

SADDLE BROOK
SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



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, 2023**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



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

February 15, 2024

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, 2023 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):

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	1,810	5.2%
2021-2022	1,720	.76%
2020-2021	1,707	-4.42%
2019-2020	1,786	0.00%
2018-2019	1,789	1.07%

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 Saddle Brook School District is a PreK-12 school district consisting of four elementary schools and one combined Middle School/High School. Franklin School, Helen I. Smith School and Long Memorial School are all K-6 elementary schools offering a rich educational program utilizing the latest evidence based programs: Project Read Multisensory Phonics instruction to support out balanced literacy initiative in concert with the Teachers' College Reading and Writing Project (TCRWP), Elevate Science for K-6, Reveal Math for grades K-6 and Connected math for Grades 7 and 8. At the middle & high school, math teachers have benefited from participating in Conquer Mathematics professional learning opportunities. Our K-6 math teachers have benefited from a literacy coach who supports their Workshop Model instruction. We also started to offer Google Training (GAPE) to certain departments in our MSHS.

The Washington School is a dedicated preschool that offers a blended and integrated program for both general education and special education students ages 3-4. Washington School has expanded to provide general education full day preschool Program for 4-5 year olds. Classes are available in the morning, afternoon and also as a full day program, all preparing students with the skills needed for Kindergarten. We are looking to add another

MAJOR INITIATIVES – (continued):

preschool classroom for next school year. We enhanced our use of the Creative Curriculum for preschool with the purchase of the Gold version, and provided multiple PD opportunities for teachers on this new resource. Having a researched based program will help us to advertise the high quality academic nature of our pre-school.

Our special education population is growing, and we are looking to bring students back into our district. We are proud of the growth of our ABA/MD programming. Each building now houses one of these classrooms, with the MSHS having two classrooms. We hired an additional behaviorist to support our programming as well.

We have grown our tech to be a 1:1 district. Each student in grades 3-12 has an assigned Chromebook to take back and forth to school and home each day. Our K-2 students have access to an individual chromebook in their classrooms of which are kept in charging stations purchased by the district. Each instructional staff member has received a laptop as well with a Saddle Brook School District sleeve/case. Our students are benefiting from having access to all of our programs, while our staff are able to plan forward with technology. We purchased Go Guardian and subscribed to a one-step access program, Clever. Some Title funds were used to purchase Promethean Boards at our MSHS.

We continue to improve upon our School Data Teams in each building. Each data team is tasked with utilizing Linkit benchmark assessments, State assessments, and classroom assessments to provide an accurate picture of each student's academic performance. Students are then tiered into Tier 1, 2, or 3. Our math and/or ELA specialists provide intensive Tier 3 instruction to those identified as such. Action plans are developed for those students who show limited progress throughout the school year. The School Data Team often serves as our NJTSS/I&RS team in each building as well.

Our 2022-2023 District Goals included:

- Increase widespread community engagement and communication.
- Prepare students through rigorous academics, interdisciplinary studies and diverse opportunities.
- Support physical, mental and social/emotional factors that impact teaching and learning.

Communication:

We created a district application for smartphones which is compatible with Apple or Google. We started using a different communication program where we are able to send out communication via app, email, phone, text, website alert, and social media simultaneously. We updated all pages on our district website and solidified social media presence. Our teachers began to send out weekly communication to their parents, and our principals followed suit with sending out weekly communication to the entire school community. We also were able to host various parent presentations including Literacy in the Elementary Classroom, Cyber-Safety, and Drug Awareness. Districtwide, after each BOE meeting district updates were shared out to the community. These updates are also posted on our district website for easy access. On top of this, we digitized all district forms and created a staff portal to simplify procedures in our district.

Academic Programming:

At the Middle/High School level we have been working to increase our dual enrollment courses, participate in an early college partnership with our local community college, early career partnership with our local community college, along with the college experience program. Our students are also benefiting from internships within our Option 2 program. This year, our Option 2 program has expanded and we needed to have an additional administrator trained to assist with the overseeing of our Work-Based Learning program.

We also started a Tomorrow's Teachers program partnering with Rider University. Our students benefit from experiencing the field of education as a career choice while partnering with a teacher in one of our district buildings.

