

SADDLE BROOK
SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024



Saddle Brook, New Jersey

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

Saddle Brook, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Saddle Brook Board of Education

Saddle Brook, New Jersey

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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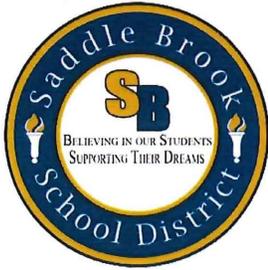
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INTRODUCTORY SECTION



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SUPERINTENDENT OF SCHOOLS

RAYMOND G. KARATY, CPA,
BUSINESS ADMINISTRATOR/BOARD SECRETARY

January 26, 2025

Honorable President and
Members of the Board of Education
Saddle Brook School District
Saddle Brook, New Jersey 07663

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1984, as amended, (U.S. Uniform Guidance) and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular Letter 15-08, *State Aid/Grant Compliance Supplement*, and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Saddle Brook School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA. All funds of the District are included in this report. The Saddle Brook Board of Education and all of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational, as well as special education for handicapped youngsters. The District maintains an in-district pre-K special education program as well.

REPORTING ENTITY AND ITS SERVICES (continued):

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-2024	1,837	1.49%
2022-2023	1,810	5.2%
2021-2022	1,720	.76%
2020-2021	1,707	-4.42%
2019-2020	1,786	0.00%

ECONOMIC CONDITION AND OUTLOOK: Saddle Brook Township remains a highly developed, economically stable community. The Township stands at about 95% fully developed and the initiation of any major new construction is unlikely. Nevertheless, its location in Bergen County as well as its proximity to major arteries (Route 80 passes through in a north to south direction and The Garden State Parkway passes through in an east to west direction) affords the community easy access to New York City, major airports and harbors. This location also supports economic viability for business as evidenced by an industrial park, a number of corporate centers and three major hotel chains operating within our borders.

Saddle Brook is also an attractive residential community for those who both work locally and commute to more distant sites. Made up largely of single family homes, the residents of Saddle Brook tend to have multi-generational ties to this area with the majority of residents being long time Saddle Brook residents. The community retains a fairly large senior population with only a relatively small turnover in housing annually.

The economic fortunes of the town are tied very closely to those of the entire region, which would indicate a satisfactory economic outlook for the immediate future.

The structure of school funding in New Jersey means that a community such as Saddle Brook is forced to provide over 90% of their school funding through its local property tax base. As a result, the local taxpayer must bear the burden of upgrading programs and facilities that have traditionally scrutinized school budgets very intensely. Nevertheless, the community takes pride in its school and traditionally demonstrates a desire to provide a good education within the economic framework that is available to it.

MAJOR INITIATIVES:

The Board of Education established three primary goals for the 2023-2024 school year, focusing on increased visibility, student and staff engagement, and community updates on key initiatives. These goals reflect our commitment to transparency, active participation in school life, and keeping our community informed about important developments.

Board Goal #1: Enhancing board member presence at school and community events to foster stronger connections with students, staff, and families.

Our first board goal focused on increasing the visibility of Board of Education members by attending more school and community events. This initiative aimed to foster stronger connections between board members and the school community, providing opportunities for direct engagement and a better understanding of day-to-day school activities.

Back to School Nights: Board members attended these crucial events to meet parents and set a positive tone for the academic year.

MAJOR INITIATIVES – (continued):

Read Aloud Days: Participated in literacy initiatives by reading to students, demonstrating the board's commitment to education.

Parent Partnership Nights: Engaged with parents to discuss educational strategies and gather feedback on school initiatives.

PTO Events: Supported parent-teacher organizations and their efforts to enhance the school experience.

Additional events included the MSHS musical, parent presentations and meetings, Honor Society inductions, and various athletic events. By actively participating in these diverse activities, board members gained valuable insights into the school community's needs and concerns, while also demonstrating their commitment to supporting students, staff, and families.

Board Goal #2: Expanding opportunities for students and staff to showcase their achievements and initiatives at board meetings, providing a more comprehensive view of district activities.

Our second board goal aimed to increase the number of presentations by students and staff at Board of Education meetings. This initiative served to provide a more comprehensive view of district activities, showcase student achievements, and highlight important educational programs and initiatives.

Throughout the 2023-2024 school year, we have scheduled a diverse range of presentations covering various aspects of our educational program:

August - October: Presentations on ACCESS for ELLs, NJ Graduation Proficiency Assessment, Board & District Goals, Referendum Project Updates, DLM Scores, and NJSLA results. Student representatives also began their participation.

November - February: School highlights from Smith School, High School (Public Speaking), Long School, and Washington School. Recognition of NJSLA/NJGPA Perfect Test Scores and Seal of Biliteracy recipients.

March - June: Upcoming presentations include Middle School Highlights, Cheer Team recognition, VFW winners, Mental Health initiatives, Teacher of the Year awards, and recognition of retirees.

This comprehensive schedule of presentations ensured that board meetings serve as a platform for showcasing the diverse talents and achievements within our district, while also keeping the community informed about important educational initiatives and outcomes.

Board Goal #3: Implementing a structured schedule for providing updates on referendum projects and strategic plan initiatives, ensuring consistent communication with the community.

The third board goal focused on creating a schedule of community updates at Board meetings to review progress on referendum projects and strategic plan initiatives. This goal reflects our commitment to transparency and keeping the community informed about important developments in our district.

Monthly Board Meetings: We have utilized our monthly board meetings as the primary platform to achieve this goal. These regular updates ensure that the community receives timely and consistent information about ongoing projects and initiatives.

Business Administrator Updates: The Business Administrator provides regular updates on the financial aspects of referendum projects, including budgets, timelines, and any fiscal implications for the district.

Superintendent Updates: The Superintendent offers comprehensive updates on the progress of strategic plan initiatives, highlighting achievements, challenges, and next steps in implementing our district-wide improvement strategies.

MAJOR INITIATIVES – (continued):

By establishing this regular schedule of updates, we aim to foster a well-informed community that understands the progress and impact of our major projects and initiatives. This approach not only keeps stakeholders informed but also encourages community engagement and support for our district's efforts to enhance educational facilities and programs.

These goals were designed to create a more engaged and informed school community, with board members playing an active role in various aspects of school life. By increasing visibility, fostering communication, and providing regular updates, we aim to strengthen the bond between the board, the schools, and the community at large.

In addition to the Board goals, our district had established specific goals for the 2023-2024 school year. These goals are designed to drive continuous improvement in our educational programs, student support services, and overall district operations. They reflect our commitment to providing high-quality education and fostering a positive learning environment for all students.

Our first district goal focused on enhancing our ability to deliver data-informed instructional programming by implementing targeted strategies to support student academic growth. This goal reflects our commitment to using evidence-based practices to improve educational outcomes for all students.

District Goal #1: Continue to reflect and enhance our ability to deliver data-informed instructional programming by implementing targeted strategies to support student academic growth

Data Teams: Regular meetings to review student data from various sources, including LinkIt benchmark assessments, report card grades, reading assessments (DIBELS 8.0 and running records), IXL, and other local assessments. This information informs instruction, strengthens basic skills programming, and guides curricular revisions.

NJTSS & I&RS: Revisions to our New Jersey Tiered System of Supports (NJTSS) and Intervention and Referral Services (I&RS) processes have improved our ability to support struggling students more effectively and efficiently, resulting in fewer Child Study Team referrals.

mCLASS: This digital platform for the DIBELS 8.0 assessment supports teachers in targeting instruction for developing readers by analyzing assessment data and providing small group and individualized instruction ideas.

LinkIt!: Our district benchmark assessment provides actionable data for teachers to support student learning, showing how students understand and apply grade-level standards and skills. This data is valuable for informing instruction and curricular planning.

By leveraging these tools and strategies, we created a more responsive and effective educational environment that can adapt to the individual needs of our students, ultimately leading to improved academic outcomes across the district.

Our second goal focused on providing comprehensive social and emotional support to students. We aim to guide them in becoming adaptable, confident citizens who embody self-awareness and strong interpersonal skills, capable of responsible decision-making and managing emotions and behaviors.

District Goal #2: Provide social and emotional support to students in order to guide them in becoming adaptable, confident citizens who embody self-awareness and strong interpersonal skills; and who are capable of responsible decision-making and managing emotions and behaviors

BRIGHT Assemblies: Regular assemblies focusing on positive behavior, respect, and character development.

Dedicated SEL Days: Specific days set aside for social-emotional learning activities and workshops.

MAJOR INITIATIVES – (continued):

Mental Health First Aid: tMHFA for every tenth-grade student and yMHFA for younger students, providing crucial mental health awareness and support skills.

Counseling Services: Access to school counselors and a Tier 2 Mental Health Counselor for additional support.

These initiatives were designed to create a supportive school environment where students feel valued, understood, and equipped with the tools they need to navigate their emotional and social lives. By participating in BRIGHT Assemblies, students learn about positive behavior and character development. Dedicated SEL Days provide focused time for social-emotional learning activities, enhancing students' self-awareness and interpersonal skills.

The implementation of Teen Mental Health First Aid (tMHFA) for every tenth-grade student and Youth Mental Health First Aid (yMHFA) for younger students is a significant step in promoting mental health awareness and providing students with the skills to support themselves and their peers. These programs teach students how to recognize signs of mental health issues and how to seek help when needed.

Our counseling services, including school counselors and a specialized Tier 2 Mental Health Counselor, offer additional layers of support for students who may need more individualized attention. This comprehensive approach ensures that students have access to the resources they need to manage their emotions, make responsible decisions, and develop into confident, well-rounded individuals.

By participating in National SEL Day, we also demonstrate our commitment to social-emotional learning on a broader scale, connecting our efforts to a nationwide movement recognizing the importance of these skills in education.

District Goal #3: Enhance our safety and security practices through communication with our staff, community, and our district Threat Assessment Team.

Our third goal focused on enhancing safety and security practices through improved communication and proactive measures:

- Appointment of a District School Safety Specialist
- Regular Threat Assessment Team meetings
- Sharing school safety messages from the Department of Homeland Security
- Completion of security vestibules
- Implementation of updated visitor procedures
- Establishment of a Memorandum of Agreement with the local police department

These initiatives demonstrated our commitment to creating a safe and secure learning environment for all students and staff. By staying informed about potential threats and implementing robust security measures, we aim to provide peace of mind to our school community while fostering a positive atmosphere conducive to learning.

District Goal #4: Increase widespread community engagement and communication

Our fourth goal aimed to strengthen our connection with the community through enhanced communication channels and engagement opportunities:

- Implementation of a comprehensive mass messaging system (email, phone, text, app)
- Increased app notifications for timely updates
- Enhanced social media presence for broader reach
- Organization of Parent Partnership Nights
- Hosting ESL Family Engagement Nights

MAJOR INITIATIVES – (continued):

By diversifying our communication methods and creating more opportunities for community involvement, we aim to build stronger relationships with parents, guardians, and community members. These efforts will ensure that all stakeholders are well-informed about district initiatives, student progress, and opportunities for engagement, fostering a collaborative approach to education.

Technology Integration: Expanding the use of educational technology to enhance learning experiences and improve student outcomes.

Professional Development: Providing ongoing training and support for staff to implement best practices in instruction and student support.

These goals guided our decision-making processes and resource allocation throughout the school year. By focusing on these areas, we aim to create a more responsive, effective, and inclusive educational environment for all students in our district.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance.

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

FINANCIAL INFORMATION AT FISCAL YEAR -END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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

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

OTHER INFORMATION: Independent Audit – State statutes require on annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, as amended (U.S. Uniform Guidance), and the related OMB Circular A-133 and state Treasury Circular Letters 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.

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

Respectfully submitted,



Toni Violetti
Superintendent of Schools



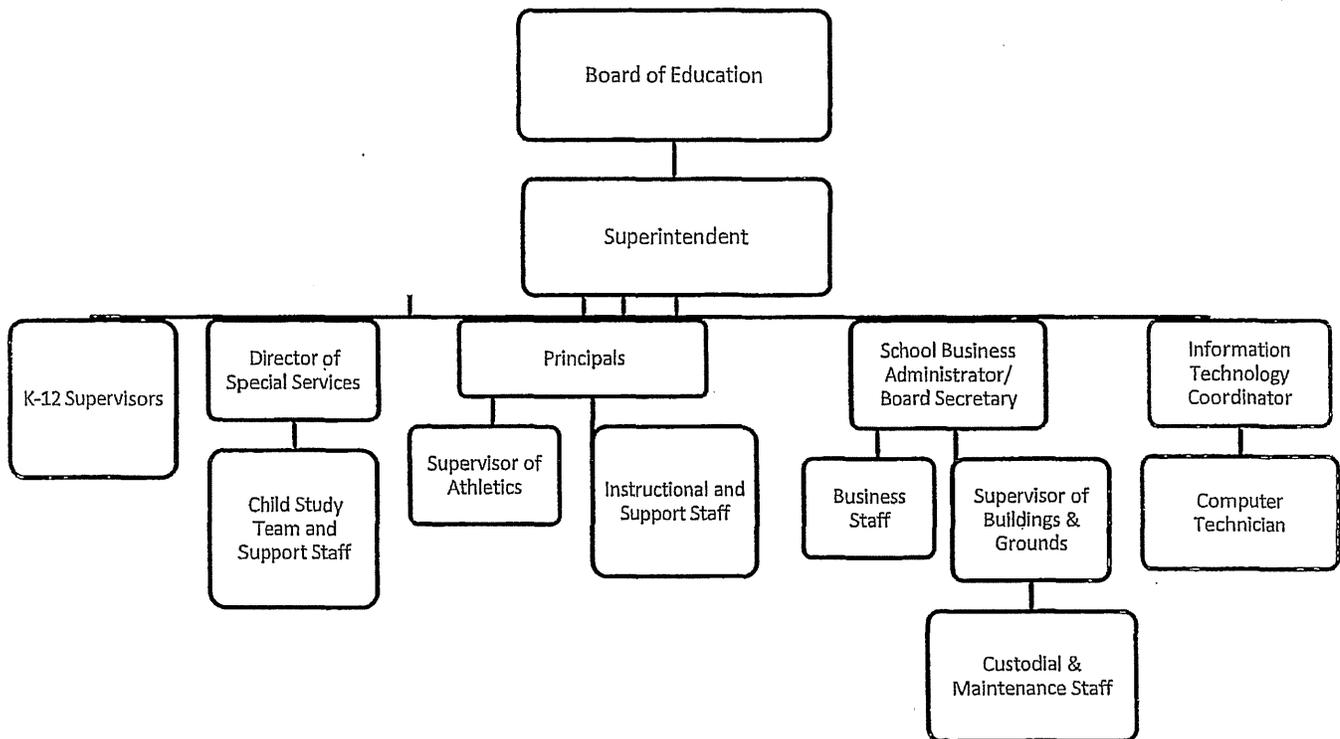
Raymond G. Karaty, CPA, PSA
Business Administrator/Board Secretary

POLICY

SADDLE BROOK BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mariana Ianneillo, President	2025
Victoria Torbic, Vice President	2024
Michael Accomando	2025
Regina Barrale	2024
Michael Errichiello	2026
Vincent Laurentino	2025
Michele Roloff	2026
Hayley Traverso	2024
Sylvia Zottarelli	2026

Other Officials

Toni Violetti, Superintendent

Raymond G. Karaty, CPA, PSA, Board Secretary/School Business Administrator

Peter Bellani, CPA, Treasurer

Mark Wenczel, Esq., Board Attorney – Cleary Jacobbe Alfieri & Jacobs, LLC

SADDLE BROOK BOARD OF EDUCATION

Consultants and Advisors

ARCHITECT

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Chester, New Jersey 07930

AUDITOR

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Fair Lawn, NJ 07410

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OFFICIAL DEPOSITORY

Provident Bank
210 Rochelle Avenue
Rochelle Park, NJ 07662

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
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ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook Board of Education's basic financial statements. The accompanying 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 Saddle Brook 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 schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2025 on our consideration of the Saddle Brook 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 Saddle Brook 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 Saddle Brook Board of Education's internal control over financial reporting and compliance.


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


Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Saddle Brook 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, 2024. 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 (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Saddle Brook Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$17,862,580 (net position).
- Overall District revenues were \$49,081,247. General revenues accounted for \$38,432,708 or 78% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,648,539 or 22% of total revenues.
- The School District had \$46,913,795 in expenses for governmental activities; only \$9,735,901 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$38,430,381 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 \$18,209,865 a decrease of \$1,561,323 when compared to the ending fund balance at June 30, 2023 of \$19,771,188.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$1,249,533 which represents an increase of \$100,520 when compared to the ending unassigned fund balance at June 30, 2023 of \$1,149,013.

SADDLE BROOK BOARD OF EDUCATION

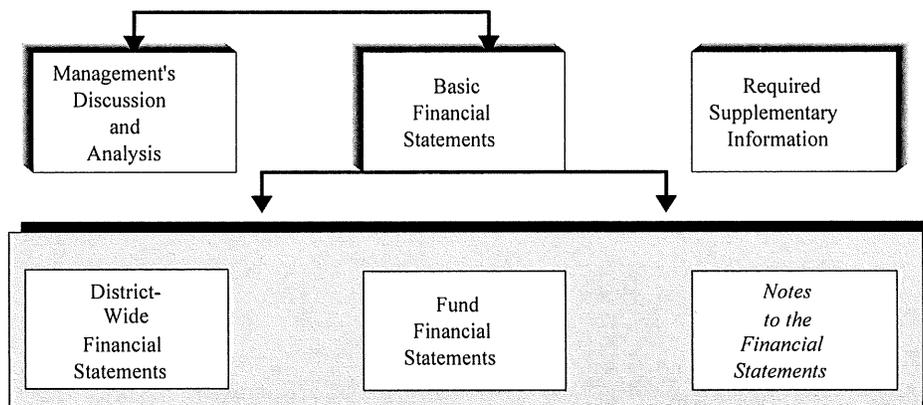
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The 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.



SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

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 thereafter; 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.

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

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

- 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 is 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).

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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 and individual financial schedules are presented immediately following the required supplementary information if required.

