409,000	110,547,100	2,701,596,000	10,827,790	2,712,423,790	2,874,852,984	1.516
2018	21,521,100	2,157,806,300	326,310,000	86,409,000	110,547,100	2,702,593,500	10,445,726	2,713,039,226	2,989,245,512	1.551
2019	21,542,900	2,161,542,700	325,576,500	86,409,000	110,547,800	2,705,528,900	10,663,071	2,716,191,971	2,967,218,670	1.592
2020	24,617,800	2,164,236,400	322,242,900	87,535,000	110,257,800	2,708,889,900	10,316,027	2,719,205,927	3,090,357,912	1.672
2021	25,173,800	2,168,412,800	319,635,800	87,535,000	110,257,800	2,711,015,200	10,619,080	2,721,634,280	3,164,838,694	1.716
2022	17,196,900	2,175,940,200	317,974,800	105,828,300	110,277,800	2,727,218,000	10,392,277	2,737,610,277	3,198,707,483	1.750
2023	17,476,200	2,186,096,800	320,305,000	106,378,300	110,299,900	2,740,556,200	9,850,703	2,750,406,903	3,552,721,042	1.784
2024	25,236,700	2,191,635,400	317,313,500	89,061,600	110,299,900	2,733,547,100	9,528,261	2,743,075,361	3,704,201,630	1.838
2025	24,928,900	2,201,796,500	311,811,300	90,943,400	110,319,900	2,739,800,000	9,289,838	2,749,089,838	3,800,342,107	1.891

Source: County Abstract of Ratables

(a) Tax Rates are per $100 of Assessed Valuation

RUTHERFORD BOARD OF EDUCATION
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
PER $100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)

Calendar Year	Total Direct and Overlapping Tax Rate	Overlapping Rates		
		School	Borough of Rutherford	Bergen County
2016	$ 2.604	$ 1.475	$ 0.879	$ 0.250
2017	2.663	1.516	0.882	0.265
2018	2.701	1.551	0.882	0.268
2019	2.739	1.592	0.880	0.267
2020	2.851	1.672	0.897	0.282
2021	2.926	1.716	0.917	0.293
2022	2.969	1.750	0.935	0.284
2023	3.042	1.784	0.949	0.309
2024	3.121	1.838	0.968	0.315
2025	3.200	1.891	0.987	0.322

Source: Municipal Tax Collector

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

	2025			2016	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Valuation	% of Total District Net Assessed Value
Meadows Landmark, LLC	$ 83,500,000	3.04%			
Citigroup Technology Inc	39,200,000	1.43%		Information Not Available	
Hastings Village, Inc.	30,376,200	1.11%			
Friederich & Weill, Co-Trustees	27,000,000	0.98%			
AVR Realty Co. LLC	18,464,600	0.67%			
Volvo Car USA LLC	11,775,400	0.43%			
359 Veterans Blvd. LLC	11,600,000	0.42%			
235 Veterans Blvd	9,714,400	0.35%			
Verizon c/o Kroll LLC	9,528,261	0.35%			
Unionford LLC	8,450,000	0.31%			
Total	$ 249,608,861	9.10%			

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	$ 39,690,240	$ 39,690,240	100.00%	
2017	40,533,916	40,533,916	100.00%	
2018	41,531,633	41,531,633	100.00%	
2019	42,704,062	42,704,062	100.00%	
2020	43,821,107	43,821,107	100.00%	
2021	46,144,384	46,144,384	100.00%	
2022	47,395,622	47,395,622	100.00%	
2023	48,261,575	48,261,575	100.00%	
2024	49,811,309	49,811,309	100.00%	
2025	50,979,475	50,979,475	100.00%	

Source: District records.