MAJOR INITIATIVES – (continued):

In addition, our new Public Speaking Course has been extremely successful and provides our students with authentic speaking opportunities. Our Aviation Year 2 has increased in student enrollment, and this is the first year we participated in the Seal of Biliteracy program.

All of our buildings have added student clubs, including a STEAM Club (of which participated in the NJSBA Steam Tank competition), tech club, safety patrol, wellness club, and PR club. And we have built our community based learning program for our special education population to increase their learning experiences.

Social and emotional learning (SEL) is the process through which children and adults acquire and effectively apply the knowledge, attitudes, and skills necessary to understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions. As we focus on student achievement in all areas, we are acutely aware of how SEL can affect student achievement. One of the district goals stems from a need to meet the needs of the health and wellness of our student population as well as focus on self-care for the adults who are serving students.

We have applied and received grants to participate in DREAMS (Developing Resiliency with Engaging Approaches to Maximize Success) and Teen Mental Health First Aid programs.

With our federal funds we have partnered with Thrive Alliance Group to provide mental health services for our students and are currently being trained in the administration of these programs.

Our district SEL Committee hosts a Community Wellness Event each school year, and are already in the planning stages for next year's event. We have been keenly aware of building staff morale and student wellness through monthly SEL days in our school buildings. Our K-6 schools each have dedicated SEL time built into their schedule.

We have also expanded our SEL program by integrating SEL and literacy instruction at our elementary schools to have a BRIGHT (Building Relationships, Inspiring Greatness, High Expectations Together) period in our schedule. Grade levels are assigned a book that is tied to one of the five SEL competencies as a read aloud. A homeroom will be asked to share their knowledge and activities at a school community assembly. In our MSHS, we have assigned specific SEL days where staff choose an activity and students sign up to participate in their assigned activities throughout the day.

Our English Language Learners population hosted Family Engagement Nights as well. Our students shared information about their cultures, some class projects, and our staff were available to answer any questions and share information on our programming with families.

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 at June 30, 2023.

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



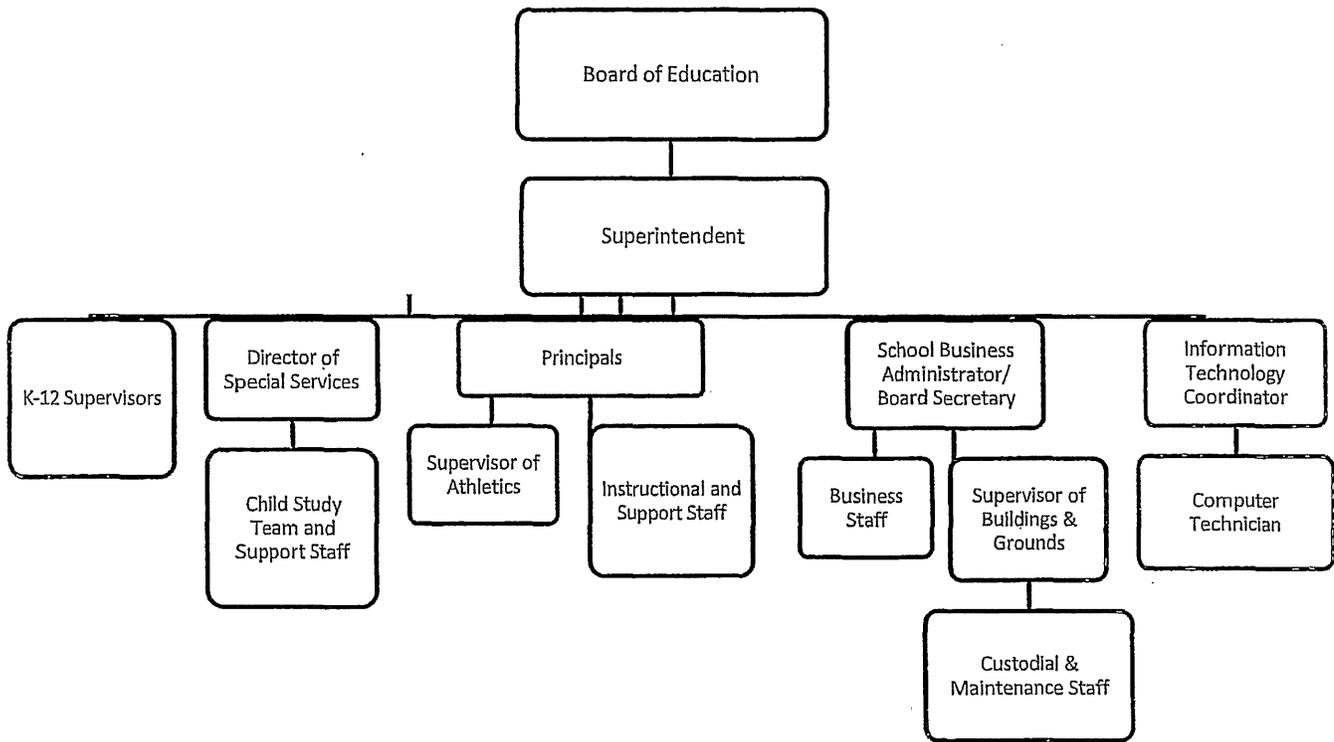
Raymond G. Karaty, CPA, PSA
Business Administrator/Board Secretary