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

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 \$17,862,580 and \$16,626,930 as of June 30, 2024 and 2023, 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, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 19,599,326	\$ 20,752,450	\$ 301,854	\$ 250,063	\$ 19,901,180	\$ 21,002,513
Capital Assets	<u>27,794,298</u>	<u>26,881,888</u>	<u>184,357</u>	<u>213,256</u>	<u>27,978,655</u>	<u>27,095,144</u>
Total Assets	<u>47,393,624</u>	<u>47,634,338</u>	<u>486,211</u>	<u>463,319</u>	<u>47,879,835</u>	<u>48,097,657</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	417,836	728,122			417,836	728,122
Deferred Amounts on Refunding of Debt	<u>9,320</u>	<u>14,675</u>	<u>-</u>	<u>-</u>	<u>9,320</u>	<u>14,675</u>
Total Deferred Outflows	<u>427,156</u>	<u>742,797</u>	<u>-</u>	<u>-</u>	<u>427,156</u>	<u>742,797</u>
Total Assets and Deferred Outflows	<u>47,820,780</u>	<u>48,377,135</u>	<u>486,211</u>	<u>463,319</u>	<u>48,306,991</u>	<u>48,840,454</u>
Liabilities						
Long-Term Liabilities	27,928,880	29,680,880			27,928,880	29,680,880
Other Liabilities	<u>1,569,710</u>	<u>1,175,850</u>	<u>62,578</u>	<u>22,849</u>	<u>1,632,288</u>	<u>1,198,699</u>
Total Liabilities	<u>29,498,590</u>	<u>30,856,730</u>	<u>62,578</u>	<u>22,849</u>	<u>29,561,168</u>	<u>30,879,579</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	883,243	1,333,945			883,243	1,333,945
Total Deferred Inflows	<u>883,243</u>	<u>1,333,945</u>	<u>-</u>	<u>-</u>	<u>883,243</u>	<u>1,333,945</u>
Total Liabilities and Deferred Inflows	<u>30,381,833</u>	<u>32,190,675</u>	<u>62,578</u>	<u>22,849</u>	<u>30,444,411</u>	<u>32,213,524</u>
Net Position						
Net Investment in Capital Assets	19,019,883	19,009,654	184,357	213,256	19,204,240	19,222,910
Restricted	5,372,424	4,590,021			5,372,424	4,590,021
Unrestricted	<u>(6,953,360)</u>	<u>(7,413,215)</u>	<u>239,276</u>	<u>227,214</u>	<u>(6,714,084)</u>	<u>(7,186,001)</u>
Total Net Position	<u>\$ 17,438,947</u>	<u>\$ 16,186,460</u>	<u>\$ 423,633</u>	<u>\$ 440,470</u>	<u>\$ 17,862,580</u>	<u>\$ 16,626,930</u>

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 677,311	\$ 527,680	\$ 544,373	\$ 539,364	\$ 1,221,684	\$ 1,067,044
Operating Grants and Contributions	8,913,234	8,290,057	368,265	457,010	9,281,499	8,747,067
Capital Grants and Contributions	145,356	-			145,356	-
General Revenues						
Property Taxes	37,317,746	36,292,459			37,317,746	36,292,459
State Aid	144,837	150,878			144,837	150,878
Miscellaneous	967,798	193,700	2,327	87	970,125	193,787
Total Revenues	<u>48,166,282</u>	<u>45,454,774</u>	<u>914,965</u>	<u>996,461</u>	<u>49,081,247</u>	<u>46,451,235</u>
Expenses						
Instruction						
Regular	14,395,962	13,465,099			14,395,962	13,465,099
Special Education	9,763,070	9,105,299			9,763,070	9,105,299
Other Instruction	1,521,681	1,282,215			1,521,681	1,282,215
School Sponsored Activities and Athletics	1,079,286	1,231,920			1,079,286	1,231,920
Support Services						
Student and Instruction Related Services	7,761,520	7,356,240			7,761,520	7,356,240
Educational Media/School Library	480,187	799,849			480,187	799,849
General Administration Services	993,237	945,693			993,237	945,693
School Administration Services	2,510,188	2,639,635			2,510,188	2,639,635
Plant Operation and Maintenance	4,806,119	4,092,835			4,806,119	4,092,835
Pupil Transportation	1,894,837	1,926,010			1,894,837	1,926,010
Central Services	916,890	740,498			916,890	740,498
Interest and Other Chgs on Long-Term Debt	790,818	389,567			790,818	389,567
Food Service	-	-	931,802	953,325	931,802	953,325
Total Expenses	<u>46,913,795</u>	<u>43,974,860</u>	<u>931,802</u>	<u>953,325</u>	<u>47,845,597</u>	<u>44,928,185</u>
Change in Net Position	1,252,487	1,479,914	(16,837)	43,136	1,235,650	1,523,050
Net Position, Beginning of Year	<u>16,186,460</u>	<u>14,706,546</u>	<u>440,470</u>	<u>397,334</u>	<u>16,626,930</u>	<u>15,103,880</u>
Net Position, End of Year	<u>\$ 17,438,947</u>	<u>\$ 16,186,460</u>	<u>\$ 423,633</u>	<u>\$ 440,470</u>	<u>\$ 17,862,580</u>	<u>\$ 16,626,930</u>

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude 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, careful management of 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, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 14,395,962	\$ 13,465,099	\$ 11,619,967	\$ 11,223,877
Special Education	9,763,070	9,105,299	6,003,490	5,501,441
Other Instruction	1,521,681	1,282,215	1,175,432	951,136
School Sponsored Activities and Athletics	1,079,286	1,231,920	719,951	766,052
Support Services				
Student and Instruction Related Services	7,761,520	7,356,240	6,269,405	6,026,114
Educational Media/School Library	480,187	799,849	403,032	751,454
General Administration	993,237	945,693	894,484	864,998
School Administration Services	2,510,188	2,639,635	2,265,736	2,247,424
Plant Operation and Maintenance	4,806,119	4,092,835	4,685,241	4,041,032
Pupil Transportation	1,894,837	1,926,010	1,616,668	1,657,134
Central Services	916,890	740,498	733,670	736,894
Interest and Other Charges on Long-Term Debt	<u>790,818</u>	<u>389,567</u>	<u>790,818</u>	<u>389,567</u>
Total	<u>\$ 46,913,795</u>	<u>\$ 43,974,860</u>	<u>\$ 37,177,894</u>	<u>\$ 35,157,123</u>

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

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 \$18,209,865, a decrease of \$1,561,323 from last year's fund balance of \$19,771,188.

Revenues for the District's governmental funds were \$52,592,896; total expenditures were \$54,523,850.

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 of the General Fund were \$48,176,565 for the fiscal year ended June 30, 2024. State sources amounts to \$11,605,165, federal sources amounts to \$10,297 and local sources amounts to \$36,561,103.

Expenditures of the General Fund were \$48,926,675. Instructional expenditures were \$27,765,029, support services expenditures were \$19,284,046, lease debt service payments were \$842,874 and capital expenditures totaled \$1,034,726 for the fiscal year ended June 30, 2024.

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.

Revenues of the Special Revenue Fund were \$2,246,865 for the fiscal year ended June 30, 2024. Federal sources amounts to \$1,756,889, State sources amounts to \$126,949 and local sources were \$363,027.

Expenditures of the Special Revenue Fund were \$2,248,170. Instructional expenditures were \$1,319,887, support services expenditures were \$782,927 and capital expenditures were \$145,356 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$379,207 increasing the fund balance from \$14,267,561 at June 30, 2023 to \$14,646,768 at June 30, 2024. This increase was due to transfer from Capital Reserve in the amount of \$2,480,100 for the 2024 HVAC and Boiler Improvement project.

SADDLE BROOK BOARD OF EDUCATION

Management’s Discussion and Analysis

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. 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, 2023 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District’s investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$27,978,655 and \$27,095,144 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$1,796,455 for governmental activities and \$28,899 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 31,974	\$ 31,974			\$ 31,974	\$ 31,974
Construction in Progress	2,507,435	1,683,111			2,507,435	1,683,111
Site Improvements	310,490	336,899			310,490	336,899
Buildings	23,762,674	23,568,337			23,762,674	23,568,337
Machinery and Equipment	<u>1,181,725</u>	<u>1,261,567</u>	\$ 184,357	\$ 213,256	<u>1,366,082</u>	<u>1,474,823</u>
Total	<u>\$ 27,794,298</u>	<u>\$ 26,881,888</u>	<u>\$ 184,357</u>	<u>\$ 213,256</u>	<u>\$ 27,978,655</u>	<u>\$ 27,095,144</u>

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

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$598,312, serial bonds of \$17,628,443 (including unamortized premium and discounts), capital financing agreements of \$4,422,364, other financing agreements of \$383,113 and net pension liability of \$4,896,648 totaling \$27,928,880. This is in comparison to long-term liabilities at June 30, 2023 of \$29,680,880 or a decrease of \$1,752,000.

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 2023-2024 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, Saddle Brook Board of Education, 355 Mayhill Street, Saddle Brook, NJ 07663.

BASIC FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 18,296,951	\$ 205,786	\$ 18,502,737
Cash Held with Fiscal Agent	78,905		78,905
Receivables, net	1,223,470	69,893	1,293,363
Inventory		26,175	26,175
Capital Assets			
Not Being Depreciated	2,539,409		2,539,409
Being Depreciated, Net	25,254,889	184,357	25,439,246
Total Assets	47,393,624	486,211	47,879,835
Deferred Outflows of Resources			
Deferred Amounts on Net Pension Liability	417,836		417,836
Deferred Amounts on Refunding of Debt	9,320	-	9,320
	427,156	-	427,156
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	47,820,780	486,211	48,306,991
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,361,170	38,920	1,400,090
Payable to Other Governments	2,174		2,174
Accrued Interest Payable	180,249		180,249
Unearned Revenue	26,117	23,658	49,775
Noncurrent Liabilities			
Due Within One Year	1,950,153		1,950,153
Due Beyond One Year	25,978,727	-	25,978,727
Total Liabilities	29,498,590	62,578	29,561,168
Deferred Inflows of Resources			
Deferred Amounts on Net Pension Liability	883,243	-	883,243
Total Deferred Inflows of Resources	883,243	-	883,243
Total Liabilities and Deferred Inflows of Resources	30,381,833	62,578	30,444,411
NET POSITION			
Net Investment in Capital Assets	19,019,883	184,357	19,204,240
Restricted for :			
Capital Projects	3,418,240		3,418,240
Maintenance	772,083		772,083
Other Purposes	1,182,101		1,182,101
Unrestricted	(6,953,360)	239,276	(6,714,084)
Total Net Position	\$ 17,438,947	\$ 423,633	\$ 17,862,580

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 14,395,962	\$ 317,976	\$ 2,345,774	\$ 112,245	\$ (11,619,967)		\$ (11,619,967)
Special Education	9,763,070		3,726,469	33,111	(6,003,490)		(6,003,490)
Other Instruction	1,521,681		346,249		(1,175,432)		(1,175,432)
School Sponsored Activities and Athletics	1,079,286	359,335			(719,951)		(719,951)
Support Services							
Student and Instruction Related Services	7,761,520		1,492,115		(6,269,405)		(6,269,405)
Educational Media/School Library	480,187		77,155		(403,032)		(403,032)
General Administrative Services	993,237		98,753		(894,484)		(894,484)
School Administrative Services	2,510,188		244,452		(2,265,736)		(2,265,736)
Plant Operations and Maintenance	4,806,119		120,878		(4,685,241)		(4,685,241)
Pupil Transportation	1,894,837		278,169		(1,616,668)		(1,616,668)
Central Services	916,890		183,220		(733,670)		(733,670)
Interest and Other Charges on Long-Term Debt	790,818	-	-	-	(790,818)	-	(790,818)
Total Governmental Activities	46,913,795	677,311	8,913,234	145,356	(37,177,894)	-	(37,177,894)
Business-Type Activities							
Food Service	931,802	544,373	368,265	-	-	\$ (19,164)	(19,164)
Total Business-Type Activities	931,802	544,373	368,265	-	-	(19,164)	(19,164)
Total Primary Government	\$ 47,845,597	\$ 1,221,684	\$ 9,281,499	\$ 145,356	(37,177,894)	(19,164)	(37,197,058)
General Revenues							
Property Taxes, Levied for General Purposes, Net					35,861,751		35,861,751
Property Taxes Levied for Debt Service					1,455,995		1,455,995
State Aid Restricted for Debt Service					127,049		127,049
Unrestricted State Aid					17,788		17,788
Miscellaneous Income					967,798	2,327	970,125
Total General Revenues					38,430,381	2,327	38,432,708
Change in Net Position					1,252,487	(16,837)	1,235,650
Net Position, Beginning of Year					16,186,460	440,470	16,626,930
Net Position, End of Year					\$ 17,438,947	\$ 423,633	\$ 17,862,580

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FUND FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,047,086	\$ 240,747	\$ 13,009,117	\$ 1	\$ 18,296,951
Cash Held with Fiscal Agent			78,905		78,905
Receivables, Net					
Receivables from Other Governments	107,070	1,116,350	-		1,223,420
Due from Other Funds	851,472		2,480,100	589,977	3,921,549
Other Receivables	-	50	-	-	50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 6,005,628</u>	<u>\$ 1,357,147</u>	<u>\$ 15,568,122</u>	<u>\$ 589,978</u>	<u>\$ 23,520,875</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 617,210	\$ 568,389			\$ 1,185,599
Due to Other Funds	2,480,100	520,095	\$ 921,354		3,921,549
Payable to Other Governments		2,174			2,174
Payroll Deductions and Withholdings	175,571				175,571
Unearned Revenue	375	25,742	-	-	26,117
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,273,256</u>	<u>1,116,400</u>	<u>921,354</u>	<u>-</u>	<u>5,311,010</u>
Fund Balances					
Restricted:					
Capital Reserve	938,140				938,140
Maintenance Reserve	572,083				572,083
Maintenance Reserve, Designated for Subsequent Year's Expenditures	200,000				200,000
Capital Projects			14,646,768		14,646,768
Debt Service				\$ 589,978	589,978
Unemployment Compensation	351,376				351,376
Student Activities/Athletics		237,896			237,896
Scholarship		2,851			2,851
Assigned:					
Year End Encumbrances	376,282				376,282
Unassigned:	294,491	-	-	-	294,491
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,732,372</u>	<u>240,747</u>	<u>14,646,768</u>	<u>589,978</u>	<u>18,209,865</u>
Total Liabilities and Fund Balances	<u>\$ 6,005,628</u>	<u>\$ 1,357,147</u>	<u>\$ 15,568,122</u>	<u>\$ 589,978</u>	<u>\$ 23,520,875</u>

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

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024

Total Government Fund Balances (Exhibit B-1) \$ 18,209,865

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 \$54,306,512 and the accumulated depreciation is \$26,512,214. 27,794,298

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. 9,320

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

Deferred Outflows of Resources	\$ 417,836	
Deferred Inflows of Resources	<u>(883,243)</u>	(465,407)

The District has financed capital assets through the issuance of serial bonds and long term-financing obligations. The interest accrual at year end is: (180,249)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable, Net	\$ (17,628,443)	
Net Pension Liability	(4,896,648)	
Financing Agreements	(4,805,477)	
Compensated Absences	<u>(598,312)</u>	(27,928,880)

Net Position of Governmental Activities (Exhibit A-1) \$ 17,438,947

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 35,861,751			\$ 1,455,995	\$ 37,317,746
Tuition	317,976				317,976
Miscellaneous	381,376	\$ 363,027	\$ 586,422	-	1,330,825
Total - Local Sources	36,561,103	363,027	586,422	1,455,995	38,966,547
State Sources	11,605,165	126,949		127,049	11,859,163
Federal Sources	10,297	1,756,889	-	-	1,767,186
Total Revenues	<u>48,176,565</u>	<u>2,246,865</u>	<u>586,422</u>	<u>1,583,044</u>	<u>52,592,896</u>
EXPENDITURES					
Current					
Regular Instruction	15,522,815	267,091			15,789,906
Special Education Instruction	10,007,669	463,804			10,471,473
Other Instruction	1,438,710	228,352			1,667,062
School-Sponsored Activities and Athletics	795,835	360,640			1,156,475
Support Services					
Student and Instruction Related Services	7,612,324	782,927			8,395,251
Educational Media/School Library	531,453				531,453
General Administrative Services	1,058,854				1,058,854
School Administrative Services	2,796,948				2,796,948
Plant Operations and Maintenance	4,507,280				4,507,280
Pupil Transportation	1,884,240				1,884,240
Central Services	892,947				892,947
Debt Service					
Principal	685,934			935,000	1,620,934
Interest and Other Charges	156,940			648,044	804,984
Capital Outlay	1,034,726	145,356	1,765,961	-	2,946,043
Total Expenditures	<u>48,926,675</u>	<u>2,248,170</u>	<u>1,765,961</u>	<u>1,583,044</u>	<u>54,523,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(750,110)</u>	<u>(1,305)</u>	<u>(1,179,539)</u>	<u>-</u>	<u>(1,930,954)</u>
OTHER FINANCING SOURCES (USES)					
Financing Agreements (Non-Budget)	369,631				369,631
Transfer In	331,377		2,480,100	589,977	3,401,454
Transfer Out	(2,480,100)	-	(921,354)	-	(3,401,454)
Total Other Financing Sources and Uses	<u>(1,779,092)</u>	<u>-</u>	<u>1,558,746</u>	<u>589,977</u>	<u>369,631</u>
Net Change in Fund Balances	(2,529,202)	(1,305)	379,207	589,977	(1,561,323)
Fund Balance, Beginning of Year	5,261,574	242,052	14,267,561	1	19,771,188
Fund Balance, End of Year	<u>\$ 2,732,372</u>	<u>\$ 240,747</u>	<u>\$ 14,646,768</u>	<u>\$ 589,978</u>	<u>\$ 18,209,865</u>

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

**SADDLE BROOK 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, 2024**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ (1,561,323)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 2,946,043	
Depreciation Expense	<u>(1,796,455)</u>	
		1,149,588

The net effect of various miscellaneous transactions involving capital asset (i.e. sales, disposal, donations) is to increase net position. These transactions are not reported in the governmental fund financial statements.