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

Fiscal Year Ended June 30,	Governmental Activities				
	General Obligation Bonds	Financing Agreements	Total District	Population	Per Capita
2016	$ 12,950,000	$ 1,069,837	$ 14,019,837	18,452	$ 760
2017	11,115,000	751,335	11,866,335	18,422	644
2018	10,275,000	833,196	11,108,196	18,469	601
2019	9,365,000	452,039	9,817,039	18,387	534
2020	53,750,000	448,806	54,198,806	18,303	2,961
2021	52,775,000	457,516	53,212,516	18,209	2,922
2022	50,625,000	304,809	50,929,809	18,690	2,725
2023	48,450,000	468,308	48,918,308	18,662	2,621
2024	46,270,000	544,716	46,814,716	18,852	2,483
2025	44,055,000	718,481	44,773,481	19,214	2,330

Sources: District Records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Assessed Valuation Taxable	Per Capita
2016	$ 12,950,000		$ 12,950,000	0.48%	$ 702
2017	11,115,000		11,115,000	0.41%	603
2018	10,275,000		10,275,000	0.38%	556
2019	9,365,000		9,365,000	0.34%	509
2020	53,750,000		53,750,000	1.98%	2,937
2021	52,755,000		52,755,000	1.94%	2,897
2022	50,625,000		50,625,000	1.85%	2,709
2023	48,450,000		48,450,000	1.76%	2,596
2024	46,270,000		46,270,000	1.69%	2,454
2025	44,055,000		44,055,000	1.60%	2,293

Sources: District Records

RUTHERFORD BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
AS OF DECEMBER 31, 2024
(Unaudited)

	Net Debt
Rutherford Board of Education	$ 45,120,000
Borough of Rutherford	26,623,121
	71,743,121
Overlapping Debt Apportioned to the Municipality:	
Bergen County: (2) & (3)	
County of Bergen (A)	27,502,603
Bergen County Utilities Authority (B)	3,074,168
	30,576,771
Total Direct and Overlapping Debt	$ 102,319,892

(A) The debt for this entity was apportioned to the Borough of Rutherford by dividing the Municipality's 2024 equalized valuation by the total 2024 equalized valuation for Bergen County.

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

Sources:

(1) Borough of Rutherford Annual Debt Statement
(2) BCUA 2024 audit.
(3) Bergen County Debt Statement December 31, 2024

RUTHERFORD BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	$ 105,859,851	$ 109,711,184	$ 114,813,576	$ 117,330,173	$ 120,050,864	$ 122,302,139	$ 125,333,340	$ 131,261,754	$ 138,621,427	$ 146,566,948
Total Net Debt Applicable to Limit (3)	12,950,000	11,115,000	10,275,000	9,365,000	53,750,000	52,755,000	50,625,000	48,450,000	46,270,000	44,055,000
Legal Debt Margin	$ 90,909,851	$ 98,596,184	$ 104,538,576	$ 107,965,173	$ 66,300,864	$ 69,547,139	$ 74,708,340	$ 82,811,754	$ 92,351,427	$ 102,511,948
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.23%	10.13%	8.95%	7.98%	44.77%	43.13%	40.39%	36.91%	33.38%	30.06%

Legal Debt Margin Calculation for Fiscal Year 2025

Equalized Valuation Basis	
2022	$ 3,519,445,090
2023	3,697,458,446
2024	3,775,617,541
	$ 10,992,521,077
Average Equalized Valuation of Taxable Property	$ 3,664,173,692
Debt Limit (4 % of Average Equalization Value) (2)	$ 146,566,948
Total Net Debt Applicable to Limit (3)	44,055,000
Legal Debt Margin	$ 102,511,948

Sources:
Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

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

Year Ended June 30	Unemployment Rate		Per Capita Personal Income (1)		Population
2016	3.7%		$ 76,367		18,452
2017	3.6%		78,611		18,422
2018	3.0%		82,731		18,469
2019	2.6%		86,871		18,387
2020	8.1%		88,256		18,303
2021	5.6%		94,342		18,209
2022	3.1%		96,434		18,690
2023	3.4%		102,229		18,662
2024	3.4%	E	102,229	E	18,852
2025	3.4%	E	102,229	E	19,214

Source: New Jersey Department of Labor
United States Bureau of Census
School District Records