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, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Sylvia Zottarelli, President	2023
Mariana Ianneillo, Vice President	2025
Michael Accomando	2025
Regina Barrale	2024
Vincent Laurentino	2025
Kelly Mahoney	2023
Richard Scherer	2023
Victoria Torbic	2024
Hayley Traverso	2024

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 Giacobbe Alfieri & Jacobs, LLC

SADDLE BROOK BOARD OF EDUCATION

Consultants and Advisors

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FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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 accompanying 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, 2023 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 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, 2023, 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, 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.

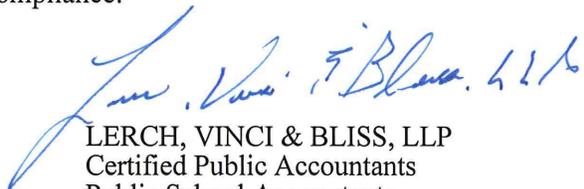
Other Information

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.

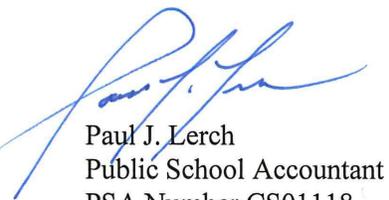
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, 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 February 15, 2024 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
February 15, 2024

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, 2023. 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 (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 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 \$16,626,930 (net position).
- Overall District revenues were \$46,451,235. General revenues accounted for \$36,637,124 or 79% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,814,111 or 21% of total revenues.
- The School District had \$43,974,860 in expenses for governmental activities; only \$8,817,737 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$36,637,037 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 \$19,771,188 an increase of \$12,635,076 when compared to the ending fund balance at June 30, 2022 of \$7,136,112.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$1,149,013 which represents an increase of \$169,309 when compared to the ending unassigned fund balance at June 30, 2022 of \$979,704.