Decrease in Asset Value		(237,178)
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In the statement of activities, "the issuance of long-term debt (e.g. bonds, loans and leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Discount	(1,313)	
Amortization of Bond Premium	6,495	
Amortization of Deferred Amounts on Refunding	(5,355)	
Financing Agreements Issued	(369,631)	
Principal Repayments		
Bond Principal	935,000	
Financing Agreements Principal	<u>685,934</u>	
		1,251,130

In the statement of activities, certain operating expenses - compensated absences and net pension liability 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	(10,045)	
Decrease in Net Pension Expense	<u>645,976</u>	
		635,931

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

Decrease in Accrued Interest		<u>14,339</u>
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Change in net position of governmental activities (Exhibit A-2) **\$ 1,252,487**

**SADDLE BROOK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2024**

	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 205,786
Other Accounts Receivable	24,503
Intergovernmental Receivable	
State	2,985
Federal	42,405
Inventories	<u>26,175</u>
Total Current Assets	<u>301,854</u>
Capital Assets	
Equipment	460,770
Less: Accumulated Depreciation	<u>(276,413)</u>
Total Capital Assets, Net	<u>184,357</u>
Total Assets	<u>486,211</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	38,920
Unearned Revenue	<u>23,658</u>
Total Current Liabilities	<u>62,578</u>
NET POSITION	
Net Investment in Capital Assets	184,357
Unrestricted	<u>239,276</u>
Total Net Position	<u>\$ 423,633</u>

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

	Food Service
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable programs	\$ 266,842
Daily Sales - Non-Reimbursable Programs	<u>277,531</u>
	<u>544,373</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable	307,679
Cost of Sales - Non-Reimbursable	158,502
Salaries and Employee Benefits	322,608
Purchased Property Services	19,916
Other Purchased Services	4,592
Supplies and Materials	44,681
Depreciation	28,899
Miscellaneous	<u>44,925</u>
Total Operating Expenses	<u>931,802</u>
Operating Income/(Loss)	<u>(387,429)</u>
NONOPERATING REVENUES/(EXPENSES)	
State Sources	
School Lunch Program	11,766
NJEIE Lunch	4,408
School Breakfast Program	210
NJEIE Breakfast	373
Federal Sources	
National School Lunch Program	224,287
National School Breakfast Program	12,235
HHFKA	9,222
Food Distribution Program	56,855
Local Food for School (LFS)	2,823
P-EBT Administrative Program	653
COVID Supply Chain Assistance Award	45,433
Interest and Investment Revenue	<u>2,327</u>
Total Nonoperating Revenues	<u>370,592</u>
Change in Net Position	(16,837)
Total Net Position, Beginning of Year	<u>440,470</u>
Total Net Position, End of Year	<u>\$ 423,633</u>

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

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

	<u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 548,057
Cash Payments for Employees' Salaries and Benefits	(322,608)
Cash Payments to Suppliers for Goods and Services	<u>(487,546)</u>
Net Cash Provided/(Used) for Operating Activities	<u>(262,097)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>280,138</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>280,138</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>2,327</u>
Net Cash Provided by Investing Activities	<u>2,327</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	20,368
Cash and Cash Equivalents, Beginning of Year	<u>185,418</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 205,786</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income (Loss)	<u>\$ (387,429)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	56,855
Depreciation	28,899
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(7,312)
(Increase)/Decrease in Inventory	7,161
Increase/(Decrease) in Accounts Payable	28,733
Increase/(Decrease) in Unearned Revenue	<u>10,996</u>
Total Adjustments	<u>125,332</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (262,097)</u></u>
Non-Cash Financing Activities	
Food Distribution Program Commodities Received	\$ 56,855

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Saddle Brook 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 general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board.

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

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

B. New Accounting Standards

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, 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, lease purchases, 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 major proprietary fund which is organized to be self-supporting through user charges:

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources. However, the District had no unused commodity inventory at year end.

4. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by state or county regulations for capital projects and capital financing agreements for projects.

5. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15-20
Buildings and Building Improvements	30-40
Machinery and Equipment	5-20

6. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

7. Compensated Absences

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

8. 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.

9. Financing Agreements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Long-Term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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.

Unemployment Compensation – 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 2A).

Student Activities/Athletics – 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.

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

12. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *On-Behalf Payments*

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

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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. The annual budget is voted upon at the annual school election on the third Tuesday in April. 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 beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$1,099,893 and the special revenue fund by \$1,060,705. The increase was funded by the additional grant awards, the reappropriation of prior year general fund encumbrances, financing agreements, student activity revenues and scholarship donations.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Current Expenditures			
Instructional – Regular Programs			
Undistributed – General Supplies	\$432,352	\$632,086	\$199,734

The above variances were offset with other available resources.

C. 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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

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

Balance, July 1, 2023	\$ 2,701,763
Increased by:	
Deposits from Capital Projects	\$ 331,377
Deposits Approved by Board Resolution	385,100
Return of Unencumbered Budget Withdrawals	<u>14,900</u>
	<u>731,377</u>
	3,433,140
Decreased by:	
Withdrawals Approved in District Budget	<u>2,495,000</u>
Balance, June 30, 2024	<u>\$ 938,140</u>

The June 30, 2024 LRFPP balance of the total costs uncompleted capital projects is estimated by managements to be \$6,890,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District’s Long-Range Facilities Plan.

D. 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, 2024 is as follows:

Balance, July 1, 2023	\$ 1,141,778
Increased by:	
Deposits Approved by Board Resolution	<u>505,305</u>
	1,647,083
Decreased by:	
Withdrawals Approved in District Budget	<u>875,000</u>
Balance, June 30, 2024	<u>\$ 772,083</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,331,073. \$200,000 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits was \$18,581,642 and bank and brokerage firm balances of the Board's deposits amounted to \$20,377,519. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 19,953,399
Uninsured and Uncollaterized	<u>424,120</u>
	<u>\$ 20,377,519</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balance of \$424,120 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Uncollaterized	
Collateral held by pledging financial institution's trust department but not in the Board's name.	<u>\$ 424,120</u>

Investments

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2024 for the District’s individual major funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts		\$ 50	\$ 24,503	\$ 24,553
Intergovernmental				
Federal		1,116,350	42,405	1,158,755
State	\$ 107,070	-	2,985	110,055
Net Total Receivables	<u>\$ 107,070</u>	<u>\$ 1,116,400</u>	<u>\$ 69,893</u>	<u>\$ 1,293,363</u>

C. Unearned Revenue

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

General Fund	
Pre-K Tuition	\$ 375
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>25,742</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 26,117</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2023</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Balance, June 30, 2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,974			\$ 31,974
Construction in Progress	<u>1,683,111</u>	<u>\$ 2,510,698</u>	<u>\$ (1,686,374)</u>	<u>2,507,435</u>
Total capital assets, not being depreciated	<u>1,715,085</u>	<u>2,510,698</u>	<u>(1,686,374)</u>	<u>2,539,409</u>
Capital assets, being depreciated:				
Land Improvements	696,410			696,410
Buildings and Building Improvements	43,745,279		1,686,374	45,431,653
Machinery and Equipment	<u>5,440,873</u>	<u>435,345</u>	<u>(237,178)</u>	<u>5,639,040</u>
Total capital assets being depreciated	<u>49,882,562</u>	<u>435,345</u>	<u>1,449,196</u>	<u>51,767,103</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(359,511)	(26,409)		(385,920)
Land Improvements	(20,176,942)	(1,492,037)		(21,668,979)
Machinery and Equipment	<u>(4,179,306)</u>	<u>(278,009)</u>	<u>-</u>	<u>(4,457,315)</u>
Total accumulated depreciation	<u>(24,715,759)</u>	<u>(1,796,455)</u>	<u>-</u>	<u>(26,512,214)</u>
Total capital assets, being depreciated, net	<u>25,166,803</u>	<u>(1,361,110)</u>	<u>1,449,196</u>	<u>25,254,889</u>
Governmental activities capital assets, net	<u>\$ 26,881,888</u>	<u>\$ 1,149,588</u>	<u>\$ (237,178)</u>	<u>\$ 27,794,298</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
Business-Type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 460,770	-	-	\$ 460,770
Total capital assets being depreciated	<u>460,770</u>	-	-	<u>460,770</u>
Less accumulated depreciation for:				
Machinery and Equipment	(247,514)	\$ (28,899)	-	(276,413)
Total accumulated depreciation	<u>(247,514)</u>	<u>(28,899)</u>	-	<u>(276,413)</u>
Total capital assets, being depreciated, net	<u>213,256</u>	<u>(28,899)</u>	-	<u>184,357</u>
Business-type activities capital assets, net	<u>\$ 213,256</u>	<u>\$ (28,899)</u>	<u>\$ -</u>	<u>\$ 184,357</u>

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

Governmental activities:	
Instruction	
Regular	\$ 662,833
Special Education	336,852
Other Instruction	69,129
School-Sponsored Activities and Athletics	<u>36,704</u>
Total Instruction	<u>1,105,518</u>
Support Services	
Student and Instruction Related Services	301,344
Educational Media	24,377
General and Business Administrative Services	31,201
School Administrative Services	136,356
Plant Operations and Maintenance	126,692
Pupil Transportation	21,772
Central Services	<u>49,195</u>
Total Support Services	<u>690,937</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,796,455</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 28,899</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

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

<u>Project</u>	<u>Remaining Commitment</u>
2023 Referendum - Various Improvements	<u>\$ 4,990,017</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 520,095
Capital Projects Fund	General Fund	2,480,100
Debt Service Fund	Capital Projects Fund	589,977
General Fund	Capital Projects Fund	<u>331,377</u>
		<u>\$ 3,921,549</u>

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

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

Interfund Transfers

	<u>Transfer Out:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer In:			
General Fund		\$ 331,377	\$ 331,377
Capital Projects Fund	\$ 2,480,100		2,480,100
Debt Service Fund	-	589,977	<u>589,977</u>
Total	<u>\$ 2,480,100</u>	<u>\$ 921,354</u>	<u>\$ 3,401,454</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2024 are comprised of the following:

<p>\$4,743,181, fiscal year 2018 Agreement for the Energy Savings Incentive Program for a term of 18 years due in annual principal installments of \$75,000 to \$310,000 through July 15, 2035 interest at 3.14%</p>	<p>\$ 3,650,000</p>
<p>\$700,000, fiscal year 2022 Agreement for the acquisition of various equipment for a term of 4 years due in annual principal installments of \$134,108 through \$145,096 through September 15, 2026 interest at 2.66%</p>	<p>424,078</p>
<p>\$250,241, fiscal year 2022 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$13,543 to \$53,042 through September 15, 2027 interest at 3.38%</p>	<p>167,431</p>
<p>\$260,000, fiscal year 2022 Agreement for the acquisition of various vehicles for a term of 5 years due in annual principal installments of \$49,362 through \$53,319 through November 15, 2025 interest at 2.604%</p>	<p>105,284</p>
<p>\$97,671, fiscal year 2024 Agreement for the acquisition of a passenger bus for a term of 5 years due in annual principal installments of \$17,127 through \$22,100 through December 1, 2027 interest at 6.581%</p>	<p><u>75,571</u></p>
<p>Total</p>	<p><u>\$ 4,422,364</u></p>

The unexpended proceeds from the capital financing agreements, including interest earned on balances which remain on deposit are held with the respective fiscal agents.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Other Financing Agreements

The District entered into the following agreements 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 these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Other financing agreements at June 30, 2024 are comprised of the following:

\$222,276, fiscal year 2022 Agreement for the acquisition of technology equipment for a term of 5 years due in annual principal installments of \$41,914 and \$45,896 through September 1, 2025 interest at 3.072%	\$ 90,424
\$190,145, fiscal year 2023 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$44,746 and \$48,667 through September 1, 2025 interest at 4.286%	95,328
\$91,960, fiscal year 2024 Agreement for the acquisition of interactive displays for a term of 4 years due in annual principal installments of \$20,851 and \$25,221 through February 10, 2027 interest at 6.547%	66,739
\$180,000, fiscal year 2024 Agreement for the acquisition of chromebooks for a term of 4 years due in annual principal installments of \$40,803 and \$49,378 through October 15, 2026 interest at 6.56%	<u>130,622</u>
Total	<u>\$ 383,113</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Other Financing Agreements (Continued)

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,	<u>Capital Agreements</u>		<u>Other Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 486,307	\$ 136,741	\$ 152,846	\$ 19,808	\$ 795,702
2026	514,186	121,483	160,259	12,396	808,324
2027	482,593	105,439	70,008	4,592	662,632
2028	319,278	90,461			409,739
2029-3033	1,735,000	295,631			2,030,631
3034-3036	<u>885,000</u>	<u>46,866</u>	<u>-</u>	<u>-</u>	<u>931,866</u>
Total	<u>\$ 4,422,364</u>	<u>\$ 796,621</u>	<u>\$ 383,113</u>	<u>\$ 36,796</u>	<u>\$ 5,638,894</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities 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, 2024 are comprised of the following issues:

\$2,955,000, 2012 Pension Refunding Bonds, due in annual installments of \$200,000 to \$240,000 through August 15, 2028, interest at 5.00% - 5.75%	\$ 1,100,000
\$4,609,000, 2015 School Bonds, due in annual installments of \$345,000 to \$350,000 through February 15, 2030, interest at 2.00%-3.00%	2,094,000
\$14,441,000, 2023 School Bonds, due in annual installments of \$500,000 to \$1,000,000 through May 15, 2043, interest at 3.25%-4.00%	<u>14,441,000</u>
	<u>\$ 17,635,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 1,261,000	\$ 614,921	\$ 1,875,921
2026	1,060,000	572,692	1,632,692
2027	1,095,000	536,912	1,631,912
2028	1,130,000	499,898	1,629,898
2029-2034	4,899,000	2,348,254	7,247,254
2035-2043	<u>8,190,000</u>	<u>1,660,350</u>	<u>9,850,350</u>
	<u>\$ 17,635,000</u>	<u>\$ 6,233,027</u>	<u>\$ 23,868,027</u>

Statutory Borrowing Power

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

4% of Equalized Valuation Basis (Municipal)	\$ 120,290,917
Less: Net Debt Issued and Authorized But Not Issued	<u>16,536,180</u>
Remaining Borrowing Power	<u>\$ 103,754,737</u>

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

NOTE 3 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, 2024, was as follows:

	Balance, <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 18,570,000		\$ 935,000	\$ 17,635,000	\$ 1,261,000
Deferred Amounts					
Add: Premium	6,495		6,495	-	
Less: Discount	<u>(7,870)</u>	<u>-</u>	<u>1,313</u>	<u>(6,557)</u>	<u>-</u>
Total Bonds Payable	18,568,625	-	942,808	17,628,443	1,261,000
Net Pension Liability	5,402,208		505,560	4,896,648	
Capital Financing Agreements	4,794,468	\$ 97,671	469,775	4,422,364	486,307
Other Financing Agreements	327,312	271,960	216,159	383,113	152,846
Compensated Absences	<u>588,267</u>	<u>10,045</u>	<u>-</u>	<u>598,312</u>	<u>50,000</u>
Governmental Activity					
Long-Term Liabilities	<u>\$ 29,680,880</u>	<u>\$ 379,676</u>	<u>\$ 2,134,302</u>	<u>\$ 27,928,880</u>	<u>\$ 1,950,153</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District provided traditional health coverage with the State Employee Health Benefit Program.

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The relationship between the Board and the insurance Groups 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 Groups, to report claims on a timely basis, cooperate with the management of the Groups, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Groups. Members have a contractual obligation to fund any deficit of the Groups attributable to a membership year during which they were a member.

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance 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 for the current and previous two years:

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024		\$ 2,856	\$ 14,044	\$ 120,391	\$ 351,376
2023		36,852	436	26,096	423,050
2022		31,817	243		411,858

B. Contingent Liabilities

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

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

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

NOTE 4 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, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

The following represent the membership tiers for TPAF:

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

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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

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

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

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

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

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2024.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

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

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 454,144	\$ 5,704,783	\$ 39,626
2023	451,413	5,171,719	13,466
2022	384,748	5,216,702	11,773

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$2,333, \$2,047 and \$1,928, 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 \$1,211,834 during the fiscal year ended June 30, 2024 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$4,896,648 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District’s proportionate share was 0.03381 percent, which was a decrease of 0.00199 percent from its proportionate share measured as of June 30, 2022 of 0.03580 percent.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$191,832 for PERS. The pension contribution made by the District during the current 2023/204 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 46,818	\$ 20,016
Changes of Assumptions	10,757	296,758
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,550	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>337,711</u>	<u>566,469</u>
Total	<u>\$ 417,836</u>	<u>\$ 883,243</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ending <u>June 30,</u>	<u>Total</u>
2025	\$ (370,341)
2026	(370,341)
2027	313,834
2028	(39,057)
2029	498
Thereafter	<u>-</u>
	<u>\$ (465,407)</u>

Actuarial Assumptions

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

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

Mortality Rates

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,374,394</u>	\$ <u>4,896,648</u>	\$ <u>3,638,891</u>

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

Pension Plan Fiduciary Net Position

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

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

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,564,356 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$63,676,910. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.12478 percent, which was a decrease of 0.00018 percent from its proportionate share measured as of June 30, 2022 of .12496 percent.

**SADDLE BROOK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 75,086,632</u>	<u>\$ 63,676,910</u>	<u>\$ 54,067,212</u>

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

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

**SADDLE BROOK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan 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.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$1,552,633, \$1,358,598 and \$1,218,833, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,266,446. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State’s proportionate share of the OPEB liability attributable to the District is \$63,833,980. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state’s share of the OPEB liability attributable to the District was .12 percent, which was unchanged from its proportionate share measured as of June 30, 2022 of .12 percent.

Actuarial Assumptions

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

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Health Care Trend Assumptions

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

Discount Rate

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ <u>61,014,090</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,422,823
Interest on the Total OPEB Liability	2,248,155
Differences Between Expected and Actual Experience	(284,890)
Changes of Assumptions	128,663
Gross Benefit Payments	(1,752,473)
Contributions from the Member	57,612
Net Changes	\$ <u>2,819,890</u>
Balance, June 30, 2023 Measurement Date	\$ <u><u>63,833,980</u></u>

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 74,834,383	\$ 63,833,980	\$ 55,001,934

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 52,992,045	\$ 63,833,980	\$ 78,020,680

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

F. Tax Abatements

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

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

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

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

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

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

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

The Board has been awarded a total of \$3,315,226 in federal aid to address the effects of the COVID-19 pandemic.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Local Sources					
Local Tax Levy	\$ 35,861,751		\$ 35,861,751	\$ 35,861,751	
Tuition from Individuals	125,000		125,000	141,176	\$ 16,176
Tuition from Other LEAs Within the State				176,800	176,800
Miscellaneous	212,898	-	212,898	381,376	168,478
Sub-Total Local Sources	36,199,649	-	36,199,649	36,561,103	361,454
State Sources					
Special Education Aid	1,980,398		1,980,398	1,980,398	-
Equalization Aid	17,740		17,740	17,740	-
Security Aid	148,825		148,825	148,825	-
Transportation Aid	234,147		234,147	234,147	-
Extraordinary Aid	425,000		425,000	776,357	351,357
Non Public Transportation Aid				46,865	46,865
On Behalf TPAF Pension Contribution- (Non-Budgeted)					
Normal				5,640,457	5,640,457
NCGI Premium				64,326	64,326
Post Retirement Medical Contributions				1,552,633	1,552,633
Long-Term Disability				2,333	2,333
Reimbursed TPAF Social Security Contributions (Non Budgeted)	-	-	-	1,211,834	1,211,834
Sub-Total State Sources	2,806,110	-	2,806,110	11,675,915	8,869,805
Federal Sources					
Medicaid Assistance Program (SEMI)	25,554	-	25,554	10,297	(15,257)
Sub-Total Federal Sources	25,554	-	25,554	10,297	(15,257)
Total Revenues	39,031,313	-	39,031,313	48,247,315	9,216,002
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	63,462		63,462	63,462	-
Kindergarten	453,842	\$ 2,309	456,151	456,151	-
Grades 1-5	3,107,634	1,863	3,109,497	3,100,738	8,759
Grades 6-8	1,738,334	(74,822)	1,663,512	1,659,842	3,670
Grades 9-12	2,969,069	(164,746)	2,804,323	2,801,396	2,927
Regular Programs- Home Instructions					
Salaries of Teachers	50,000	(10,000)	40,000	39,821	179
Purchased Professional-Educational Services	8,000	(7,887)	113	113	-
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	48,003	11,656	59,659	59,659	-
Purchased Professional-Educational Services	200,000	99,884	299,884	299,884	-
Other Purchased Services	310,389	(73,416)	236,973	236,973	-
General Supplies	242,145	190,207	432,352	632,086	(199,734)
Textbooks	26,990	(10,589)	16,401	15,476	925
Other Objects		365	365	124	241
Travel	1,000	-	1,000	-	1,000
Total Regular Programs	9,218,868	(35,176)	9,183,692	9,365,725	(182,033)
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	188,424	16,070	204,494	204,494	-
Other Salaries for Instruction	135,807	(2,322)	133,485	133,485	-
Purchased Professional-Educational Services	40,000	59,848	99,848	99,848	-
Other Purchased Services	4,000	-	4,000	3,338	662
General Supplies	2,100	117	2,217	2,216	1
Total Learning and/or Language Disabilities	370,331	73,713	444,044	443,381	663