E - Estimated
(1) County of Bergen

RUTHERFORD BOARD OF EDUCATION
PRINCIPAL NON-GOVERNMENTAL EMPLOYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

	2025		2016	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

EXHIBIT J-16

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	173	169	169	173	173	177	178	178	178	180
Special Education	53	55	55	58	58	62	62	63	63	65
Support Services:										
Student and Instruction Related Services	42	43	43	53	55	55	56	56	56	56
General and Business Administration	2	2	2	2	2	2	2	2	2	2
Business and Other Support Services	9	10	10	10	10	10	10	10	10	10
School Administrative Services	21	22	22	22	22	22	22	22	22	23
Plant Operations And Maintenance	19	18	18	18	18	18	18	18	18	18
Pupil Transportation	6	7	8	8	9	9	9	9	9	9
Total	325	326	327	344	347	355	357	358	358	363

Source: District Personnel Records

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

Fiscal Year	Enrollment[a]	Operating Expenditures[b]	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2016	2,594	$ 44,163,836	$ 17,025	1.45%	225	1:12	1:11	1:09	2,466	2,366	-5.15%	95.94%
2017	2,551	46,093,926	18,069	6.13%	267	1:12	1:10	1:10	2,513	2,395	1.91%	95.30%
2018	2,597	49,998,913	19,253	6.55%	267	1:16	1:16	1:16	2,599	2,469	3.42%	95.00%
2019	2,729	51,996,998	19,054	-1.03%	253	1:17	1:17	1:17	2,602	2,472	0.12%	95.00%
2020	2,726	53,639,968	19,677	3.27%	253	1:17	1:17	1:17	2,602	2,472	0.00%	95.00%
2021	2,623	55,600,438	21,197	7.73%	262	1:16	1:16	1:16	2,513	2,300	-3.42%	91.52%
2022	2,634	59,137,848	22,452	5.92%	265	1:16	1:16	1:16	2,435	2,313	-3.10%	94.99%
2023	2,525	62,822,759	24,880	10.82%	265	1:16	1:16	1:16	2,452	2,319	0.70%	94.58%
2024	2,504	66,838,652	26,693	7.28%	263	1:16	1:16	1:16	2464	2322	0.49%	94.24%
2025	2,534	66,606,566	26,285	-1.53%	263	1:16	1:16	1:16	2486	2357	0.89%	94.81%

Sources: District records

Note: a Enrollment based on annual October district count.
b Operating expenditures equal total expenditures less debt service and capital outlay.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
Elementary										
Washington Elementary (1912)										
Square Feet	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	265	305	334	326	314	312	295	293	319	326
Lincoln (1912)										
Square Feet	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	451	487	487	491	524	491	508	496	484	494
Pierrepont Elementary School (1906)										
Square Feet	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Capacity (students)	533	533	533	533	533	533	533	533	533	533
Enrollment	516	638	626	595	580	579	578	552	568	580
Middle School										
Union Middle School (1926)										
Square Feet	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	477	396	398	424	432	406	369	367	384	392
High School										
Rutherford High School (1922)										
Square Feet	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	749	734	735	757	743	724	729	744	726	742

Number of Schools at June 30, 2025
Elementary = 3
Middle School = 1
High School = 1

Source: District Records

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
* **School Facilities**										
High School	$ 326,645	$ 334,566	$ 327,021	$ 293,041	$ 220,834	$ 252,547	$ 241,657	$ 331,567	$ 377,293	$ 344,656
Union	196,947	150,100	157,760	121,557	112,956	123,381	104,495	207,055	235,610	215,228
Pierrepont	159,366	158,769	198,657	119,263	104,426	116,451	116,736	202,959	230,949	210,971
Washington	105,228	125,406	104,911	82,466	59,662	90,868	74,714	93,227	106,084	96,907
Lincoln	102,653	103,935	133,205	93,444	93,854	84,134	80,549	103,036	117,245	107,103
Kindergarten Center	31,726	47,367	35,335	26,866	82,471	68,477	67,848	34,429	39,177	35,788
Administration	1,819	-	-	289,867	283,620	296,692	386,387	-	-	-
Total School Facilities	$ 924,384	$ 920,142	$ 956,888	$ 1,026,504	$ 957,823	$ 1,032,550	$ 1,072,385	$ 972,273	$ 1,106,358	$ 1,010,653