SADDLE BROOK BOARD OF EDUCATION

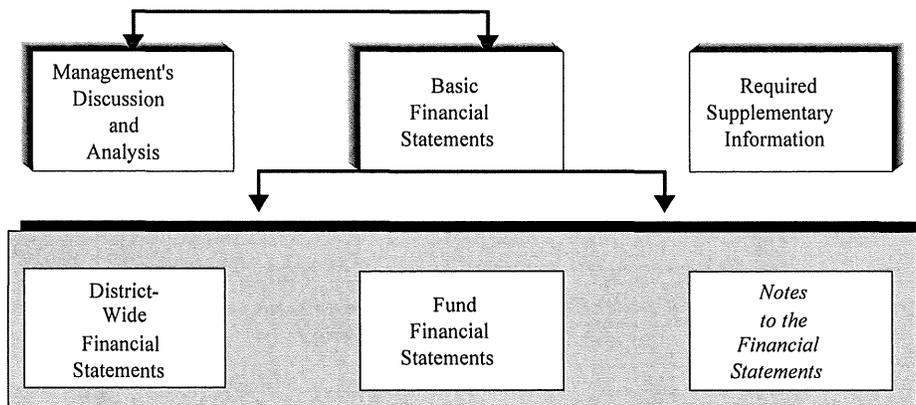
Management's Discussion and Analysis

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 statements and schedules are presented immediately following the major budgetary comparisons 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 \$16,626,930 and \$15,103,880 as of June 30, 2023 and 2022, 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, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 20,752,450	\$ 8,262,427	\$ 250,063	\$ 420,870	\$ 21,002,513	\$ 8,683,297
Capital Assets	<u>26,881,888</u>	<u>26,629,828</u>	<u>213,256</u>	<u>45,457</u>	<u>27,095,144</u>	<u>26,675,285</u>
Total Assets	<u>47,634,338</u>	<u>34,892,255</u>	<u>463,319</u>	<u>466,327</u>	<u>48,097,657</u>	<u>35,358,582</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	728,122	81,650			728,122	81,650
Deferred Amounts on Refunding of Debt	<u>14,675</u>	<u>36,569</u>	<u>-</u>	<u>-</u>	<u>14,675</u>	<u>36,569</u>
Total Deferred Outflows	<u>742,797</u>	<u>118,219</u>	<u>-</u>	<u>-</u>	<u>742,797</u>	<u>118,219</u>
Total Assets and Deferred Outflows	<u>48,377,135</u>	<u>35,010,474</u>	<u>463,319</u>	<u>466,327</u>	<u>48,840,454</u>	<u>35,476,801</u>
Liabilities						
Long-Term Liabilities	29,680,880	15,885,200			29,680,880	15,885,200
Other Liabilities	<u>1,175,850</u>	<u>1,280,709</u>	<u>22,849</u>	<u>68,993</u>	<u>1,198,699</u>	<u>1,349,702</u>
Total Liabilities	<u>30,856,730</u>	<u>17,165,909</u>	<u>22,849</u>	<u>68,993</u>	<u>30,879,579</u>	<u>17,234,902</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>1,333,945</u>	<u>3,138,019</u>	<u>-</u>	<u>-</u>	<u>1,333,945</u>	<u>3,138,019</u>
Total Deferred Inflows	<u>1,333,945</u>	<u>3,138,019</u>	<u>-</u>	<u>-</u>	<u>1,333,945</u>	<u>3,138,019</u>
Total Liabilities and Deferred Inflows	<u>32,190,675</u>	<u>20,303,928</u>	<u>22,849</u>	<u>68,993</u>	<u>32,213,524</u>	<u>20,372,921</u>
Net Position						
Net Investment in Capital Assets	19,009,654	17,038,495	213,256	45,457	19,222,910	17,083,952
Restricted	4,590,021	6,358,742			4,590,021	6,358,742
Unrestricted	<u>(7,413,215)</u>	<u>(8,690,691)</u>	<u>227,214</u>	<u>351,877</u>	<u>(7,186,001)</u>	<u>(8,338,814)</u>
Total Net Position	<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>

SADDLE BROOK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 527,680	\$ 495,022	\$ 539,364	\$ 164,985	\$ 1,067,044	\$ 660,007
Operating Grants and Contributions	8,290,057	11,160,701	457,010	1,053,920	8,747,067	12,214,621
General Revenues						
Property Taxes	36,292,459	35,681,614			36,292,459	35,681,614
State Aid	150,878	148,354			150,878	148,354
Miscellaneous	193,700	346,790	87	17	193,787	346,807
<u>Total Revenues</u>	<u>45,454,774</u>	<u>47,832,481</u>	<u>996,461</u>	<u>1,218,922</u>	<u>46,451,235</u>	<u>49,051,403</u>
Expenses						
Instruction						
Regular	13,465,099	14,551,448			13,465,099	14,551,448
Special Education	9,105,299	9,130,014			9,105,299	9,130,014
Other Instruction	1,282,215	962,659			1,282,215	962,659
School Sponsored Activities and Athletics	1,231,920	1,189,477			1,231,920	1,189,477
Support Services						
Student and Instruction Related Services	7,356,240	7,448,245			7,356,240	7,448,245
Educational Media/School Library	799,849	341,869			799,849	341,869
General Administration Services	945,693	933,206			945,693	933,206
School Administration Services	2,639,635	2,466,146			2,639,635	2,466,146
Plant Operation and Maintenance	4,092,835	3,850,756			4,092,835	3,850,756
Pupil Transportation	1,926,010	1,650,559			1,926,010	1,650,559
Business Services	740,498	1,170,306			740,498	1,170,306
Interest and Other Chgs on Long-Term Debt	389,567	381,348			389,567	381,348
Food Service	-	-	953,325	966,212	953,325	966,212
<u>Total Expenses</u>	<u>43,974,860</u>	<u>44,076,033</u>	<u>953,325</u>	<u>966,212</u>	<u>44,928,185</u>	<u>45,042,245</u>
Transfers	<u>-</u>	<u>342,449</u>	<u>-</u>	<u>(342,449)</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,479,914	4,098,897	43,136	(89,739)	1,523,050	4,009,158
Net Position, Beginning of Year	<u>14,706,546</u>	<u>10,607,649</u>	<u>397,334</u>	<u>487,073</u>	<u>15,103,880</u>	<u>11,094,722</u>
Net Position, End 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>