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 108,478	\$ 35,748	\$ 144,226	\$ 134,474	\$ 9,752
Other Salaries for Instruction	21,648	29,148	50,796	35,137	15,659
Total Multiple Disabilities	130,126	64,896	195,022	169,611	25,411
Resource Room					
Salaries of Teachers	2,122,888	155,146	2,278,034	2,278,034	-
Other Salaries for Instruction	591,495	(284,664)	306,831	306,831	-
General Supplies	9,325	-	9,325	8,958	367
Textbooks	1,550	-	1,550	178	1,372
Total Resource Room	2,725,258	(129,518)	2,595,740	2,594,001	1,739
Autism					
Salaries of Teachers	363,372	(122,879)	240,493	237,026	3,467
Other Salaries for Instruction	92,850	248,135	340,985	340,985	-
General Supplies	14,000	-	14,000	8,167	5,833
Total Autism	470,222	125,256	595,478	586,178	9,300
Preschool Disabilities - Part - Time					
Salaries of Teachers	97,288	-	97,288	90,834	6,454
Other Salaries for Instruction	97,556	(29,656)	67,900	67,900	-
General Supplies	4,000	-	4,000	2,865	1,135
Total Preschool Handicapped - Part - Time	198,844	(29,656)	169,188	161,599	7,589
Preschool Disabilities - Full - Time					
Salaries of Teachers	120,524	11,776	132,300	132,300	-
Other Salaries for Instruction	137,575	35,744	173,319	165,803	7,516
General Supplies	4,000	-	4,000	1,822	2,178
Total Preschool Disabilities - Full - Time	262,099	47,520	309,619	299,925	9,694
Home Instruction					
Purchased Professional Educational Services	8,000	2,991	10,991	10,991	-
Total Home Instruction	8,000	2,991	10,991	10,991	-
Total Special Education	4,164,880	155,202	4,320,082	4,265,686	54,396
Basic Skills/Remedial					
Salaries of Teachers	874,390	(152,080)	722,310	719,791	2,519
Supplies	900	-	900	882	18
Total Basic Skills/Remedial	875,290	(152,080)	723,210	720,673	2,537
Bilingual Education					
Salaries of Teachers	155,724	(20,000)	135,724	127,224	8,500
Total Bilingual Education	155,724	(20,000)	135,724	127,224	8,500

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 144,800	\$ (23,715)	\$ 121,085	\$ 117,976	\$ 3,109
Purchased Services	2,500	2,024	4,524	4,524	-
Supplies		776	776	776	-
Other Objects	29,310	15,724	45,034	44,253	781
Total School Sponsored Co/Extra Curricular Activities	<u>176,610</u>	<u>(5,191)</u>	<u>171,419</u>	<u>167,529</u>	<u>3,890</u>
School Sponsored Athletics					
Salaries	359,144	(27,400)	331,744	331,744	-
Purchased Services	57,524	(2,792)	54,732	47,232	7,500
Travel	2,000	-	2,000	1,000	1,000
Supplies and Materials	53,500	(795)	52,705	50,250	2,455
Other Objects	29,752	(12,000)	17,752	16,952	800
Total School Sponsored Athletics	<u>501,920</u>	<u>(42,987)</u>	<u>458,933</u>	<u>447,178</u>	<u>11,755</u>
Total - Instruction	<u>15,093,292</u>	<u>(100,232)</u>	<u>14,993,060</u>	<u>15,094,015</u>	<u>(100,955)</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	246,792	(195,942)	50,850	50,850	-
Tuition to County Vocational School Dist.-Regular	495,000	(110,214)	384,786	384,786	-
Tuition to County Vocational School Dist.-Special	560,000	33,310	593,310	593,310	-
Tuition to CSSD & Regional Day Schools	294,588	189,497	484,085	484,085	-
Tuition to Private Schools for Disabled Within the State	1,901,280	136,022	2,037,302	2,037,302	-
Total Tuition	<u>3,497,660</u>	<u>52,673</u>	<u>3,550,333</u>	<u>3,550,333</u>	<u>-</u>
Health Services					
Salaries	457,163	(777)	456,386	454,929	1,457
Purchased Prof. and Tech services	15,000	(209)	14,791	13,270	1,521
Other Purchased Services	1,000	61	1,061	1,061	-
Supplies and Materials	5,915	5,173	11,088	9,530	1,558
Other Objects	2,750	172	2,922	2,922	-
Total Health Services	<u>481,828</u>	<u>4,420</u>	<u>486,248</u>	<u>481,712</u>	<u>4,536</u>
Speech, OT/PT and Related Services					
Salaries	734,994	6,265	741,259	741,259	-
Purchased Prof. Ed. Services	61,950	(8,746)	53,204	53,204	-
Supplies and Materials	5,000	1,084	6,084	6,084	-
Total Speech, OT/PT and Related Services	<u>801,944</u>	<u>(1,397)</u>	<u>800,547</u>	<u>800,547</u>	<u>-</u>
Other Support Services - Students - Extra. Serv.					
Salaries	525,951	(178,625)	347,326	347,320	6
Purchased Professional-Educational Services	890,734	365,457	1,256,191	1,254,346	1,845
Total Other Support Services - Students - Extra Serv.	<u>1,416,685</u>	<u>186,832</u>	<u>1,603,517</u>	<u>1,601,666</u>	<u>1,851</u>
Guidance					
Salaries of Other Professional Staff	560,498	11,789	572,287	570,815	1,472
Salaries of Secretarial and Clerical Assistants	65,738	-	65,738	65,275	463
Purchased Professional - Educational Services	5,000	59	5,059	-	5,059
Other Purchased Services	9,650	17,208	26,858	26,434	424
Supplies and Materials	12,100	(3,350)	8,750	6,073	2,677
Travel - All Other	600	50	650	454	196
Other Objects	15,740	13,956	29,696	29,623	73
Total Guidance	<u>669,326</u>	<u>39,712</u>	<u>709,038</u>	<u>698,674</u>	<u>10,364</u>

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

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 1,108,696	\$ 33,394	\$ 1,142,090	\$ 1,142,000	\$ 90
Salaries of Secretarial and Clerical Assistants	81,167	(12,000)	69,167	66,642	2,525
Purchased Prof. - Ed. Services	25,000	18,922	43,922	41,772	2,150
Travel	800	-	800	226	574
Supplies and Materials	11,000	600	11,600	11,067	533
Other Objects	-	200	200	200	-
Total Child Study Team	1,226,663	41,116	1,267,779	1,261,907	5,872
Improvement of Instructional Svcs/ Other Support					
Svcs - Instructional Staff					
Salaries of Supervisor of Instruction	254,470	5,196	259,666	259,666	-
Salaries of Other Professional Staff	5,000	10,250	15,250	11,175	4,075
Other Salaries	10,000	9,420	19,420	19,309	111
Travel	2,000	-	2,000	450	1,550
Total Improvement of Instructional Svcs	271,470	24,866	296,336	290,600	5,736
Educational Media Services/School Library					
Salaries	250,009	48,673	298,682	298,682	-
Supplies and Materials	17,950	733	18,683	18,087	596
Other Objects	5,950	864	6,814	6,345	469
Total Educational Media Services/School Library	273,909	50,270	324,179	323,114	1,065
Instructional Staff Training Services					
Salaries of Other Professional Staff		14,382	14,382	12,382	2,000
Other Salaries	4,000	-	4,000	1,475	2,525
Purchased Prof.-Ed. Services	16,000	(13,865)	2,135	1,804	331
Other Purchased Services	22,000	(8,595)	13,405	10,816	2,589
Supplies and Materials	2,000	2,102	4,102	4,102	-
Total Instructional Staff Training Services	44,000	(5,976)	38,024	30,579	7,445
Support Services General Administration					
Salaries	359,755	22,539	382,294	382,294	-
Legal Services	65,000	(4,147)	60,853	60,838	15
Audit Fees	42,000	38,276	80,276	39,275	41,001
Other Purchased Professional Services	2,000	11,592	13,592	13,592	-
Communications/Telephone	153,600	31,606	185,206	185,141	65
BOE Other Purchased Services	13,000	(1,094)	11,906	7,195	4,711
Miscellaneous Purchased Services	50,500	(4,601)	45,899	44,954	945
General Supplies	4,200	2,055	6,255	2,868	3,387
BOE In-House Training/Meeting Supplies	3,000	-	3,000	1,387	1,613
Miscellaneous Expenditures	8,500	15,897	24,397	4,377	20,020
BOE Membership Dues and Fees	14,000	1,581	15,581	15,581	-
Total Support Services General Administration	715,555	113,704	829,259	757,502	71,757
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,303,158	(15,000)	1,288,158	1,283,038	5,120
Salaries of Secretarial and Clerical Assistants	419,848	(26,404)	393,444	387,680	5,764
Other Purchased Services	23,750	(173)	23,577	22,638	939
Travel - All Other	2,000	1,640	3,640	3,640	-
Supplies and Materials	33,600	3,280	36,880	31,141	5,739
Other Objects	21,300	(3,584)	17,716	17,716	-
Total Support Services School Administration	1,803,656	(40,241)	1,763,415	1,745,853	17,562

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

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 426,451	\$ (30,627)	\$ 395,824	\$ 395,824	
Purchased Professional Services	36,500	(7,165)	29,335	29,110	\$ 225
Purchased Technical Services	8,400	(2,001)	6,399	6,285	114
Miscellaneous Purchased Services	9,200	(2,169)	7,031	6,622	409
Travel - All Other	1,400	-	1,400	667	733
Supplies and Materials	12,400	116,423	128,823	28,606	100,217
Interest on Lease Purchase agreements	14,848	(14,848)	-	-	-
Miscellaneous Expenditures	1,300	200	1,500	1,500	-
Total Central Services	510,499	59,813	570,312	468,614	101,698
Admin. Info. Tech.					
Salaries	210,778	-	210,778	206,946	3,832
Other Purchased Services	194,000	(41,440)	152,560	131,192	21,368
Supplies and Materials	40,000	41,197	81,197	81,197	-
Other Objects	1,500	9,844	11,344	11,344	-
Total Admin. Info. Tech.	446,278	9,601	455,879	430,679	25,200
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	1,176,700	(279,035)	897,665	728,450	169,215
General Supplies	23,000	465	23,465	23,465	-
Other Objects	5,000	(3,384)	1,616	1,616	-
Total Required Maintenance for School Facilities	1,204,700	(281,954)	922,746	753,531	169,215
Custodial Services					
Salaries	1,205,904	61,672	1,267,576	1,266,547	1,029
Salaries of Non-Instructional Aides	163,073	39,660	202,733	202,733	-
Purchased Professional & Technical Services	10,000	(710)	9,290	8,935	355
Cleaning, Repair and Maint. Services	90,000	57,329	147,329	92,720	54,609
Other Purchased Property Services	30,000	636	30,636	30,636	-
Insurance	332,000	21,360	353,360	353,360	-
Miscellaneous Purchased Services	2,000	-	2,000	94	1,906
General Supplies	144,000	15,762	159,762	147,893	11,869
Energy - Natural Gas	174,000	(25,911)	148,089	145,144	2,945
Energy - Electricity	308,000	(16,802)	291,198	290,560	638
Other Objects	1,500	825	2,325	1,282	1,043
Interest-Energy Savings Improvement Bonds	119,713	-	119,713	119,713	-
Principal-Energy Savings Improvement Bonds	215,000	-	215,000	215,000	-
Total Custodial Services	2,795,190	153,821	2,949,011	2,874,617	74,394
Care and Upkeep of Grounds					
Salaries	70,555	12,469	83,024	83,024	-
Cleaning, Repair and Maint. Svc	52,500	357,724	410,224	292,354	117,870
General Supplies	24,500	(15,003)	9,497	9,497	-
Total Care and Upkeep of Grounds	147,555	355,190	502,745	384,875	117,870

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
General Supplies	\$ 2,000	\$ (2,000)	-	-	-
Total Security	2,000	(2,000)	-	-	-
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)					
Home and School)	263,358	3,404	\$ 266,762	\$ 266,762	-
Cleaning, Repair and Maintenance Services	35,000	8,039	43,039	43,039	-
Lease Purchase Payments - School Buses	50,000	(3,829)	46,171	46,171	-
Contracted Services (Other Than Between Home and School) - Vendors	2,000	4,425	6,425	5,525	\$ 900
Contracted Services (Between Home and School) - Vendors	154,000	(23,696)	130,304	130,304	-
Contracted Services (Special Ed Students) - Vendors	15,000	(13,629)	1,371	493	878
Contracted Services (Special Ed Students) -Joint Agreements	1,095,000	27,608	1,122,608	1,122,608	-
Contracted Services - Aid in Lieu of Payments - Nonpublic	130,000	14,835	144,835	142,505	2,330
Transportation Supplies	25,000	(8,086)	16,914	16,914	-
Other Objects	2,800	2,420	5,220	2,478	2,742
Total Student Transportation Services	1,772,158	11,491	1,783,649	1,776,799	6,850
Unallocated Benefits					
Group Insurance - DCRP	15,000	-	15,000	13,711	1,289
Social Security Contributions	435,000	(15,966)	419,034	419,034	-
Other Retirement Contributions - PERS	460,000	33,770	493,770	493,770	-
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	175,000	1,854	176,854	176,854	-
Health Benefits	5,045,000	(484,672)	4,560,328	4,538,463	21,865
Tuition Reimbursement	57,000	(42,000)	15,000	15,000	-
Other Employee Benefits	15,000	39,153	54,153	48,153	6,000
Total Unallocated Benefits	6,202,000	(467,861)	5,734,139	5,704,985	29,154
On Behalf TPAF Pension Contributions- (Non-Budgeted)					
Normal	-	-	-	5,640,457	(5,640,457)
NCGI Premium	-	-	-	64,326	(64,326)
Post Retirement Medical Contribution	-	-	-	1,552,633	(1,552,633)
Long-Term Disability	-	-	-	2,333	(2,333)
On Behalf TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,211,834	(1,211,834)
Total On-Behalf Contributions	-	-	-	8,471,583	(8,471,583)
Total Undistributed Expenditures	24,283,076	304,080	24,587,156	32,408,170	(7,821,014)
Interest Earned on Maintenance Reserve	500	-	500	-	500
Total Current Expenditures	39,376,868	203,848	39,580,716	47,502,185	(7,921,469)

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

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 1,000	-	\$ 1,000	-	\$ 1,000
Equipment					
Undistr. Expend.- Support Serv. - Instr. Staff		\$ 91,960	91,960	\$ 91,960	-
Undistr. Expend.- Admin Info. Tech.	30,000	(27,028)	2,972	2,972	-
Undistr. Expend - Care & Upkeep of Grounds	15,000	48,503	63,503	63,503	-
Undistr. Expend - Student Transportation	-	99,171	99,171	99,171	-
Total Undistributed Expenditures	<u>45,000</u>	<u>212,606</u>	<u>257,606</u>	<u>257,606</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		13,276	13,276	13,276	-
Construction Services	134,110	629,734	763,844	763,844	-
Assessment for Debt Service on SDA Funding	50,619	-	50,619	50,619	-
Total Facilities Acquisition and Construction Services.	<u>184,729</u>	<u>643,010</u>	<u>827,739</u>	<u>827,739</u>	<u>-</u>
Total Capital Outlay	<u>230,729</u>	<u>855,616</u>	<u>1,086,345</u>	<u>1,085,345</u>	<u>1,000</u>
Transfers to Charter Schools	298,716	40,429	339,145	339,145	-
Total Expenditures	<u>39,906,313</u>	<u>1,099,893</u>	<u>41,006,206</u>	<u>48,926,675</u>	<u>(7,920,469)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(875,000)</u>	<u>(1,099,893)</u>	<u>(1,974,893)</u>	<u>(679,360)</u>	<u>1,295,533</u>
Other Financing Sources(Uses)					
Financing Agreements (Non-Budget)		369,631	369,631	369,631	-
Transfer In From Capital Projects Fund		-	-	331,377	331,377
Transfer Out to Capital Projects Fund	(2,495,000)	-	(2,495,000)	(2,480,100)	14,900
Total Other Financing Sources(Uses)	<u>(2,495,000)</u>	<u>369,631</u>	<u>(2,125,369)</u>	<u>(1,779,092)</u>	<u>346,277</u>
Change in Fund Balance	<u>(3,370,000)</u>	<u>(730,262)</u>	<u>(4,100,262)</u>	<u>(2,458,452)</u>	<u>1,641,810</u>
Fund Balances, Beginning of Year	<u>6,145,866</u>	<u>-</u>	<u>6,145,866</u>	<u>6,145,866</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,775,866</u>	<u>\$ (730,262)</u>	<u>\$ 2,045,604</u>	<u>\$ 3,687,414</u>	<u>\$ 1,641,810</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 938,140	
Maintenance Reserve				572,083	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				200,000	
Unemployment				351,376	
Assigned Fund Balance:					
Year-end Encumbrances				376,282	
Unassigned Fund Balance				<u>1,249,533</u>	
				3,687,414	
Reconciliation to Governmental Fund Statements (GAAP)					
Last two State Aid Payments				178,685	
Extraordinary Aid Payment				<u>776,357</u>	
Fund Balances per Governmental Funds (GAAP)				<u>\$ 2,732,372</u>	