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: School District's records

RUTHERFORD BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	School Package Policy		
	General and Auto Liability	$ 10,000,000	$ 1,000
	Property and Auto Physical Damage	500,000,000	
	Property		2,500
	Auto Physical Damage		1,000
	Boiler and Machinery	100,000,000	2,500
	Comprehensive Crime Coverage:		
	Money and Securities	50,000	1,000
	Blanket Dishonesty Bond	500,000	1,000
	Cyber Liability - First Party	750,000	10,000
	Cyber Liability - Third Party	2,000,000	10,000
	Environmental Impairment Liability	1,000,000/10,000,000	50,000
	Fire Liability	2,500,000	
	School Board Legal Liability	5,000,000	10,000
Selective Insurance	Surety Bonds:		
	Board Secretary	350,000	
	Superintendent	350,000	
	Treasurer of School Monies	350,000	

Source: School Insurance Records

SINGLE AUDIT SECTION

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Rutherford Board of Education
176 Park Avenue
Rutherford, New Jersey 07070

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rutherford Board of Education as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Rutherford Board of Education's basic financial statements and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Rutherford Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 1, 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 Rutherford Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rutherford Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

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

Gary J. Vinci

Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 1, 2025

LERCH, VINCI & BLISS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Rutherford Board of Education
176 Park Avenue
Rutherford, New Jersey 07070

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Rutherford Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Rutherford Board of Education's major federal and state programs for the fiscal year ended June 30, 2025. The Rutherford Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Rutherford Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rutherford Board of Education, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated December 1, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
December 1, 2025