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, 2023 and 2022.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 13,465,099	\$ 14,551,448	\$ 11,223,877	\$ 11,010,906
Special Education	9,105,299	9,130,014	5,501,441	5,369,890
Other Instruction	1,282,215	962,659	951,136	638,621
School Sponsored Activities and Athletics	1,231,920	1,189,477	766,052	697,762
Support Services				
Student and Instruction Related Services	7,356,240	7,448,245	6,026,114	5,253,729
Educational Media/School Library	799,849	341,869	751,454	271,989
General Administration	945,693	933,206	864,998	808,779
School Administration Services	2,639,635	2,466,146	2,247,424	1,938,839
Plant Operation and Maintenance	4,092,835	3,850,756	4,041,032	3,613,032
Pupil Transportation	1,926,010	1,650,559	1,657,134	1,343,751
Business Services	740,498	1,170,306	736,894	1,091,664
Interest and Other Charges on Long-Term Debt	389,567	381,348	389,567	381,348
Total	<u>\$ 43,974,860</u>	<u>\$ 44,076,033</u>	<u>\$ 35,157,123</u>	<u>\$ 32,420,310</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 \$19,771,188, an increase of \$12,635,076 from last year's fund balance of \$7,136,112.

Revenues for the District's governmental funds were \$48,765,013; total expenditures were \$50,762,078.

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 \$45,182,450 for the fiscal year ended June 30, 2023. State sources amounts to \$10,310,056, federal sources amounts to \$32,592 and local sources amounts to \$34,839,802.

Expenditures of the General Fund were \$45,787,189. Instructional expenditures were \$25,807,596 for support services were \$18,815,034, Lease Debt service payments were \$749,530 and capital expenditures totaled \$415,029 for the fiscal year ended June 30, 2023.

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

Revenues of the Special Revenue Fund were \$1,637,299 for the fiscal year ended June 30, 2023. Federal sources amounts to \$1,276,696 and local sources were \$360,603.

Expenditures of the Special Revenue Fund were \$1,577,906. Instructional expenditures were \$1,120,147 and support services were \$457,759 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects revenues and other financing sources exceeded expenditures and other financing uses by \$12,987,239 increasing the fund balance from \$1,280,322 at June 30, 2022 to \$14,267,561 at June 30, 2023. This increase was due to new Serial Bonds being issued in the amount of \$14,441,000 for the 2023 Referendum Project.

Proprietary Funds

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

SADDLE BROOK BOARD OF EDUCATION

Management’s Discussion and Analysis

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, 2022 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, 2023 and 2022 amounts to \$27,095,144 and \$26,675,283 (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 2022-2023 amounted to \$1,616,730 for governmental activities and \$29,377 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 31,974	\$ 31,974			\$ 31,974	\$ 31,974
Construction in Progress	1,683,111	138,459			1,683,111	138,459
Site Improvements	336,899	363,308			336,899	363,308
Buildings	23,568,337	25,534,362			23,568,337	25,534,362
Machinery and Equipment	<u>1,261,567</u>	<u>561,725</u>	<u>\$ 213,256</u>	<u>\$ 45,455</u>	<u>1,474,823</u>	<u>607,180</u>
Total	<u>\$ 26,881,888</u>	<u>\$ 26,629,828</u>	<u>\$ 213,256</u>	<u>\$ 45,455</u>	<u>\$ 27,095,144</u>	<u>\$ 26,675,283</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, 2023, the District's long-term liabilities consisted of compensated absences payable of \$588,267, serial bonds of \$18,568,625 (including unamortized premium and discounts), capital financing agreements of \$4,794,468, other financing agreements of \$327,312 and net pension liability of \$5,402,208 totaling \$29,680,880. This is in comparison to long-term liabilities at June 30, 2022 of \$15,885,200 or an increase of \$13,795,680.