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

		<u>Budgeted Amounts</u>				<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>	<u>Actual</u>		<u>Final Budget with Actual</u>
REVENUES						
Intergovernmental						
Local	\$ 255,000	\$ 1,811	\$ 256,811	\$ 363,027	\$	106,216
State	1,000	2,686	3,686	126,949		123,263
Federal	1,058,000	1,056,208	2,114,208	1,756,889		(357,319)
Total Revenues	\$ 1,314,000	\$ 1,060,705	\$ 2,374,705	\$ 2,246,865		\$ (127,840)
EXPENDITURES						
Instruction						
Salaries of Teachers		\$ 66,345	\$ 66,345	\$ 65,484	\$	861
Purchased Prof. and Technical Services	200	92,202	92,402	89,874		2,528
Tuition	350,000	113,804	463,804	463,804		-
General Supplies	178,600	337,862	516,462	338,789		177,673
Other Purchased Services		1,811	1,811	1,296		515
Textbooks	200	-	200			200
Student Activities/Athletics (Non-Budget)	-	-	-	360,640		(360,640)
Total Instruction	529,000	612,024	1,141,024	1,319,887		(178,863)
Support Services						
Other Salaries		103,104	103,104	103,104		-
Personal Services-Employee Benefits		297,163	297,163	297,163		-
Purchased Professional/Technical Services	8,000	96,000	104,000	59,258		44,742
Purchased Property Services	27,000	99,019	126,019	126,019		-
Other Purchased Services		129,879	129,879	128,949		930
Supplies and Materials	750,000	(422,365)	327,635	67,909		259,726
Other Objects		525	525	525		-
Scholarship Awards (Non-Budget)	-	-	-	-		-
Total Support Services	785,000	303,325	1,088,325	782,927		305,398
Capital Outlay						
Instructional Equipment		112,245	112,245	112,245		-
Non Instructional Equipment	-	33,111	33,111	33,111		-
Total Capital Outlay	-	145,356	145,356	145,356		-
Total Expenditures	1,314,000	1,060,705	2,374,705	2,248,170		126,535
Change in Fund Balance				(1,305)		(1,305)
Fund Balances, Beginning of Year	182,659	-	182,659	242,052		59,393
Fund Balances, End of Year	\$ 182,659	\$ -	\$ 182,659	\$ 240,747	\$	58,088

Recapitulation of Fund Balance:

Restricted:

Student Activities/Athletics	\$ 237,896
Scholarships	2,851
	\$ 240,747

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 48,247,315	\$ 2,246,865
Differences- 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 June 30, 2023		
State Aid payment and Extraordinary Aid (2022/2023) recognized for GAAP purposes, not recognized for budgetary statements.	884,292	
State Aid payment and Extraordinary Aid (2023/2024) recognized for budgetary purposes not recognized for GAAP statements	<u>(955,042)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 48,176,565</u>	<u>\$ 2,246,865</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 48,926,675	\$ 2,248,170
Difference- Budget to GAAP:		
Encumbrances for goods 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 receive for financial reporting purposes- June 30 2024 June 30, 2023	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 48,926,675</u>	<u>\$ 2,248,170</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.03381 %	0.03580 %	0.03285 %	0.03549 %	0.03659 %	0.03715 %	0.03739 %	0.03816 %	0.03861 %	0.03880 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,896,648	\$ 5,402,208	\$ 3,891,942	\$ 5,788,598	\$ 6,596,668	\$ 7,315,729	\$ 8,703,658	\$ 11,301,231	\$ 8,666,481	\$ 7,264,044
District's Covered Payroll	\$ 2,606,435	\$ 2,518,684	\$ 2,507,859	\$ 2,344,325	\$ 2,506,364	\$ 2,392,364	\$ 2,515,519	\$ 2,443,192	\$ 2,534,706	\$ 2,616,572
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	187.9 %	214.5 %	155.2 %	246.9 %	263.2 %	305.8 %	346.0 %	462.6 %	341.9 %	277.6 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

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

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

SADDLE BROOK BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 454,144	\$ 451,413	\$ 384,748	\$ 388,317	\$ 355,953	\$ 369,577	\$ 346,373	\$ 338,988	\$ 349,095	\$ 337,940
Contributions in Relation to the Contractually Required Contribution	<u>454,144</u>	<u>451,413</u>	<u>384,748</u>	<u>388,317</u>	<u>355,953</u>	<u>369,577</u>	<u>346,373</u>	<u>338,988</u>	<u>349,095</u>	<u>337,940</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
District's Covered Payroll	\$ 2,598,524	\$ 2,606,435	\$ 2,518,684	\$ 2,507,859	\$ 2,344,325	\$ 2,506,364	\$ 2,392,364	\$ 2,515,519	\$ 2,443,192	\$ 2,534,706
Contributions as a Percentage of Covered Payroll	17 %	18 %	15 %	17 %	14 %	15 %	14 %	14 %	14 %	13 %

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

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 63,676,910</u>	<u>\$ 61,014,090</u>	<u>\$ 59,948,773</u>	<u>\$ 81,620,795</u>	<u>\$ 78,717,780</u>	<u>\$ 77,466,577</u>	<u>\$ 85,210,558</u>	<u>\$ 98,556,805</u>	<u>\$ 78,882,614</u>	<u>\$ 67,404,965</u>
Total	<u>\$ 63,676,910</u>	<u>\$ 61,014,090</u>	<u>\$ 59,948,773</u>	<u>\$ 81,620,795</u>	<u>\$ 78,717,780</u>	<u>\$ 77,466,577</u>	<u>\$ 85,210,558</u>	<u>\$ 98,556,805</u>	<u>\$ 78,882,614</u>	<u>\$ 67,404,965</u>
District's Covered Payroll	\$ 15,996,342	\$ 15,976,458	\$ 15,509,442	\$ 13,821,287	\$ 13,539,223	\$ 13,174,271	\$ 13,288,124	\$ 9,078,798	\$ 12,460,264	\$ 12,232,668
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68% %	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

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

Change of Benefit Terms: None.

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

**SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 2,422,823	\$ 3,222,067	\$ 3,978,686	\$ 2,141,371	\$ 2,066,017	\$ 2,287,177	\$ 2,717,386
Interest On OPEB Liability	2,248,155	1,616,941	1,909,805	1,882,991	2,335,934	2,441,635	2,123,633
Changes of Benefit Terms	-	-	(78,361)			-	-
Differences Between Expected and Actual Experience	(284,890)	471,975	(17,577,433)	15,977,032	(10,304,962)	(4,029,569)	-
Changes of Assumptions	128,663	(16,367,577)	72,633	15,850,111	781,057	(6,778,214)	(8,808,156)
Gross Benefit Payments	(1,752,473)	(1,601,628)	(1,504,391)	(1,510,615)	(1,608,048)	(1,579,426)	(1,691,487)
Contribution from the Member	<u>57,612</u>	<u>51,381</u>	<u>48,824</u>	<u>45,787</u>	<u>47,667</u>	<u>54,587</u>	<u>62,285</u>
Net Change in Total OPEB Liability	2,819,890	(12,606,841)	(13,150,237)	34,386,677	(6,682,335)	(7,603,810)	(5,596,339)
Total OPEB Liability - Beginning	<u>61,014,090</u>	<u>73,620,931</u>	<u>86,771,168</u>	<u>52,384,491</u>	<u>59,066,826</u>	<u>66,670,636</u>	<u>72,266,975</u>
Total OPEB Liability - Ending	<u>\$ 63,833,980</u>	<u>\$ 61,014,090</u>	<u>\$ 73,620,931</u>	<u>\$ 86,771,168</u>	<u>\$ 52,384,491</u>	<u>\$ 59,066,826</u>	<u>\$ 66,670,636</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>63,833,980</u>	<u>61,014,090</u>	<u>73,620,931</u>	<u>86,771,168</u>	<u>52,384,491</u>	<u>59,066,826</u>	<u>66,670,636</u>
Total OPEB Liability - Ending	<u>\$ 63,833,980</u>	<u>\$ 61,014,090</u>	<u>\$ 73,620,931</u>	<u>\$ 86,771,168</u>	<u>\$ 52,384,491</u>	<u>\$ 59,066,826</u>	<u>\$ 66,670,636</u>
District Covered Payroll	<u>\$ 18,602,777</u>	<u>\$ 18,495,142</u>	<u>\$ 18,495,142</u>	<u>\$ 18,017,301</u>	<u>\$ 16,165,612</u>	<u>\$ 16,045,587</u>	<u>\$ 15,566,635</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

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

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	Title I	Title II A	Title III	Title III Immigrant	Title IV	IDEA Preschool	IDEA Basic	ARP ESSER			Totals (Page 2)	Total
								ESSER	Summer Learning	Beyond the School Day		
REVENUES												
Intergovernmental												
Local											\$ 363,027	\$ 363,027
State											126,949	126,949
Federal	\$ 282,798	\$ 62,139	\$ 15,268	\$ 7,476	\$ 14,259	\$ 18,033	\$ 445,771	\$ 840,744	\$ 30,401	\$ 40,000	-	1,756,889
Total Revenues	\$ 282,798	\$ 62,139	\$ 15,268	\$ 7,476	\$ 14,259	\$ 18,033	\$ 445,771	\$ 840,744	\$ 30,401	\$ 40,000	\$ 489,976	\$ 2,246,865
EXPENDITURES												
Instruction												
Salaries of Teachers								\$ 63,762			\$ 1,722	\$ 65,484
Purchased Prof. and Technical Services	\$ 40,874				\$ 9,000					\$ 40,000	-	89,874
Tuition						\$ 18,033	\$ 445,771				-	463,804
General Supplies	165,114		\$ 11,502	\$ 1,862				149,521	\$ 10,116		674	338,789
Other Purchased Services											1,296	1,296
Textbooks											-	-
Student Activities/Athletics	-	-	-	-	-	-	-	-	-	-	360,640	360,640
Total Instruction	205,988	-	11,502	1,862	9,000	18,033	445,771	213,283	10,116	40,000	364,332	1,319,887
Support Services												
Other Salaries								103,104			-	103,104
Personal Services Employee-Benefits								297,163			-	297,163
Purchased Prof. Technical Services		\$ 46,461	1,924	5,614	5,259						-	59,258
Purchased Property Services											126,019	126,019
Other Purchased Services		15,678						112,341			930	128,949
Supplies and Materials	43,699		1,317					22,893			-	67,909
Other Objects			525								-	525
Scholarship Awards	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	43,699	62,139	3,766	5,614	5,259	-	-	535,501	-	-	126,949	782,927
Equipment												
Instructional Equipment								91,960	20,285			112,245
Non-Instructional Equipment	33,111	-	-	-	-	-	-	-	-	-	-	33,111
Total Equipment	33,111	-	-	-	-	-	-	91,960	20,285	-	-	145,356
Total Expenditures	282,798	62,139	15,268	7,476	14,259	18,033	445,771	840,744	30,401	40,000	491,281	2,248,170
Change in Fund Balance	-	-	-	-	-	-	-	-	-	-	(1,305)	(1,305)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	242,052	242,052
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,747	\$ 240,747

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

	<u>SDA Grant</u>	<u>Ch 193 Corrective Speech</u>	<u>Local Programs</u>	<u>Student Activities/ Athletics</u>	<u>Scholarship</u>	<u>Totals (Page 2)</u>
REVENUES						
Intergovernmental						
Local			\$ 3,692	\$ 359,321	\$ 14	\$ 363,027
State	\$ 126,019	\$ 930				126,949
Federal	-	-	-	-	-	-
Total Revenues	<u>\$ 126,019</u>	<u>\$ 930</u>	<u>\$ 3,692</u>	<u>\$ 359,321</u>	<u>\$ 14</u>	<u>\$ 489,976</u>
EXPENDITURES						
Instruction						
Salaries			\$ 1,722			\$ 1,722
Purchased Prof. and Technical Services						-
General Supplies			674			674
Other Purchased Services			1,296			1,296
Student Activities/Athletics	-	-	-	\$ 360,640	-	360,640
Total Instruction	<u>-</u>	<u>-</u>	<u>3,692</u>	<u>360,640</u>	<u>-</u>	<u>364,332</u>
Support Services						
Other Salaries						-
Personal Services Employee-Benefits						-
Purchased Prof. Technical Services						-
Purchased Property Services	126,019					126,019
Other Purchased Services		930				930
Supplies and Materials						-
Other Objects						-
Scholarship Awards	-	-	-	-	-	-
Total Support Services	<u>126,019</u>	<u>930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,949</u>
Equipment						
Non Instructional Equipment	-	-	-	-	-	-
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>126,019</u>	<u>930</u>	<u>3,692</u>	<u>360,640</u>	<u>-</u>	<u>491,281</u>
Change in Fund Balance	-	-	-	(1,319)	14	(1,305)
Fund Balance, Beginning of Year	-	-	-	239,215	2,837	242,052
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,896</u>	<u>\$ 2,851</u>	<u>\$ 240,747</u>

**SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Balance, July 1, <u>2023</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2024</u>
Elementary Schools	\$ 40,015	\$ 41,895	\$ 58,560	\$ 23,350
Middle/High School	197,414	260,684	243,661	214,437
Athletics	<u>1,786</u>	<u>56,742</u>	<u>58,419</u>	<u>109</u>
Total All Schools	<u>\$ 239,215</u>	<u>\$ 359,321</u>	<u>\$ 360,640</u>	<u>\$ 237,896</u>

CAPITAL PROJECTS FUND

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

Year	Issue/Project Title	Appropriation	Expenditures		Cancelled	Balance, June 30, 2024
			Prior Year	Current Year		
2014/15	HVAC Project at the Middle/High School and Elementary Schools	\$ 456,002	\$ 455,905		\$ 97	
2014/15	Various Facility Improvements to the Middle/High School and Elementary Schools	4,936,625	4,683,070		253,555	
2017/18	Energy Savings Incentive Program	4,773,985	4,732,181			\$ 41,804
2021-22	Partial Roof Replacement - Franklin School	162,000	80,720		81,280	-
2021-22	HVAC and Boiler Improvements at Elementary Schools & Washington Playground Improvements	1,042,449	963,648	\$ 32,383		46,418
2022-23	Various Facility Improvements - 2023 Referendum	14,441,787	628,572	1,733,578	-	12,079,637
2023-24	HVAC and Boiler Improvements	<u>4,133,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,133,500</u>
		<u>\$ 29,946,348</u>	<u>\$ 11,544,096</u>	<u>\$ 1,765,961</u>	<u>\$ 334,932</u>	<u>\$ 16,301,359</u>

Reconciliation to GAAP Basis

Project Balances	\$ 16,301,359
Less:	
Unfunded Amount not Realized on SDA Grant	(11)
Debt Authorized, Not Issued	(1,180)
Unearned Revenue - ROD Grant	<u>(1,653,400)</u>
Fund Balance (GAAP)	<u>\$ 14,646,768</u>

Recapitulation of Fund Balance

Year End for Encumbrances	\$ 4,990,017
Available for Capital Projects	<u>9,656,751</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 14,646,768</u>

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

Revenues and Other Financing Sources	
Transfer from General Fund	\$ 2,480,100
SDA ROD Grant Proceeds	1,653,400
Interest Earned on Investments	<u>586,422</u>
Total Revenues and Other Financing Sources	<u>4,719,922</u>
 Expenditures and Other Financing Uses	
Architectural/Engineering Services	175,133
Other Purchased Professional/Technical Svs	62,729
Construction Services	1,495,716
Equipment	32,383
Transfer to Debt Service Fund	589,977
Transfer to General Fund	<u>331,377</u>
Total Expenditures and Other Financing Uses	<u>2,687,315</u>
Change in Fund Balance	2,032,607
Fund Balance- Beginning of Year - Budgetary	<u>14,267,561</u>
Fund Balance- Ending of Year - Budgetary	<u><u>\$ 16,300,168</u></u>
 <u>Reconciliation to GAAP Fund Balance</u>	
Fund Balance, End of Year - Budgetary Basis	\$ 16,300,168
Less: Unearned Revenues - ROD Grant	<u>(1,653,400)</u>
Fund Balance, End of Year - GAAP	<u><u>\$ 14,646,768</u></u>
 <u>Recapitulation of Fund Balance</u>	
Year End Encumbrances	\$ 4,990,017
Available for Capital Projects	<u>9,656,751</u>
Total Fund Balances Restricted for Capital Projects	<u><u>\$ 14,646,768</u></u>

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
HVAC PROJECT AT THE MIDDLE/HIGH SCHOOL AND ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Other Funds	\$ 284,760		\$ 284,760	\$ 284,760
State Sources - SDA Grants	171,242		171,242	171,242
	<hr/>		<hr/>	
Total Revenues	456,002	-	456,002	456,002
	<hr/>		<hr/>	
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	34,305		34,305	34,402
Construction Services	421,600		421,600	421,600
Transfer to General Fund		\$ 97	97	
	<hr/>		<hr/>	
Total Expenditures	455,905	97	456,002	456,002
	<hr/>		<hr/>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 97</u>	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	4610-080-14-61HK		4610-090-14-G1HM	
	4610-085-14-G1HL		4610-050-14-G2ZH	
Grant Date	1/1/2016			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 474,600			
Additional Authorized Cost	(18,598)			
Revised Authorized Cost	\$ 456,002			
Percentage Increase over Original				
Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	12/31/2015			
Revised target completion date	12/31/2015			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS AT THE HIGH SCHOOL, FRANKLIN ELEMENTARY SCHOOL, HELEN I
SMITH SCHOOL AND LONG MEMORIAL SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grants	\$ 327,221		\$ 327,221	\$ 327,232
Bond Proceeds	4,609,000		4,609,000	4,609,393
	<hr/>		<hr/>	<hr/>
Total Revenues	4,936,221	-	4,936,221	4,936,625
	<hr/>		<hr/>	<hr/>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	376,579		376,579	450,000
Construction Services	3,800,180		3,800,180	3,926,625
Equipment/Supply Purchases	505,907		505,907	560,000
Transfer to Debt Service		\$ 253,555	253,555	
	<hr/>		<hr/>	<hr/>
Total Expenditures	4,682,666	253,555	4,936,221	4,936,625
	<hr/>		<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$ 253,555	\$ (253,555)	\$ -	\$ -
	<hr/>		<hr/>	<hr/>
		<u>Memo Only</u>		
		Authorized BNI	\$ 393	
		State Aid	<u>11</u>	
			<hr/>	
			\$ 404	
			<hr/>	
Additional project information:				
Project Number	4610-080-14-61HK		4610-090-14-G1HM	
	4610-085-14-G1HL		4610-050-14-G2ZH	
Grant Date	1/1/2016			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 4,609,393			
Bonds Issued	\$ 4,609,000			
Original Authorized Cost	\$ 4,936,625			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 4,936,625			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	8/31/2017			
Revised target completion date	8/31/2017			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
ENERGY SAVINGS INCENTIVE PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Interest Earned on Investments	\$ 30,804		\$ 30,804	\$ 30,804
Lease Proceeds	4,743,181		4,743,181	4,743,181
	<u>4,773,985</u>	<u>-</u>	<u>4,773,985</u>	<u>4,773,985</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,500		47,500	47,500
Construction Services	4,684,681		4,684,681	4,726,485
	<u>4,732,181</u>	<u>-</u>	<u>4,732,181</u>	<u>4,773,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 41,804</u>	<u>\$ -</u>	<u>\$ 41,804</u>	<u>\$ -</u>
Additional project information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 4,743,181			
Additional Authorized Cost	\$ 30,804			
Revised Authorized Cost	\$ 4,773,985			
Percentage Increase over Original Authorized Cost	1%			
Percentage completion	100%			
Original target completion date	6/30/2019			
Revised target completion date	6/30/2019			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
PARTIAL ROOF REPLACEMENT
FRANKLIN SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 162,000	-	\$ 162,000	\$ 162,000
Total Revenues	162,000	-	162,000	162,000
Expenditures and Other Financing Uses				
Architectural/Engineering Services	\$ 6,720	-	6,720	12,000
Construction Services	74,000	-	74,000	150,000
Transfer to General Fund	-	\$ 81,280	81,280	-
Total Expenditures	80,720	81,280	162,000	162,000
Excess (deficiency) of revenues over (under) expenditures	\$ 81,280	\$ (81,280)	\$ -	\$ -
Additional project information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 162,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 162,000			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	8/31/2021			
Revised target completion date	6/30/2023			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
HVAC AND BOILER IMPROVEMENTS AT ELEMENTARY SCHOOLS &
WASHINGTON PLAYGROUND IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Financing Agreement	\$ 700,000		\$ 700,000	\$ 700,000
Transfer from Other Funds	342,449	-	342,449	342,449
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,042,449	-	1,042,449	1,042,449
Expenditures and Other Financing Uses				
Legal Services	9,106	-	9,106	10,000
Architectural/Engineering Services	60,884		60,884	44,338
Other Purchased Professional/Technical Svcs	3,000	-	3,000	3,000
Construction Services	633,400		633,400	885,111
Equipment	257,258	\$ 32,383	289,641	100,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	963,648	32,383	996,031	1,042,449
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 78,801</u>	<u>\$ (32,383)</u>	<u>\$ 46,418</u>	<u>\$ -</u>
Additional project information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 1,042,449			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 1,042,449			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	96%			
Original target completion date	6/30/2022			
Revised target completion date	6/30/2023			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS - 2023 REFERENDUM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Sale Proceeds	\$ 14,441,000	-	\$ 14,441,000	\$ 14,441,787
Total Revenues	<u>14,441,000</u>	<u>-</u>	<u>14,441,000</u>	<u>14,441,787</u>
Expenditures and Other Financing Uses				
Legal Services	41,721		41,721	80,000
Architectural/Engineering Services	63,474	\$ 175,133	238,607	800,000
Other Purchased Professional/Technical Svcs	199,279	62,729	262,008	300,000
Construction Services	324,098	1,495,716	1,819,814	13,261,787
Equipment	-	-	-	-
Total Expenditures	<u>628,572</u>	<u>1,733,578</u>	<u>2,362,150</u>	<u>14,441,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,812,428</u>	<u>\$ (1,733,578)</u>	<u>\$ 12,078,850</u>	<u>\$ -</u>
Additional project information:				
Project Number	Not Applicable	Plus: Authorized Debt Not Issued	<u>787</u>	
Grant Date	Not Applicable		<u>\$ 12,079,637</u>	
Bond Authorization Date	5/16/2023			
Bonds Authorized	\$ 14,441,787			
Bonds Issued	\$ 14,441,000			
Original Authorized Cost	\$ 14,441,787			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 14,441,787			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		16%		
Original target completion date	6/30/2024			
Revised target completion date	6/30/2024			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS - 2024 HVAC AND BOILER IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
SDA ROD Grant Proceeds		\$ 1,653,400	\$ 1,653,400	\$ 1,653,400
Transfer from General Fund		2,480,100	2,480,100	2,480,100
Total Revenues	-	4,133,500	4,133,500	4,133,500
Expenditures and Other Financing Uses				
Architectural/Engineering Services			-	1,000,000
Construction Services			-	3,133,500
Equipment			-	-
Total Expenditures	-	-	-	4,133,500
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 4,133,500	\$ 4,133,500	\$ -