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2024 (Account Receivable)	Balance at July 1, 2024 Unearned Revenue	Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Unearned Revenue Carryover Adjustments	Balance at June 30, 2025 (Account Receivable)	Balance at June 30, 2025 Unearned Revenue	Memo GAAP Receivable
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services															
General Fund:															
Medical Assistance Program (SEMI)	93.778	2205NJ5MAP	7/01/24-6/30/25	$ 14,389	-	-	-	-	$ 14,389	$ 14,389	-	-	-	-	-
Total General Fund					-	-	-	-	14,389	14,389	-	-	-	-	-
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
IDEA Consolidated															
IDEA Part B - Basic	84.027	H027A240100	7/01/24-9/30/25	599,397			$ 56,822	$ (112,138)	656,785	608,319		$ (1,000)	$ (54,750)	$ 46,900	$ (7,850)
IDEA Part B - Basic, Carryover	84.027	H027A230100	7/01/23-9/30/24	607,837	$ (112,138)	$ 56,822	(56,822)	112,138							
IDEA Part B - Preschool	84.173	H173A240114	7/01/24-9/30/25	23,089					23,089	23,089			-	-	-
IDEA Part B - Preschool, Carryover	84.173	H173A230114	7/01/23-9/30/24	23,986	(44,023)	-	-	-	44,023	-	-	-	-	-	-
Subtotal IDEA Consolidated Cluster					(156,161)	56,822	-	-	723,897	631,408	-	(1,000)	(54,750)	46,900	(7,850)
American Rescue Plan - ESSER															
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	1,518,000	(789,476)	3,600			789,476	3,600					
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	209,866	(67,773)				67,773						
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(8,304)				8,304						
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027	3/13/20-9/30/24	40,000	(35,957)				35,957						
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(22,694)	-	-	-	22,694	-	-	-	-	-	-
Subtotal ESSER Cluster					(924,204)	3,600	-	-	924,204	3,600	-	-	-	-	-
Coronavirus Relief Fund															
School Reopening and Remote Learning	21.019	SLT0228	8/26/20-12/30/20	78,924		6,693					$ 6,693				
CARES Act (Bergen County)	21.019	Not Available	8/26/20-12/30/20	44,012	-	20,077	-	-	-	-	-	-	-	20,077	-
Subtotal Coronavirus Relief Fund Cluster					-	26,770	-	-	-	-	6,693	-	-	20,077	-
ACSERS Aid	21.027	SLFRFDOE1SES	7/1/23-6/30/24	308,640	(308,640)	409			308,640					409	
ESEA Consolidated															
Title I	84.010	S010A240030	7/01/24-9/30/25	121,758			4,807	(201,626)	294,285	115,456		(4,656)	(29,099)	6,453	(22,646)
Title I, Carryover	84.010	S010A230030	7/01/23-9/30/24	236,398	(201,626)	4,807	(4,807)	201,626							
Title II - Part A	84.367A	S367A240029	7/01/24-9/30/25	44,567			4,778	(27,010)	64,126	45,214		(89)	(7,451)	4,042	(3,409)
Title II - Part A, Carryover	84.367A	S367A230029	7/01/23-9/30/24	45,806	(27,010)	4,778	(4,778)	27,010							
Title III	84.365	S365A240030	7/01/24-9/30/25	12,706					3,950	10,413			(8,756)	2,293	(6,463)
Title III Immigrant	84.365	S365A240030	7/01/24-9/30/25	7,032			4,950	(12,272)	14,730	9,883		(20)	(4,574)	2,079	(2,495)
Title III Immigrant, Carryover	84.365	S365A230030	7/01/23-9/30/24	8,414	(12,272)	4,950	(4,950)	12,272							
Title III Immigrant, Carryover (Consortium)	84.365	S365A210030	7/01/21-9/30/22	6,195	(753)				753						-
Title IV	84.424	S424A240031	7/01/24-9/30/25	16,801			4,909	(10,729)	23,418	19,135			(4,112)	2,575	(1,537)
Title IV, Carryover	84.424	S424A230031	7/01/23-9/30/24	10,000	(10,729)	4,909	(4,909)	10,729	-	-	-	-	-	-	-
Total Special Revenue Fund					(1,641,395)	107,045	-	-	2,358,003	835,109	6,693	(5,765)	(108,742)	84,828	(44,400)
Total Federal Financial Awards					$ (1,641,395)	$ 107,045	$ -	$ -	$ 2,372,392	$ 849,498	$ 6,693	$ (5,765)	$ (108,742)	$ 84,828	$ (44,400)