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 2022-2023 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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 19,249,320	\$ 185,418	\$ 19,434,738
Cash Held with Fiscal Agent	670,631		670,631
Receivables, net	832,499	31,309	863,808
Inventory		33,336	33,336
Capital Assets			
Not Being Depreciated	1,715,085		1,715,085
Being Depreciated, Net	<u>25,166,803</u>	<u>213,256</u>	<u>25,380,059</u>
Total Assets	<u>47,634,338</u>	<u>463,319</u>	<u>48,097,657</u>
Deferred Outflows of Resources			
Deferred Amounts on Net Pension Liability	728,122		728,122
Deferred Amounts on Refunding of Debt	<u>14,675</u>	<u>-</u>	<u>14,675</u>
	<u>742,797</u>	<u>-</u>	<u>742,797</u>
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	<u>48,377,135</u>	<u>463,319</u>	<u>48,840,454</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	952,798	10,187	962,985
Payable to Other Governments	3,111		3,111
Accrued Interest Payable	194,588		194,588
Unearned Revenue	25,353	12,662	38,015
Noncurrent Liabilities			
Due Within One Year	1,582,043		1,582,043
Due Beyond One Year	<u>28,098,837</u>	<u>-</u>	<u>28,098,837</u>
Total Liabilities	<u>30,856,730</u>	<u>22,849</u>	<u>30,879,579</u>
Deferred Inflows of Resources			
Deferred Amounts on Net Pension Liability	<u>1,333,945</u>	<u>-</u>	<u>1,333,945</u>
Total Deferred Inflows of Resources	<u>1,333,945</u>	<u>-</u>	<u>1,333,945</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,190,675</u>	<u>22,849</u>	<u>32,213,524</u>
NET POSITION			
Net Investment in Capital Assets	19,009,654	213,256	19,222,910
Restricted for :			
Capital Projects	2,783,140		2,783,140
Maintenance	1,141,778		1,141,778
Other Purposes	665,103		665,103
Unrestricted	<u>(7,413,215)</u>	<u>227,214</u>	<u>(7,186,001)</u>
Total Net Position	<u>\$ 16,186,460</u>	<u>\$ 440,470</u>	<u>\$ 16,626,930</u>

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, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
Instruction						
Regular	\$ 13,465,099	\$ 169,709	\$ 2,071,513	\$ (11,223,877)		\$ (11,223,877)
Special Education	9,105,299		3,603,858	(5,501,441)		(5,501,441)
Other Instruction	1,282,215		331,079	(951,136)		(951,136)
School Sponsored Activities and Athletics	1,231,920	357,971	107,897	(766,052)		(766,052)
Support Services						
Student and Instruction Related Services	7,356,240		1,330,126	(6,026,114)		(6,026,114)
Educational Media/School Library	799,849		48,395	(751,454)		(751,454)
General Administrative Services	945,693		80,695	(864,998)		(864,998)
School Administrative Services	2,639,635		392,211	(2,247,424)		(2,247,424)
Plant Operations and Maintenance	4,092,835		51,803	(4,041,032)		(4,041,032)
Pupil Transportation	1,926,010		268,876	(1,657,134)		(1,657,134)
Central Services	740,498		3,604	(736,894)		(736,894)
Interest and Other Charges on Long-Term Debt	389,567	-	-	(389,567)	-	(389,567)
 Total Governmental Activities	 43,974,860	 527,680	 8,290,057	 (35,157,123)	 -	 (35,157,123)
Business-Type Activities						
Food Service	953,325	539,364	457,010	-	\$ 43,049	43,049
 Total Business-Type Activities	 953,325	 539,364	 457,010	 -	 43,049	 43,049
 Total Primary Government	 \$ 44,928,185	 \$ 1,067,044	 \$ 8,747,067	 (35,157,123)	 43,049	 (35,114,074)
General Revenues						
Property Taxes, Levied for General Purposes, Net				34,479,432		34,479,432
Property Taxes Levied for Debt Service				1,813,027		1,813,027
State Aid Restricted for Debt Service				130,194		130,194
Unrestricted State Aid				20,684		20,684
Miscellaneous Income				190,661	87	190,748
Transfers				3,039	-	3,039
 Total General Revenues				 36,637,037	 87	 36,637,124
 Change in Net Position				 1,479,914	 43,136	 1,523,050
Net Position, Beginning of Year				14,706,546	397,334	15,103,880
Net Position, End of Year				\$ 16,186,460	\$ 440,470	\$ 16,626,930