Additional project information:

Project Number	Not Applicable
Grant Date	2/6/2024
Bond Authorization Date	-
Bonds Authorized	\$ -
Bonds Issued	\$ -
Original Authorized Cost	\$ 4,133,500
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 4,133,500
Percentage Increase over Original Authorized Cost	0%
Percentage completion	0%
Original target completion date	6/30/2025
Revised target completion date	6/30/2025

PROPRIETARY FUNDS

**SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**SADDLE BROOK BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

THIS STATEMENT IS NOT APPLICABLE

LONG-TERM DEBT

FIDUCIARY FUNDS

NOT APPLICABLE

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Decreased</u>	<u>Balance, June 30, 2024</u>
Pension Refunding Bonds	8/23/2012	\$ 2,955,000	8/15/2024	\$ 200,000	5.00-5.75%	\$ 1,290,000	\$ 190,000	\$ 1,100,000
			8/15/2025	210,000				
			8/15/2026	220,000				
			8/15/2027	230,000				
			8/15/2028	240,000				
Refunding Bonds	8/23/2012	3,530,000			4.25-4.375%	400,000	400,000	-
School Improvements	6/23/2015	4,609,000	2/15/2025	345,000	2.00-3.00%	2,439,000	345,000	2,094,000
			2/15/2026	350,000				
			2/15/2027	350,000				
			2/15/2028	350,000				
			2/15/2029	350,000				
			2/15/2030	349,000				
School Improvements	5/16/2023	14,441,000	5/15/2025	716,000	3.25-4.00%	14,441,000	-	14,441,000
			5/15/2026	500,000				
			5/15/2027	525,000				
			5/15/2028	550,000				
			5/15/2029	575,000				
			5/15/2030	600,000				
			5/15/2031	650,000				
			5/15/2032	685,000				
			5/15/2033	700,000				
			5/15/2034	750,000				
			5/15/2035	775,000				
			5/15/2036	800,000				
			5/15/2037	850,000				
			5/15/2038	875,000				
			5/15/2039	925,000				
5/15/2040	965,000							
5/15/2041	1,000,000							
5/15/2042	1,000,000							
5/15/2043	1,000,000							
						<u>14,441,000</u>	<u>-</u>	<u>14,441,000</u>
						<u>\$ 18,570,000</u>	<u>\$ 935,000</u>	<u>\$ 17,635,000</u>

**SADDLE BROOK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL & OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
<u>Capital Financing Agreements</u>						
2017/18 Energy Savings Incentive Program	\$ 4,743,181	3.14%	\$ 3,865,000		\$ 215,000	\$ 3,650,000
Acquisition and Installation of Various Equipment	700,000	2.66%	558,186		134,108	424,078
Acquisition of Copiers	250,241	3.38%	215,351		47,920	167,431
Acquisition of Various Vehicles	260,000	2.604%	155,931		50,647	105,284
Acquisition of Passenger Bus	97,671	6.581%	-	\$ 97,671	22,100	75,571
Total Capital Financing Agreements			<u>4,794,468</u>	<u>97,671</u>	<u>469,775</u>	<u>4,422,364</u>
<u>Other Financing Agreements</u>						
2020/21 Technology Equipment	117,456	2.89%	29,770		29,770	-
2020/21 Technology Equipment	94,541	3.32%	23,843		23,843	-
2021/22 Technology Equipment	222,276	3.072%	133,625		43,201	90,424
2022/23 Technology Equipment	190,145	4.286%	140,074		44,746	95,328
2023/24 Interactive Displays	91,960	6.547%		91,960	25,221	66,739
2023/24 Technology Equipment	180,000	6.560%	-	180,000	49,378	130,622
Total Other Financing Agreements			<u>327,312</u>	<u>271,960</u>	<u>216,159</u>	<u>383,113</u>
Total Financing Agreements			<u>\$ 5,121,780</u>	<u>\$ 369,631</u>	<u>\$ 685,934</u>	<u>\$ 4,805,477</u>

**SADDLE BROOK BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget with Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,455,995	\$ -	\$ 1,455,995	\$ 1,455,995	
State Sources					
Debt Service Aid	<u>127,049</u>	<u>-</u>	<u>127,049</u>	<u>127,049</u>	<u>-</u>
Total Revenues	<u>1,583,044</u>	<u>-</u>	<u>1,583,044</u>	<u>1,583,044</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Interest	648,045		648,045	648,044	1
Principal	<u>935,000</u>	<u>-</u>	<u>935,000</u>	<u>935,000</u>	<u>-</u>
Total Expenditures	<u>1,583,045</u>	<u>-</u>	<u>1,583,045</u>	<u>1,583,044</u>	<u>1</u>
Change in Fund Balance	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Other Financing Sources/(Uses)					
Transfer-In	<u>-</u>	<u>-</u>	<u>-</u>	<u>589,977</u>	<u>589,977</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures/(Uses)	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>589,977</u>	<u>589,978</u>
Fund Balances, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,978</u>	<u>\$ 589,978</u>
<u>Analysis of Fund Balance</u>					
Available for Future Debt Service Expenditures				<u>\$ 589,978</u>	
				<u>\$ 589,978</u>	

STATISTICAL SECTION

This part of the Saddle Brook 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 government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government'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 government'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 government's current levels of outstanding debt and the government'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 government's financial activities take place.

J-14 and J-15

Operating Information

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 13,285,344	\$ 13,325,442	\$ 14,372,017	\$ 15,212,448	\$ 16,326,024	\$ 17,295,781	\$ 15,662,961	\$ 17,038,495	\$ 19,009,654	\$ 19,019,883
Restricted	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021	5,372,424
Unrestricted	<u>(12,700,774)</u>	<u>(11,252,684)</u>	<u>(11,441,911)</u>	<u>(12,172,449)</u>	<u>(11,933,506)</u>	<u>(10,753,696)</u>	<u>(8,114,237)</u>	<u>(8,690,691)</u>	<u>(7,413,215)</u>	<u>(6,953,360)</u>
Total Governmental Activities Net Position	\$ 1,436,908	\$ 3,285,358	\$ 3,538,879	\$ 3,600,199	\$ 4,658,867	\$ 7,320,702	\$ 10,607,649	\$ 14,706,546	\$ 16,186,460	\$ 17,438,947
Business-Type Activities										
Net Investment in Capital Assets	\$ 77,931	\$ 71,968	\$ 62,177	\$ 84,901	\$ 77,883	\$ 59,515	\$ 45,205	\$ 45,457	\$ 213,256	\$ 184,357
Unrestricted	<u>467,341</u>	<u>254,008</u>	<u>369,976</u>	<u>425,297</u>	<u>432,110</u>	<u>399,957</u>	<u>441,868</u>	<u>351,877</u>	<u>227,214</u>	<u>239,276</u>
Total Business-Type Activities Net Position	\$ 545,272	\$ 325,976	\$ 432,153	\$ 510,198	\$ 509,993	\$ 459,472	\$ 487,073	\$ 397,334	\$ 440,470	\$ 423,633
District-Wide										
Net Investment in Capital Assets	\$ 13,363,275	\$ 13,397,410	\$ 14,434,194	\$ 15,297,349	\$ 16,403,907	\$ 17,355,296	\$ 15,708,166	\$ 17,083,952	\$ 19,222,910	\$ 19,204,240
Restricted	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021	5,372,424
Unrestricted	<u>(12,233,433)</u>	<u>(10,998,676)</u>	<u>(11,071,935)</u>	<u>(11,747,152)</u>	<u>(11,501,396)</u>	<u>(10,353,739)</u>	<u>(7,672,369)</u>	<u>(8,338,814)</u>	<u>(7,186,001)</u>	<u>(6,714,084)</u>
Total District Net Position	\$ 1,982,180	\$ 3,611,334	\$ 3,971,032	\$ 4,110,397	\$ 5,168,860	\$ 7,780,174	\$ 11,094,722	\$ 15,103,880	\$ 16,626,930	\$ 17,862,580

Source: District Financial Records

Note 2 - Net Position at June 30, 2020 & June 30, 2021 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities and for a correction of an error".

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 13,052,983	\$ 14,493,146	\$ 15,212,598	\$ 16,139,527	\$ 14,969,825	\$ 13,579,814	\$ 15,721,930	\$ 14,551,448	\$ 13,465,099	\$ 14,395,962
Special Education	7,069,375	7,508,957	8,025,261	8,506,016	9,130,491	10,287,230	9,955,484	9,130,014	9,105,299	9,763,070
Other Instruction	870,994	915,587	1,191,767	1,555,684	1,259,840	925,579	1,336,941	962,659	1,282,215	1,521,681
School Sponsored Activities And Athletics	763,574	905,379	1,067,496	1,105,156	905,800	965,905	1,238,234	1,189,477	1,231,920	1,079,286
Support Services:										
Student & Instruction Related Services	6,385,729	7,312,644	8,171,404	8,532,183	8,192,138	6,704,800	7,055,026	7,448,245	7,356,240	7,761,520
Educational Media/School Library	206,409	154,639	364,953	260,098	409,473	368,060	463,264	341,869	799,849	480,187
General Administration	812,107	828,035	821,461	914,590	965,972	974,810	998,376	933,206	945,693	993,237
School Administrative Services	1,941,042	2,169,252	2,319,019	2,495,385	2,318,553	2,553,369	2,820,239	2,466,146	2,639,635	2,510,188
Central Services	746,421	755,517	765,904	835,222	862,647	927,934	1,104,472	1,170,306	740,498	916,890
Plant Operations And Maintenance	3,263,019	3,174,210	3,409,846	3,466,751	2,855,380	2,954,417	3,031,711	3,850,756	4,092,835	4,806,119
Pupil Transportation	1,116,615	1,296,918	1,380,806	1,599,634	1,734,536	1,539,611	1,380,283	1,650,559	1,926,010	1,894,837
Interest On Long-Term Debt	534,472	562,191	638,892	592,762	613,821	538,144	483,887	381,348	389,567	790,818
Total Governmental Activities Expenses	36,762,740	40,076,475	43,369,407	46,003,008	44,218,476	42,319,673	45,589,847	44,076,033	43,974,860	46,913,795
Business-Type Activities:										
Food Service	477,628	554,745	561,537	567,765	632,843	538,480	517,471	966,212	953,325	931,802
Community School	333,191	372,345	352,638	414,642	519,756	137,472	26,697	-	-	-
Total Business-Type Activities Expense	810,819	927,090	914,175	982,407	1,152,599	675,952	544,168	966,212	953,325	931,802
Total District Expenses	\$ 37,573,559	\$ 41,003,565	\$ 44,283,582	\$ 46,985,415	\$ 45,371,075	\$ 42,995,625	\$ 46,134,015	\$ 45,042,245	\$ 44,928,185	\$ 47,845,597
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 90,450	\$ 66,064	\$ 23,047	\$ 82,927	\$ 120,269	\$ 222,929	\$ 79,875	\$ 161,095	\$ 169,709	\$ 317,976
Special Education	78,130	48,763	186,962	136,655	30,000	-	-	333,927	357,971	359,335
School Sponsored Activities And Athletics	-	-	-	-	-	-	-	-	-	-
Plant Operations And Maintenance	163,230	174,714	99,560	100,860	37,500	-	246,006	-	-	-
Operating Grants And Contributions	7,585,134	10,056,924	11,557,269	12,961,957	10,678,829	9,654,843	13,307,845	11,160,701	8,290,057	8,913,234
Capital Grants And Contributions	-	517,061	-	-	50,435	86,544	-	-	-	145,356
Total Governmental Activities Program Revenues	7,916,944	10,863,526	11,866,838	13,282,399	10,917,033	9,964,316	13,633,726	11,655,723	8,817,737	9,735,901
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 333,462	\$ 401,699	\$ 394,300	\$ 389,037	\$ 450,618	\$ 317,238	\$ 7,143	\$ 164,985	\$ 539,364	\$ 544,373
Community Programs	395,188	386,879	457,549	480,207	500,105	129,289	-	-	-	-
Operating Grants And Contributions	156,827	158,822	168,082	190,917	201,356	178,781	564,494	1,053,920	457,010	368,265
Total Business Type Activities Program Revenues	885,477	947,400	1,019,931	1,060,161	1,152,079	625,308	571,637	1,218,905	996,374	912,638
Total District Program Revenues	\$ 8,802,421	\$ 11,810,926	\$ 12,886,769	\$ 14,342,560	\$ 12,069,112	\$ 10,589,624	\$ 14,205,363	\$ 12,874,628	\$ 9,814,111	\$ 10,648,539

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$ (28,845,796)	\$ (29,212,949)	\$ (31,502,569)	\$ (32,720,609)	\$ (33,301,443)	\$ (32,355,357)	\$ (31,956,121)	\$ (32,420,310)	\$ (35,157,123)	\$ (37,177,894)
Business-Type Activities	74,658	20,310	105,756	77,754	(520)	(50,644)	27,469	252,693	43,049	(19,164)
Total District-Wide Net Expense	\$ (28,771,138)	\$ (29,192,639)	\$ (31,396,813)	\$ (32,642,855)	\$ (33,301,963)	\$ (32,406,001)	\$ (31,928,652)	\$ (32,167,617)	\$ (35,114,074)	\$ (37,197,058)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 28,167,707	\$ 28,731,061	\$ 29,445,682	\$ 30,456,166	\$ 32,248,065	\$ 32,503,109	\$ 33,152,151	\$ 33,815,194	\$ 34,479,432	\$ 35,861,751
Taxes Levied For Debt Service	1,649,344	1,705,944	1,965,189	1,990,669	1,904,563	1,949,921	1,913,116	1,866,420	1,813,027	1,455,995
State Aid Restricted for Debt Service			113,132	132,623	132,197	131,742	131,256	130,738	130,194	127,049
Unrestricted Grants And Contributions	49,046	51,727	72,630	70,104	21,034	18,060	17,547	17,616	20,684	17,788
Miscellaneous Income	181,879	332,368	159,457	132,367	54,252	156,711	185,730	346,790	190,661	967,798
Transfers	300,000	240,299	-	-	-	-	-	342,449	3,039	-
Total Governmental Activities	30,347,976	31,061,399	31,756,090	32,781,929	34,360,111	34,759,543	35,399,800	36,519,207	36,637,037	38,430,381
Business-Type Activities:										
Investment Earnings	3,357	693	421	291	315	123	132	17	87	2,327
Transfers	(300,000)	(240,299)	-	-	-	-	-	(342,449)	-	-
Total Business-Type Activities	(296,643)	(239,606)	421	291	315	123	132	(342,432)	87	2,327
Total District-Wide	\$ 30,051,333	\$ 30,821,793	\$ 31,756,511	\$ 32,782,220	\$ 34,360,426	\$ 34,759,666	\$ 35,399,932	\$ 36,176,775	\$ 36,637,124	\$ 38,432,708
Change in Net Position										
Governmental Activities	\$ 1,502,180	\$ 1,848,450	\$ 253,521	\$ 61,320	\$ 1,058,668	\$ 2,404,186	\$ 3,443,679	\$ 4,098,897	\$ 1,479,914	\$ 1,252,487
Business-Type Activities	(221,985)	(219,296)	106,177	78,045	(205)	(50,521)	27,601	(89,739)	43,136	(16,837)
Total District-Wide	\$ 1,280,195	\$ 1,629,154	\$ 359,698	\$ 139,365	\$ 1,058,463	\$ 2,353,665	\$ 3,471,280	\$ 4,009,158	\$ 1,523,050	\$ 1,235,650