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

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2024 (Accounts Receivable)	Balance July 1, 2024 Unearned Revenue	Balance July 1, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustments	Balance June 30, 2025 (Accounts Receivable)	Balance June 30, 2025 Unearned Revenue	Balance June 30, 2025 Due to Grantor		MEMO GAAP Receivable	MEMO Cumulative Total Expenditures
State Department of Education																
General Fund:																
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	$ 815,410				$ 740,675	$ 815,410			$ (74,735)			*		$ 815,410
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	815,410	$ (72,238)			72,238							*		
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	2,212,423				2,009,649	2,212,423			(202,774)			*		2,212,423
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	1,989,459	(176,247)			176,247							*		
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	133,835				121,569	133,835			(12,266)			*		133,835
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	133,835	(11,857)	-	-	11,857	-	-	-	-	-	-	*	-	-
Total State Aid Public				(260,342)	-	-	3,132,235	3,161,668	-	-	(289,775)	-	-	*	-	3,161,668
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	209,359				190,171	209,359			(19,188)			*		209,359
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	209,359	(18,547)			18,547							*		
Extraordinary Aid	25-495-034-5120-044	7/1/24-6/30/25	827,414					827,414			(827,414)			*		827,414
Extraordinary Aid	24-495-034-5120-044	7/1/23-6/30/24	737,038	(737,038)			737,038							*		
On-Behalf TPAF Contributions														*		
Post Retirement	25-495-034-5094-001	7/1/24-6/30/25	2,329,339				2,329,339	2,329,339						*		2,329,339
Normal Cost	25-495-034-5094-002	7/1/24-6/30/25	7,874,167				7,874,167	7,874,167						*		7,874,167
NCGI	25-495-034-5094-004	7/1/24-6/30/25	97,540				97,540	97,540						*		97,540
LTDI	25-495-034-5094-004	7/1/24-6/30/25	3,448				3,448	3,448						*		3,448
Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	1,734,396				1,650,350	1,734,396			(84,046)			*	$ (84,046)	1,734,396
Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,699,271	(82,900)	-	-	82,900	-	-	-	-	-	-	*	-	-
Total General Fund				(1,098,827)	-	-	16,115,735	16,237,331	-	-	(1,220,423)	-	-	*	(84,046)	16,237,331
Special Revenue Fund:														*		
Nonpublic Nursing	25-100-034-5120-070	7/1/24-6/30/25	29,770				29,770	29,770						*		29,770
Nonpublic Textbook	25-100-034-5120-064	7/1/24-6/30/25	11,711				11,711	11,153					$ 558	*		11,153
Nonpublic Textbook	24-100-034-5120-064	7/1/23-6/30/24	11,100			$ 2,581			$ 2,581					*		
Nonpublic Technology	25-100-034-5120-373	7/1/24-6/30/25	11,221				11,221	11,221						*		11,221
Nonpublic Security	25-100-034-5120-509	7/1/24-6/30/25	46,945				46,945	44,177					2,768	*		44,177
Nonpublic Security	24-100-034-5120-509	7/1/23-6/30/24	39,360			3,446			3,446					*		
Chapter 192 Auxiliary Services														*		
Home Instruction	25-100-034-5120-067	7/1/24-6/30/25	4,849					4,849			(4,849)			*	(4,849)	4,849
Home Instruction	24-100-034-5120-067	7/1/23-6/30/24	599	(599)			599							*		
Chapter 193 Handicapped Services														*		
Corrective Speech	25-100-034-5120-068	7/1/24-6/30/25	6,045				6,045	2,325					3,720	*		2,325
Corrective Speech	24-100-034-5120-068	7/1/23-6/30/24	4,650			650			650					*		
Examination and Classification	25-100-034-5120-068	7/1/24-6/30/25	40,568				40,568	34,883					5,685	*		34,883
Examination and Classification	24-100-034-5120-068	7/1/23-6/30/24	41,471			17,614			17,614					*		
Supplementary Instruction	25-100-034-5120-068	7/1/24-6/30/25	34,279				34,279	29,653					4,626	*		29,653
Supplementary Instruction	24-100-034-5120-068	7/1/23-6/30/24	29,736			9,558			9,558					*		
School Security Grant	Not Available	7/1/20-6/30/22	145,281		$ 21,692							$ 21,692		*		
Capital Maintenance and Emergent Needs	Not Available	7/1/23-6/30/24	60,132		33,764							33,764		*		-
Nonpublic STEM Grant	Not Available	7/1/23-6/30/24	14,099	(14,099)			13,234			$ 865				*	-	-
Nonpublic STEM Grant	Not Available	7/1/22-6/30/23	20,000	(7,832)	8,697	-	-	-	-	(865)	-	-	-	*	-	-
Total Special Revenue Fund				(22,530)	64,153	33,849	194,372	168,031	33,849	-	(4,849)	55,456	17,357	*	(4,849)	168,031
Capital Projects Fund														*		
School Development Authority:														*		
Sylvan School Electrical Improvements	4600-090-14-1006	1/6/14-6/30/23	180,590	(180,590)							(180,590)			*	(180,590)	180,590
High School Gymnasium Roof Replacement	4600-050-14-1002	1/6/14-6/30/23	127,691	(112,680)							(112,680)			*	(112,680)	112,680
High School Gym Lintel Repair Project	4600-050-14-1004	1/6/14-6/30/23	322,559	(300,448)							(300,448)			*	(300,448)	300,448
High School Wall Rehabilitation	4600-050-14-1003	1/6/14-6/30/23	116,594	(65,538)							(65,538)			*	(65,538)	65,538
Pierrepont Roof Replacement	4600-050-14-1009	1/6/14-6/30/23	119,924	(119,924)							(119,924)			*	(119,924)	119,924
Pierrepont Fire Alarm Upgrades	4600-050-14-1010	1/6/14-6/30/23	266,884	(198,141)							(198,141)			*	(198,141)	198,141
Union School Unit Ventilators Replacement	4600-100-23-R501	7/1/24-6/30/25	160,616	-	-	-	-	107,010	-	-	(160,616)	53,606	-	*	(160,616)	107,010
Total Capital Projects Fund				(977,321)	-	-	-	107,010	-	-	(1,137,937)	53,606	-	*	(1,137,937)	1,084,331