FUND FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023

	<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	\$ 4,933,508	\$ 242,052	\$ 14,073,759	\$ 1	\$ 19,249,320
Cash Held with Fiscal Agent	76,051		594,580		670,631
Receivables, Net					
Receivables from Other Governments	228,229	593,801			822,030
Due from Other Funds	379,255	-			379,255
Other Receivables	<u>9,572</u>	<u>897</u>	<u>-</u>	<u>-</u>	<u>10,469</u>
Total Assets	<u>\$ 5,626,615</u>	<u>\$ 836,750</u>	<u>\$ 14,668,339</u>	<u>\$ 1</u>	<u>\$ 21,131,705</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 348,531	\$ 195,062	\$ 397,870		\$ 941,463
Due to Other Funds		376,347	2,908		379,255
Payable to State Government		3,111			3,111
Payroll Deductions and Withholdings	11,335				11,335
Unearned Revenue	<u>5,175</u>	<u>20,178</u>	<u>-</u>	<u>-</u>	<u>25,353</u>
Total Liabilities	<u>365,041</u>	<u>594,698</u>	<u>400,778</u>	<u>-</u>	<u>1,360,517</u>
Fund Balances					
Restricted:					
Capital Reserve	206,763				206,763
Capital Reserve, Designated for Subsequent Year's Expenditures	2,495,000				2,495,000
Maintenance Reserve	266,778				266,778
Maintenance Reserve, Designated for Subsequent Year's Expenditures	875,000				875,000
Capital Projects			14,267,561		14,267,561
Debt Service				\$ 1	1
Unemployment Compensation	423,050				423,050
Student Activities/Athletics		239,215			239,215
Scholarship		2,837			2,837
Assigned:					
Year End Encumbrances	730,262				730,262
Unassigned:	<u>264,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,721</u>
Total Fund Balances	<u>5,261,574</u>	<u>242,052</u>	<u>14,267,561</u>	<u>1</u>	<u>19,771,188</u>
Total Liabilities and Fund Balances	<u>\$ 5,626,615</u>	<u>\$ 836,750</u>	<u>\$ 14,668,339</u>	<u>\$ 1</u>	<u>\$ 21,131,705</u>

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023

Total Government Fund Balances (Exhibit B-1) \$ 19,771,188

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 \$51,597,647 and the accumulated depreciation is \$24,715,759. 26,881,888

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. 14,675

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	\$ 728,122	
Deferred Inflows of Resources	<u>(1,333,945)</u>	(605,823)

The District has financed capital assets through the issuance of serial bonds and long term-lease obligations. The interest accrual at year end is: (194,588)

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	\$ (18,568,625)	
Net Pension Liability	(5,402,208)	
Financing Agreements	(5,121,780)	
Compensated Absences	<u>(588,267)</u>	(29,680,880)

Net Position of Governmental Activities (Exhibit A-1) \$ 16,186,460

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 34,479,432			\$ 1,813,027	\$ 36,292,459
Tuition	169,709				169,709
Miscellaneous	190,661	\$ 360,603	\$ 2,043	-	553,307
Total - Local Sources	34,839,802	360,603	2,043	1,813,027	37,015,475
State Sources	10,310,056			130,194	10,440,250
Federal Sources	32,592	1,276,696	-	-	1,309,288
Total Revenues	45,182,450	1,637,299	2,043	1,943,221	48,765,013
EXPENDITURES					
Current					
Regular Instruction	14,352,000	243,517			14,595,517
Special Education Instruction	9,216,653	424,769			9,641,422
Other Instruction	1,238,879	153,283			1,392,162
School-Sponsored Activities and Athletics	1,000,064	298,578			1,298,642
Support Services					
Student and Instruction Related Services	7,437,943	457,759			7,895,702
Educational Media/School Library	829,775				829,775
General Administrative Services	995,593				995,593
School Administrative Services	2,882,174				2,882,174
Plant Operations and Maintenance	4,037,353				4,037,353
Pupil Transportation	1,915,310				1,915,310
Central Services	716,886				716,886
Debt Service					
Principal	592,262			1,755,000	2,347,262
Interest and Other Charges	157,268			188,222	345,490
Capital Outlay	415,029	-	1,453,761	-	1,868,790
Total Expenditures	45,787,189	1,577,906	1,453,761	1,943,222	50,762,078
Excess (Deficiency) of Revenues Over (Under) Expenditures	(604,739)	59,393	(1,451,718)	(1)	(1,997,065)
OTHER FINANCING SOURCES (USES)					
Bond Sale Proceeds (Non-budget)			14,441,000		14,441,000
Premium on Bond Sale			996		996
Financing Agreements (Non-Budget)	190,145				190,145
Transfer In	3,039		-		3,039
Transfer Out	-	-	(3,039)	-	(3,039)
Total Other Financing Sources and Uses	193,184	-	14,438,957	-	14,632,141
Net Change in Fund Balances	(411,555)	59,393	12,987,239	(1)	12,635,076
Fund Balance, Beginning of Year	5,673,129	182,659	1,280,322	2	7,136,112
Fund Balance, End of Year	\$ 5,261,574	\$ 242,052	\$ 14,267,561	\$ 1	\$ 19,771,188