Source: District Financial Records

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable										
Restricted	\$1,116,002	\$1,627,653	\$ 604,496	\$ 583,606	\$ 175,268	\$ 566,388	\$ 2,674,542	\$ 4,895,759	\$ 4,266,591	\$ 2,061,599
Assigned	91,144	257,231	513,084	59,920	327,103	116,232	649,307	543,847	730,262	376,282
Unassigned	<u>245,876</u>	<u>320,382</u>	<u>301,696</u>	<u>8,364</u>	<u>(427,865)</u>	<u>306,398</u>	<u>176,847</u>	<u>233,523</u>	<u>264,721</u>	<u>294,491</u>
Total General Fund	<u>\$1,453,022</u>	<u>\$2,205,266</u>	<u>\$ 1,419,276</u>	<u>\$ 651,890</u>	<u>\$ 74,506</u>	<u>\$ 989,018</u>	<u>\$ 3,500,696</u>	<u>\$ 5,673,129</u>	<u>\$ 5,261,574</u>	<u>\$ 2,732,372</u>
All Other Governmental Funds										
Restricted	<u>\$3,097,043</u>	<u>\$2,044,951</u>	<u>\$ 674,650</u>	<u>\$ 3,044,768</u>	<u>\$ 365,194</u>	<u>\$ 487,121</u>	<u>\$ 384,383</u>	<u>\$ 1,462,983</u>	<u>\$ 14,509,614</u>	<u>\$ 15,477,493</u>
Total All Other Governmental Funds	<u>\$3,097,043</u>	<u>\$2,044,951</u>	<u>\$ 674,650</u>	<u>\$ 3,044,768</u>	<u>\$ 365,194</u>	<u>\$ 487,121</u>	<u>\$ 384,383</u>	<u>\$ 1,462,983</u>	<u>\$ 14,509,614</u>	<u>\$ 15,477,493</u>

Source: District Financial Records

Note 1 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 29,817,051	\$ 30,437,005	\$ 31,410,871	\$ 32,446,835	\$ 34,152,628	\$ 34,453,030	\$ 35,065,267	\$ 35,681,614	\$ 36,292,459	\$ 37,317,746
Tuition Charges								161,095	169,709	317,976
Miscellaneous	547,987	662,118	500,473	459,387	479,974	503,366	536,003	699,969	553,307	1,330,825
State Sources	4,069,361	5,109,811	5,076,643	5,617,672	6,475,589	6,974,343	8,004,904	9,975,101	10,440,250	11,859,163
Federal Sources	578,247	659,198	651,305	731,290	703,052	744,360	887,738	2,229,204	1,309,288	1,767,186
Total Revenue	35,012,646	36,868,132	37,639,292	39,255,184	41,811,243	42,675,099	44,493,912	48,746,983	48,765,013	52,592,896
Expenditures										
Instruction										
Regular Instruction	11,376,047	11,719,848	11,868,889	12,684,761	13,148,737	12,333,776	13,582,540	14,857,782	14,595,517	15,789,906
Special Education Instruction	6,529,061	6,565,040	6,833,081	7,351,453	8,428,256	9,736,994	8,929,880	9,275,303	9,641,422	10,471,473
Community Services										
Other Instruction	765,585	762,347	934,784	1,237,698	1,112,622	856,572	1,177,311	983,470	1,392,162	1,667,062
School Sponsored Activities and Athletics	681,983	754,665	863,254	893,454	799,006	889,307	1,109,750	1,207,031	1,298,642	1,156,475
Support Services:										
Student and Inst. Related Services	5,596,623	5,947,295	6,437,937	6,803,132	7,246,521	6,179,682	6,070,054	7,583,243	7,895,702	8,395,251
Educational Media/School Library	184,966	130,420	288,648	202,276	356,193	334,067	389,596	349,644	829,775	531,453
General Administration	745,186	726,370	716,162	791,601	883,601	918,869	894,304	947,048	995,593	1,058,854
School Administrative Services	1,684,969	1,744,073	1,782,540	1,924,973	2,015,198	2,316,673	2,375,359	2,524,805	2,882,174	2,796,948
Central Services	729,688	731,149	734,759	774,007	815,906	904,383	996,400	1,075,329	716,886	892,947
Plant Operations And Maintenance	3,213,058	3,079,838	3,286,589	3,177,522	2,689,084	2,886,043	2,768,408	3,616,870	4,037,353	4,507,280
Pupil Transportation	1,111,689	1,279,453	1,361,936	1,546,724	1,700,541	1,527,009	1,336,139	1,603,073	1,915,310	1,884,240
Capital Outlay	1,846,081	2,060,468	2,425,781	2,996,119	3,256,022	529,119	112,767	655,245	1,868,790	2,946,043
Debt Service:										
Principal	1,485,936	1,518,985	1,738,870	1,900,292	2,095,778	2,079,320	2,054,649	2,195,168	2,347,262	1,620,934
Interest and Other Charges	542,429	528,883	664,859	536,569	643,795	566,770	499,812	388,637	345,490	804,984
Total Expenditures	36,493,301	37,548,834	39,938,089	42,820,581	45,191,260	42,058,584	42,296,969	47,262,648	50,762,078	54,523,850
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,480,655)	(680,702)	(2,298,797)	(3,565,397)	(3,380,017)	616,515	2,196,943	1,484,335	(1,997,065)	(1,930,954)
Other Financing Sources (Uses)										
Cancellation of Prior Year Accounts Payable				11,506						
Financing Agreements (Non-Budget)				413,442	141,657	162,275		1,424,249	190,145	369,631
Cancellation of Prior SDA Revenue					(18,598)					
Proceeds From Borrowing	4,609,000			4,743,181					14,441,000	-
Lease Purchase Agreement	242,386	140,555	142,506				211,997	-	-	-
Transfers In	301,126	304,968	861,201	130,285	300,614	345	142	504,586	3,039	3,401,454
Transfers Out	(1,126)	(64,669)	(861,201)	(130,285)	(300,614)	(345)	(142)	(162,137)	(3,039)	(3,401,454)
Total Other Financing Sources (Uses)	5,151,386	380,854	142,506	5,168,129	123,059	162,275	211,997	1,766,698	14,631,145	369,631
Net Change in Fund Balances	\$ 3,670,731	\$ (299,848)	\$ (2,156,291)	\$ 1,602,732	\$ (3,256,958)	\$ 778,790	\$ 2,408,940	\$ 3,251,033	\$ 12,634,080	\$ (1,561,323)
Debt Service as a Percentage of										
Noncapital Expenditures	5.85%	5.77%	6.41%	6.12%	6.53%	6.37%	6.06%	5.54%	5.51%	4.70%

* Noncapital expenditures are total expenditures less capital outlay.
Source: District Financial Records

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Other Programs/ Rent</u>	<u>Insurance/ Other Refunds</u>	<u>E-Rate</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 168,580	\$ 15,862	\$ 163,230	\$ 83,823		\$ 4,083	\$ 76,985	\$ 512,563
2016	114,827	14,570	209,714	171,364	\$ 23,184	5,318	62,724	601,701
2017	210,009	20,451	99,710	86,332	19,053	4,882	22,820	463,257
2018	219,582	12,868	102,748	30,643	24,879	4,856	24,238	419,814
2019	150,269	12,584	37,500	15,074	-	4,637	182,529	402,593
2020	222,929	8,805	27,907	72,088	600	5,381	42,519	380,229
2021	76,922	4,730		105,677			78,078	265,407
2022	161,095	7,247	41,940	250,534	600	4,726	41,599	507,741
2023	169,709	4,750	23,622	42,870	600	5,184	113,635	360,370
2024	317,976	181,199	2,928	147,930	600	6,460	42,259	699,352

Source: District financial records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 14,008,800	\$ 1,222,483,400			\$ 339,519,730	\$ 266,955,200	\$ 74,807,500	\$ 1,917,774,630		\$ 1,917,774,630	\$ 2,215,506,762	\$ 1.571
2016	13,162,800	1,223,588,478			325,081,430	255,316,500	74,827,500	1,891,976,708		1,891,976,708	2,383,260,542	1.635
2017 (1)	12,074,400	1,363,043,700			383,379,800	293,200,400	105,751,000	2,157,449,300		2,157,449,300	2,246,927,349	1.480
2018	16,983,100	1,392,621,000			424,447,100	312,272,800	110,151,000	2,256,475,000		2,256,475,000	2,340,819,556	1.466
2019	15,969,100	1,419,509,900			439,282,700	313,346,000	114,155,600	2,302,263,300		2,302,263,300	2,374,347,788	1.500
2020	16,490,700	1,460,120,100			440,054,700	313,636,000	130,621,000	2,360,922,500		2,360,922,500	2,461,909,765	1.472
2021	15,622,800	1,513,675,100			403,610,700	329,655,200	132,350,200	2,394,914,000		2,394,914,000	2,561,036,258	1.472
2022	15,926,700	1,685,547,300			413,427,200	394,680,900	148,611,200	2,658,193,300		2,658,193,300	2,804,692,808	1.354
2023	13,076,700	1,797,436,300			418,635,100	433,824,600	164,914,600	2,827,887,300		2,827,887,300	2,936,925,524	1.301
2024	12,782,700	1,912,575,800			427,236,000	464,035,400	168,939,300	2,985,569,200		2,985,569,200	3,052,012,667	1.275

Source: County Abstract of Ratables

104 a Tax rates are per \$100

(1) Town Revaluation

**SADDLE BROOK BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Calendar Year	Total	Local School District	Municipality	County (1)
2015	\$ 2.715	\$ 1.571	\$ 0.870	\$ 0.274
2016	2.865	1.635	0.926	0.304
2017 (2)	2.578	1.480	0.837	0.261
2018	2.537	1.466	0.827	0.244
2019	2.593	1.500	0.843	0.250
2020	2.529	1.472	0.811	0.246
2021	2.604	1.478	0.857	0.269
2022	2.402	1.354	0.793	0.255
2023	2.336	1.301	0.786	0.249
2024	2.306	1.275	0.792	0.239

(1) County tax rate includes open space tax.

(2) Town revaluation

Source: Tax Duplicate, Township of Saddle Brook

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

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Park 80 West	\$ 90,500,000	3.03%		
Tri-State Commercial Realty, LLC	52,323,200	1.75%		
Saddle Brook SG LLC	50,001,200	1.67%		
140 Mayhill St. Co	38,097,600	1.28%		
A.O. Associates	29,482,100	0.99%		
A.O. Associates	29,482,100	0.99%		
Arrow Fasteners	26,735,900	0.90%		
CPT NJ 301 Mayhill LLC	25,091,500	0.84%		
Peykar Brothers Realty	23,044,400	0.77%		
45 Mayhill LLC	21,454,900	0.72%		
L&L Park 80 LLC			\$ 91,400,000	4.77%
Midland Holding CO.			33,256,400	1.73%
Tri State Realty			26,000,000	1.36%
CP Saddle Brook, LLC			24,000,000	1.25%
Arrow Fastener			23,739,800	1.24%
A.O. Associates			20,141,300	1.05%
Saddle Brook Mayhill			17,875,000	0.93%
A.O. Associates			13,858,700	0.72%
Kessler Institute			15,202,300	0.79%
Brook Assoc. C/O Roseheart			12,546,000	0.65%
	<u>\$ 386,212,900</u>	<u>12.94%</u>	<u>\$ 278,019,500</u>	<u>14.50%</u>

Source: Municipal Tax Assessor

**SADDLE BROOK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 29,817,051	\$ 29,817,051	100.00%	
2016	30,437,005	30,437,005	100.00%	
2017	31,410,811	31,410,811	100.00%	
2018	32,446,835	32,446,835	100.00%	
2019	34,152,628	34,152,628	100.00%	
2020	34,453,030	34,453,030	100.00%	
2021	35,065,267	35,065,267	100.00%	
2022	35,681,614	35,681,614	100.00%	
2023	36,292,459	36,292,459	100.00%	
2024	37,317,746	37,317,746	100.00%	

Source: District's records

**SADDLE BROOK BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Loans	Financing Agreements	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2015	\$ 17,189,000		\$ 477,362			\$ 17,666,362	13,884	\$ 1,272
2016	15,929,000		358,932			16,287,932	13,921	1,170
2017	14,454,000		237,568			14,691,568	13,912	1,056
2018	12,789,000		5,158,899		\$ 29,245	17,977,144	13,934	1,290
2019	11,094,000		4,899,778		19,982	16,013,760	13,883	1,153
2020	9,374,000		4,702,733		10,242	14,086,975	13,568	1,038
2021	7,634,000		4,544,816			12,178,816	13,591	896
2022	5,884,000		5,523,897			11,407,897	14,359	794
2023	18,570,000		5,121,780			23,691,780	14,340	1,652
2024	17,635,000		4,805,477			22,440,477	14,386	1,560

Source: District financial records and NJ Dept. of Education

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 17,189,000		\$ 17,189,000	0.90%	\$ 1,238
2016	15,929,000		15,929,000	0.84%	1,144
2017	14,454,000		14,454,000	0.67%	1,039
2018	12,789,000	\$ 79,734	12,709,263	0.56%	912
2019	11,094,000	536	11,093,464	0.48%	799
2020	9,374,000		9,374,000	0.40%	691
2021	7,634,000		7,634,000	0.32%	562
2022	5,884,000		5,884,000	0.22%	410
2023	18,570,000	1	18,569,999	0.66%	1,295
2024	17,635,000	589,978	17,045,022	0.57%	1,185

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**SADDLE BROOK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING DEBT
FOR YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Township of Saddle Brook School District (June 30, 2024)	\$ 17,635,000
Township of Saddle Brook	<u>65,707,958</u>
	<u><u>\$ 83,342,958</u></u>
Overlapping debt Apportioned to the Municipality:	
Bergen County (3);(A):	
County of Bergen (A)	22,217,655
Passaic Valley Sewerage Commission (2)	<u>3,278,272</u>
Total Direct and Overlapping Debt	<u><u>\$ 108,838,885</u></u>

(A) The debt for this entity was apportioned to the Township of Saddle Brook by dividing the Municipality's 2023 equalized value by the total 2023 equalized value for Bergen County.

Sources:

- (1) Township of Saddle Brook Annual Debt Statement
- (2) Passaic Valley Sewerage Commission - Based on Usage
- (3) Bergen County Debt Statement 12/31/2023

SADDLE BROOK BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Calendar Year 2023

	Equalized valuation basis
	2023 \$ 3,083,846,565
	2022 3,014,850,062
	2021 <u>2,923,122,177</u>
	<u>\$ 9,021,818,804</u>
Average equalized valuation of taxable property	\$ 3,007,272,935
Debt limit (4 % of average equalization value)	120,290,917 ^a
Total Net Debt Applicable to Limit	<u>16,536,180</u>
Legal debt margin	<u>\$ 103,754,737</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 89,959,797	\$ 91,343,919	\$ 92,366,187	\$ 94,549,128	\$ 94,772,364	\$ 97,875,732	\$ 101,859,514	\$ 108,608,327	\$ 115,058,698	\$ 120,290,917
Total Net Debt Applicable to Limit	<u>10,235,482</u>	<u>13,749,393</u>	<u>12,129,393</u>	<u>11,279,393</u>	<u>9,764,404</u>	<u>7,544,404</u>	<u>7,634,000</u>	<u>5,884,393</u>	<u>18,571,180</u>	<u>16,536,180</u>
Legal Debt Margin	<u>\$ 79,724,315</u>	<u>\$ 77,594,526</u>	<u>\$ 80,236,794</u>	<u>\$ 83,269,735</u>	<u>\$ 85,007,960</u>	<u>\$ 90,331,328</u>	<u>\$ 94,225,514</u>	<u>\$ 102,723,934</u>	<u>\$ 96,487,518</u>	<u>\$ 103,754,737</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.38%	15.05%	13.13%	11.93%	10.30%	7.71%	7.49%	5.42%	16.14%	13.75%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey,
 Department of Treasury, Division of Taxation

^a Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

**SADDLE BROOK BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (1)</u>	<u>Population</u>
2015	5.3%	\$ 77,323	13,921
2016	5.3%	78,836	13,912
2017	4.9%	81,024	13,934
2018	4.9%	85,191	13,883
2019	4.1%	88,241	13,568
2020	3.3%	91,972	13,591
2021	12.3%	97,343	14,359
2022	7.6%	97,138	14,340
2023	4.2%	97,138 *	14,386
2024	N/A	97,138 *	14,386 *

Source: United States Bureau of Census
School District Records

* Estimate

(1) Represents the County of Bergen's per Capita Income

N/A - Not Available

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	107	108	110	112	104	104	105	104	106	105
Special Education	46	47	48	49	47	47	47	46	47	47
Other Special Education	6	6	6	6	5	5	5	5	6	6
Support Services:										
General Administration	2	2	2	2	3	3	3	3	3	3
School Administrative Services	11	11	11	11	13	13	13	13	13	13
Central Services	6	6	6	6	4	4	4	4	4	4
Plant Operations And Maintenance	24	24	24	24	31	31	31	31	31	31
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	<u>41</u>	<u>42</u>	<u>45</u>	<u>61</u>	<u>70</u>	<u>69</u>	<u>69</u>	<u>73</u>	<u>75</u>	<u>74</u>
Total	<u>246</u>	<u>249</u>	<u>255</u>	<u>274</u>	<u>280</u>	<u>279</u>	<u>280</u>	<u>282</u>	<u>288</u>	<u>286</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	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	High School				
2015	1,720	\$ 32,618,855	\$ 18,964	12.49%	157	1:20	1:20	1:19	1,683	1,590	-1.00%	94.47%
2016	1,753	33,440,498	19,076	0.59%	159	1:20	1:20	1:19	1,716	1,630	1.96%	94.99%
2017	1,723	35,108,579	20,376	6.82%	161	1:20	1:20	1:19	1,689	1,598	-1.57%	94.61%
2018	1,770	37,387,601	21,123	3.66%	162	1:20	1:20	1:19	1,724	1,616	2.07%	93.74%
2019	1,789	39,195,665	21,909	3.72%	156	1:20	1:20	1:19	1,761	1,661	2.15%	94.32%
2020	1,786	38,883,375	21,771	-0.63%	156	1:20	1:20	1:19	1,737	1,666	-1.36%	95.91%
2021	1,707	39,629,741	23,216	6.64%	157	1:20	1:20	1:19	1,662	1,605	-4.32%	96.57%
2022	1,720	44,023,598	25,595	10.25%	155	1:20	1:20	1:19	1,713	1,584	3.07%	92.47%
2023	1,810	46,200,536	25,525	-0.27%	159	1:20	1:20	1:19	1,786	1,672	4.26%	93.62%
2024	1,837	49,151,889	26,757	4.82%	159	1:20	1:20	1:19	1,820	1,717	1.90%	94.34%

Sources: District records

- Note:
- a Enrollment based on annual October district count. (includes sent to out of district schools)
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.
 - d Average daily enrollment and attendance does not include students sent to out of district schools