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

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2024 (Accounts Receivable)	Balance July 1, 2024 Unearned Revenue	Balance July 1, 2024 Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustments	Balance June 30, 2025 (Accounts Receivable)	Balance June 30, 2025 Unearned Revenue	Balance June 30, 2025 Due to Grantor	MEMO GAAP Receivable	MEMO Cumulative Total Expenditures
Debt Service Fund:															
Debt Service Aid	25-495-034-5120-075	7/1/24-6/30/25	$ 455,898	-	-	-	$ 455,898	$ 455,898	-	-	-	-	-	-	$ 455,898
Total Debt Service Fund				-	-	-	455,898	455,898	-	-	-	-	-	-	455,898
Total State Financial Assistance Subject to Single Audit Determination				$ (2,098,678)	$ 64,153	$ 33,849	16,766,005	16,968,270	$ 33,849	$ -	$ (2,363,209)	$ 109,062	$ 17,357	$ (1,226,832)	17,945,591
State Financial Assistance Not Subject to Single Audit Determination															
General Fund - On Behalf TPAF															
Post Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	2,329,339				(2,329,339)	(2,329,339)							$ (2,329,339)
Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	7,874,167				(7,874,167)	(7,874,167)							(7,874,167)
Long Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	3,448				(3,448)	(3,448)							(3,448)
NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	97,540	-	-	-	(97,540)	(97,540)	-	-	-	-	-	-	(97,540)
Total State Financial Assistance Subject to Major Program Determination				$ (2,098,678)	$ 64,153	$ 33,849	$ 6,461,511	$ 6,663,776	$ 33,849	$ -	$ (2,363,209)	$ 109,062	$ 17,357	$ (1,226,832)	$ 7,641,097

RUTHERFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $120,450 for the general fund and an increase of $578,717 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 14,389	$ 16,116,881	$ 16,131,270
Special Revenue Fund	1,409,065	172,637	1,581,702
Capital Projects Fund		107,010	107,010
Debt Service Fund	-	455,898	455,898
Total Awards Financial Assistance	$ 1,423,454	$ 16,852,426	$ 18,275,880

RUTHERFORD BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of $1,734,396 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. The amount reported as TPAF Pension System Contributions in the amount of $7,971,707, TPAF Post-Retirement Medical Benefits Contributions in the amount of $2,329,339 and TPAF Long-Term Disability Insurance in the amount of $3,448 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	___ yes	_X_ no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	___ yes	_X_ none reported
Noncompliance material to basic financial statements noted?	___ yes	_X_ no

Federal Awards Section

Internal Control over major programs:		
(1) Material weakness(es) identified?	___ yes	_X_ no
(2) Significant deficiencies identified that are not considered to be material weaknesses?	___ yes	_X_ none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section 516(a) of Circular U.S. Uniform Guidance	___ yes	_X_ no

Identification of major federal programs:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027	H027A240100	IDEA Cluster - IDEA Basic
84.173	H173A240114	IDEA Cluster - IDEA Preschool

Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_X_ yes	___ no

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part I – Summary of Auditor's Results

State Awards Section

Type of auditors' report on compliance for major programs:	Unmodified
Internal Control over compliance:	
1) Material weakness(es) identified?	____ yes __X__ no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	____ yes __X__ none reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?	____ yes __X__ no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contrib.
495-034-5120-044	Extraordinary Aid

Dollar threshold used to determine Type A programs	$750,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

EXHIBIT K-6

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

EXHIBIT K-6

RUTHERFORD BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.