**SADDLE BROOK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
<u>Helen I Smith</u>										
Square Feet	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345
Capacity (students)	316	316	316	316	316	316	316	316	316	316
Enrollment	283	295	305	309	313	296	294	300	331	346
<u>Franklin</u>										
Square Feet	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855
Capacity (students)	293	293	293	293	293	293	293	293	293	293
Enrollment	298	298	304	314	319	310	270	293	308	319
<u>Long Memorial</u>										
Square Feet	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	294	278	270	272	270	278	285	291	297	312
<u>Middle School/High School</u>										
Square Feet	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351
Capacity (students)	865	865	865	865	865	865	865	865	865	865
Enrollment	766	789	784	778	785	802	776	775	799	805
<u>Other</u>										
<u>Washington</u>										
Square Feet	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333
Enrollment	42	70	55	59	54	60	42	63	70	62

Number of Schools at June 30, 2024
 Elementary = 3
 Jr/Senior High School = 1
 Other = 1

Source: District Records

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS ENDED JUNE 30,
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
School Facilities										
Washington School	\$ 34,765	\$ 33,139	\$ 48,642	\$ 61,755	\$ 30,792	\$ 20,637	\$ 39,672	\$ 69,792	\$ 145,417	\$ 57,704
Franklin School	39,640	82,168	43,679	52,551	26,240	39,143	38,165	67,140	139,891	151,100
Long Memorial School	117,714	81,199	47,347	42,905	21,071	74,442	17,758	31,240	65,091	102,791
Helen I. Smith School	63,371	60,281	50,811	42,586	77,663	33,297	26,791	47,131	98,201	147,491
High School/Middle School	<u>230,073</u>	<u>138,063</u>	<u>210,069</u>	<u>165,851</u>	<u>87,316</u>	<u>144,368</u>	<u>129,109</u>	<u>227,131</u>	<u>473,245</u>	<u>294,445</u>
Grand Total	<u>\$ 485,563</u>	<u>\$ 394,850</u>	<u>\$ 400,548</u>	<u>\$ 365,648</u>	<u>\$ 243,082</u>	<u>\$ 311,887</u>	<u>\$ 251,495</u>	<u>\$ 442,434</u>	<u>\$ 921,845</u>	<u>\$ 753,531</u>

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Source: School District's Financial Statements

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Insurance Co.		
Property -Blanket Building and Contents	\$ 133,254,416 (1) \$	5,000
Electronic Data Processing equipment	5,000,000	5,000
Valuable Papers	5,000,000	1,000
General Liability - National Union Fire Insurance Co.		
Aggregate/Each Occurrence	1,000,000/1,000,000	2,500
Educator's Legal Liability- XL Catlin		
Educators Legal	1,000,000	20,000
Employment Practices		25,000
Commercial Automobile Liability - National Union		
Combined Single Limit	1,000,000	2,500
Comprehensive		1,000
Collision		1,000
Commercial Umbrella - National Union Fire Insurance Co.		
	9,000,000	10,000
Excess Liability - Hudson/Allied/Great American		
	30,000,000	
Excess Liability - Fireman's Fund (Shared 1/2 Fund)		
	25,000,000	
Public Employees' Blanket Bond (Crime) - Selective Way Ins. Co.		
Primary (Per Employee)	500,000	5,000
Forgery and Alterations	250,000	1,000
Cyber Liability - CFC		
	1,000,000/1,000,000	15,000
Environmental - ACE/Chubb		
	2,000,000/4,000,000	15,000
Group Aggregate	20,000,000	
Public Official Bond-Treasurer - Selective Insurance Company		
	275,000	
Public Official Bond-Business Administrator - Selective Insurance Co.		
	275,000	
Workmen's Compensation - Reinsurance - Safety National Ins. Co.		
	1,000,000	
Boiler & Machinery - National Union Fire Insurance Co.		
	150,000,000	5,000
Athletic Accident - Zurich Insurance Co. (80% Co-insurance)		
	5,000,000	250
Accident Policy for Volunteers (Chubb)		
	250,000	
Flood- Selective Insurance Company		
High School/Administration- Building	500,000	5,000
High School/Administration- Contents	500,000	5,000

Source: School District's records

(1) Pool limit

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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ANDREW D. PARENTE, CPA, RMA, PSA
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ROBERT W. HAAG, CPA, RMA, PSA

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Saddle Brook Board of Education's basic financial statements and have issued our report thereon dated January 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Saddle Brook 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 Saddle Brook Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Saddle Brook Board of Education's internal control.

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

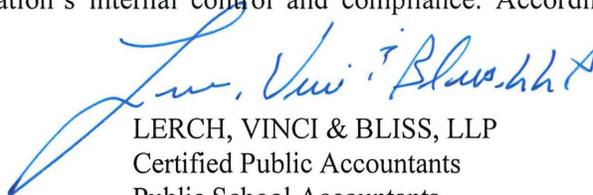
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

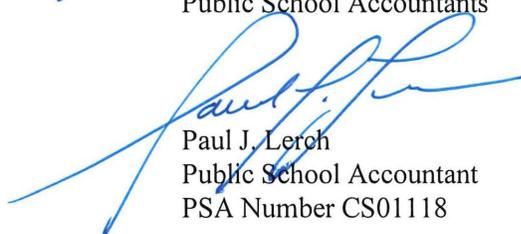
As part of obtaining reasonable assurance about whether the Saddle Brook Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 29, 2025



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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 Education
Saddle Brook Board of Education
Saddle Brook, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Saddle Brook 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 Saddle Brook Board of Education's major federal and state programs for the fiscal year ended June 30, 2024. The Saddle Brook 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 Saddle Brook Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of the Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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 Saddle Brook 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.

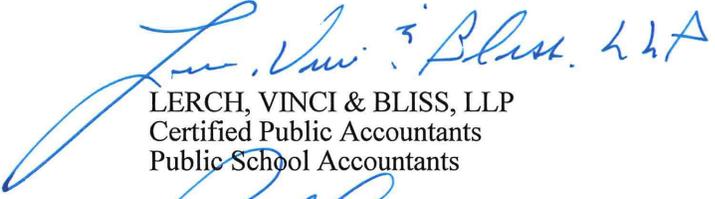
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

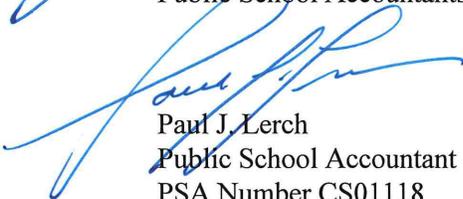
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable 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 and each major fund of the Saddle Brook Board of Education, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 29, 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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
January 29, 2025

SADDLE BROOK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2023			Deferred Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2024			GAAP Receivable
					(Account Receivable)	Unearned Revenue	Due to Grantor						(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
General Fund																
Medicaid Assistance Program (SEMI)	93.778	2305NJSMAP	7/1/23-6/30/24	\$ 10,297	-	-	-	-	\$ 10,297	\$ 10,297	-	-	-	-	-	
Total U.S. Department of Education/General Fund					-	-	-	-	10,297	10,297	-	-	-	-	-	
U.S. Department of Agriculture																
Passed-through State Department of Education																
National School Lunch Program																
Non-Cash Assistance	10.555	231NJ304N1099	9/1/23-6/30/24	57,691					57,691	56,855			\$ 836			
Cash Assistance	10.555	241NJ304N1099	9/1/23-6/30/24	224,287					185,815	224,287	\$ (38,472)				\$ (38,472)	
Cash Assistance	10.555	231NJ304N1099	9/1/22-6/30/23	248,992	\$ (12,473)				12,473							
HHFKA Assistance	10.555	241NJ304N1099	9/1/23-6/30/24	9,222					7,654	9,222	(1,568)				(1,568)	
P-EBT Administrative Program	10.649	2022225900941	9/1/23-6/30/24	653					653	653						
Supply Chain Assistance Award	10.555	241NJ304N1099	9/1/23-6/30/24	45,433					45,433	45,433						
School Breakfast Program	10.553	241NJ304N1099	9/1/23-6/30/24	12,235					9,870	12,235	(2,365)				(2,365)	
School Breakfast Program	10.553	231NJ304N1099	9/1/22-6/30/23	12,723	(1,078)				1,078							
Local Food for Schools	10.553	231NJ304N1099	9/1/22-6/30/23	2,823					2,823	2,823						
Total U.S. Department of Agriculture- Cluster/Food Service Fund					(13,551)	-	-	-	323,490	351,508	-	(42,405)	836	-	(42,405)	
U.S. Department of Education																
Passed-through State Department of Education																
ESEA Title I																
ESEA Title I	84.010	S010A230030	7/1/23-9/30/24	232,364			\$ 68,986	\$ (68,986)	53,076	282,799		(248,274)	\$ 18,551		(229,723)	
ESEA Title I	84.010	S010A220030	7/1/22-9/30/23	194,384	(68,884)	\$ 68,986	(68,986)	68,986			\$ (102)				-	
ESEA Title I SIA	84.010	S010A220030	7/1/22-9/30/23	20,000	(16,977)	-	-	-	16,977	-	-	-	-	-	-	
ESEA Title I Cluster Program					(85,861)	68,986	-	-	70,053	282,799	(102)	(248,274)	18,551	-	(229,723)	
ESEA Title IIA	84.367A	S367A230029	7/1/23-9/30/24	40,678			20,911	(20,911)	56,522	62,139	\$ 550	(5,067)	-		(5,067)	
ESEA Title IIA	84.367A	S367A220029	7/1/22-9/30/23	38,718	(21,372)	20,911	(20,911)	20,911	461						-	
ESEA Title III, Immigrant	84.365A	S365A230030	7/1/23-9/30/24	5,746			5,797	(5,797)	5,345	7,476	(878)	(6,198)	3,189		(3,009)	
ESEA Title III, Immigrant	84.365A	S365A220030	7/1/22-9/30/23	4,920	(6,717)	5,797	(5,797)	5,797	920						-	
ESEA Title III	84.365A	S365A230030	7/1/23-9/30/24	13,602			2,330	(2,330)	14,369	15,268		(1,981)	664	\$ 418	(1,317)	
ESEA Title III	84.365A	S365A220030	7/1/22-9/30/23	10,777	(4,189)	2,330	(2,330)	2,330	1,859						-	
ESEA Title IV	84.424A	S424A230031	7/1/23-9/30/24	14,887			1,700	(1,700)	7,800	14,259		(8,787)	2,328		(6,459)	
ESEA Title IV	84.424A	S424A220031	7/1/22-9/30/23	10,000	(1,700)	1,700	(1,700)	1,700							-	
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	7/1/23-9/30/24	445,771					295,025	445,771		(150,746)	-		(150,746)	
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	7/1/22-9/30/23	406,919	(75,932)				75,932						-	
I.D.E.A. Part B, Preschool	84.173A	H173A230114	7/1/23-9/30/24	18,033					18,033	18,033					-	
IDEA Cluster Program					(75,932)	-	-	-	388,990	463,804	-	(150,746)	6,181	418	(150,746)	
Elementary and Secondary School Emergency Relief (ESSER II)																
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																
ESSER II																
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	767,459	(16,562)				16,562						-	
	84.425D	S425D210027	3/13/20-9/30/23	49,252	(13,985)				13,985						-	
American Rescue Plan (ARP) Elementary and Secondary Schools																
ESSER																
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	1,724,815	(1,147,803)	840,743			562,116	840,743		(585,687)	-		(585,687)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(145,142)				50,800	-		(94,342)	-		(94,342)	
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027	3/13/20-9/30/24	40,000	(36,400)	30,401			36,400	30,401		-	-		-	
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			-	40,000		(40,000)	-		(40,000)	
	84.425U	S425U210027	3/13/20-9/30/24	88,501	(8,846)	-			8,846	-		-	-		-	
ESF Cluster Program/Special Revenue Fund					(1,408,738)	911,144	-	-	688,709	911,144	-	(720,029)	-	-	(720,029)	
Teachers Climate and Culture Innovation Camp Grant	76.708	24E00776	5/1/24-2/28/2025	124,924								(124,924)	124,924		-	
School Security Grant	76.708	24E00839	12/1/23-12/31/2024	97,109								(97,109)	97,109		-	
Total U.S. Department of Education / Special Revenue Fund					(1,604,509)	1,010,868	-	-	1,235,028	1,756,889	(430)	(1,363,115)	246,765	418	(1,116,350)	
Total Federal Awards Subject to a Single Audit					\$ (1,618,060)	\$ 1,010,868	\$ -	\$ -	\$ 1,568,815	\$ 2,118,694	\$ (430)	\$ (1,405,520)	\$ 247,601	\$ 418	\$ (1,158,755)	

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SADDLE BROOK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2024			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
<u>General Fund</u>															
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 1,980,398				\$ 1,831,783	\$ 1,980,398		\$ (148,615)				\$ 1,980,398	
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,684,020	\$ (130,868)			130,868								
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	17,740				16,409	17,740		(1,331)				17,740	
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	17,740	(1,379)			1,379								
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	148,825				137,657	148,825		(11,168)				148,825	
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	43,806	(3,404)			3,404								
State Aid Public Cluster					(135,651)			2,121,500	2,146,963		(161,114)			2,146,963	
Extraordinary Aid	24-100-034-5120-044	7/1/23-6/30/24	776,357					776,357		(776,357)				776,357	
Extraordinary Aid	23-100-034-5120-044	7/1/22-6/30/23	730,445	(730,445)			730,445								
Nonpublic Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	46,865					46,865		(46,865)		\$ (46,865)		46,865	
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	35,612	(35,612)			35,612								
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	234,147				216,576	234,147		(17,571)				234,147	
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	234,147	(18,196)			18,196								
Transportation Aid Cluster					(53,808)			270,384	281,012		(64,436)			(46,865)	281,012
<u>On-Behalf Payments</u>															
TPAF Pension and Annuity Aid															
Normal	24-495-034-5094-002	7/1/23-6/30/24	5,640,457				5,640,457	5,640,457						5,640,457	
NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	64,326				64,326	64,326						64,326	
Post Retirement Medical Contribution	24-495-034-5094-001	7/1/23-6/30/24	1,552,633				1,552,633	1,552,633						1,552,633	
Long-Term Disability	24-495-034-5094-004	7/1/23-6/30/24	2,333				2,333	2,333						2,333	
TPAF Social Security	24-495-034-5094-003	7/1/23-6/30/24	1,211,834				1,151,629	1,211,834		(60,205)		(60,205)		1,211,834	
TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	1,166,898	(114,465)			114,465								
Total General Fund					(1,034,369)			11,648,172	11,675,915		(1,062,112)			(107,070)	11,675,915
<u>Special Revenue Fund</u>															
Nonpublic Aid															
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	66			\$ 66			\$ 66						
Security	23-100-034-5120-509	7/1/22-6/30/23	205						205						
Technology	23-100-034-5120-509	7/1/22-6/30/23	42						42						
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	112						112						
Handicapped Services															
Supplemental Instruction	24-100-034-5120-066	7/1/23-6/30/24	826				826						\$ 826		
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	826			826			826						
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	1,860				1,860	930					930		
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	1,860			1,860			1,860						
Schools Development Authority															
SDA Grant - Emergent Capital Needs	N/A	7/1/23-6/30/24	126,019				126,019	126,019						126,019	
Total Special Revenue Fund						3,111	128,705	126,949	3,111				1,756		126,949
State Department of Agriculture															
<u>Enterprise Fund</u>															
National School Lunch Program															
State Share	24-100-010-3350-023	7/1/23-6/30/24	11,766				9,760	11,766		(2,006)		(2,006)		11,766	
State Share	23-100-010-3350-023	7/1/22-6/30/23	10,825	\$ (527)			527								
NJEIE	24-100-010-3350-023	7/1/23-6/30/24	4,408				3,553	4,408		(855)		(855)			
National School Breakfast Program															
State Share	24-100-010-3350-023	7/1/23-6/30/24	210				163	210		(47)		(47)			
State Share	23-100-010-3350-023	7/1/22-6/30/23	490	(40)			40								
NJEIE	24-100-010-3350-023	7/1/23-6/30/24	373				296	373		(77)		(77)			
Total Enterprise Fund					(567)		14,339	16,757		(2,985)			(2,985)	11,766	

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SADDLE BROOK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2023			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2024			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
School Development Authority															
<u>Capital Projects Fund</u>															
SDA - Franklin School Boilers	24-4610-080-23-G5RY	7/1/23-6/30/24	\$ 108,000							\$ (108,000)	\$ 108,000				
SDA - Franklin School HVAC	24-4610-080-23-G5RZ	7/1/23-6/30/24	299,600							(299,600)	299,600				
SDA - Long Memorial School Boilers	24-4610-090-23-G5SC	7/1/23-6/30/24	172,800							(172,800)	172,800				
SDA - Saddle Brook High School Boilers	24-4610-050-23-G5RX	7/1/23-6/30/24	321,000							(321,000)	321,000				
SDA - Helen I. Smith School Boilers	24-4610-085-23-G5SB	7/1/23-6/30/24	108,000							(108,000)	108,000				
SDA - Helen I. Smith School HVAC	24-4610-085-23-G5SA	7/1/23-6/30/24	428,000							(428,000)	428,000				
SDA - Washington School Boilers	24-4610-100-23-G5SD	7/1/23-6/30/24	216,000	-	-	-	-	-	-	(216,000)	216,000	-	-	-	
Total Capital Projects Fund				-	-	-	-	-	-	(1,653,400)	1,653,400	-	-	-	
<u>Debt Service Fund</u>															
Debt Service Aid	24-495-034-5120-075	7/1/23-6/30/24	127,049	-	-	-	\$ 127,049	\$ 127,049	-	-	-	-	-	\$ 127,049	
Total Debt Service Fund				-	-	-	127,049	127,049	-	-	-	-	-	-	127,049
Total State Financial Assistance- Determination for Single Audit				\$ (1,034,936)	\$ -	\$ 3,111	\$ 11,918,265	\$ 11,946,670	\$ 3,111	\$ (2,718,497)	\$ 1,653,400	\$ 1,756	\$ (110,055)	\$ 11,941,679	
Less: On -Behalf TPAF Pension System Contributions															
Normal								(5,640,457)							
NCGI Premium								(64,326)							
Post Retirement Medical Contribution								(1,552,633)							
Long-Term Disability								(2,333)							
Total State Financial Assistance Subject to Major Program Determination								\$ 4,686,921							

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

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$70,750 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 10,297	\$ 11,605,165	\$ 11,615,462
Special Revenue Fund	1,756,889	126,949	1,883,838
Debt Service Fund		127,049	127,049
Food Service Fund	<u>351,508</u>	<u>16,757</u>	<u>368,265</u>
Total Financial Assistance	<u>\$ 2,118,694</u>	<u>\$ 11,875,920</u>	<u>\$ 13,994,614</u>

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,211,834 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$5,704,783, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,333 and TPAF Long-Term Disability Insurance in the amount of \$1,552,633 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

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

Internal Control over compliance:

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

2) Significant deficiency(ies) 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 2 CFR 200 section .516(a) Of U.S. Uniform Guidance _____ yes X none reported

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

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

Identification of major programs:

<u>AL Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan (ARP) Elementary and Secondary Schools (ESSER)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, 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.

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

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by to be reported by CFR 200 and section 516 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and New Jersey OMB's Circular Letter 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.