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, 2023**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 12,635,076

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 depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 1,868,790	
Depreciation Expense	<u>(1,616,730)</u>	
		252,060

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	19,324	
Amortization of Deferred Amounts on Refunding	(21,894)	
Serial Bonds Issued	(14,441,000)	
Other Financing Agreements Issued	(190,145)	
Principal Repayments		
Bond Principal	1,755,000	
Financing Agreements Principal	<u>592,262</u>	
		(12,287,766)

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	(19,542)	
Decrease in Net Pension Expense	<u>940,280</u>	
		920,738

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

Increase in Accrued Interest		<u>(40,194)</u>
------------------------------	--	-----------------

Change in net position of governmental activities (Exhibit A-2) \$ 1,479,914

**SADDLE BROOK BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

	<u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 185,418
Other Accounts Receivable	17,191
Intergovernmental Receivable	
State	567
Federal	13,551
Inventories	<u>33,336</u>
Total Current Assets	<u>250,063</u>
Capital Assets	
Equipment	460,770
Less: Accumulated Depreciation	<u>(247,514)</u>
Total Capital Assets, Net	<u>213,256</u>
Total Assets	<u>463,319</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	10,187
Unearned Revenue	<u>12,662</u>
Total Current Liabilities	<u>22,849</u>
NET POSITION	
Net Investment in Capital Assets	213,256
Unrestricted	<u>227,214</u>
Total Net Position	<u>\$ 440,470</u>

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

**SADDLE BROOK BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable programs	\$ 18,664
Daily Sales - Non-Reimbursable Programs	<u>520,700</u>
	<u>539,364</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable	245,339
Cost of Sales - Non-Reimbursable	208,992
Salaries and Employee Benefits	338,791
Purchased Property Services	60,271
Supplies and Materials	20,503
Depreciation	29,377
Miscellaneous	<u>50,052</u>
Total Operating Expenses	<u>953,325</u>
Operating Income/(Loss)	<u>(413,961)</u>
NONOPERATING REVENUES/(EXPENSES)	
State Sources	
School Lunch Program	10,825
School Breakfast Program	490
Federal Sources	
National School Lunch Program	248,992
Food Distribution Program	50,965
COVID Supply Chain Assistance Award	89,769
School Breakfast Program	12,723
PPP Reimbursement	43,246
Interest and Investment Revenue	<u>87</u>
Total Nonoperating Revenues	<u>457,097</u>
Change in Net Position	43,136
Total Net Position, Beginning of Year	<u>397,334</u>
Total Net Position, End of Year	<u>\$ 440,470</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, 2023**

	<u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 527,559
Cash Payments for Employees' Salaries and Benefits	(338,791)
Cash Payments to Suppliers for Goods and Services	<u>(593,582)</u>
Net Cash Provided/(Used) for Operating Activities	<u>(404,814)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>471,018</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>471,018</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(197,176)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(197,176)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>87</u>
Net Cash Provided by Investing Activities	<u>87</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(130,885)
Cash and Cash Equivalents, Beginning of Year	<u>316,303</u>
Cash and Cash Equivalents, End of Year	<u>\$ 185,418</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income (Loss)	\$ (413,961)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Noncash Federal Assistance - Food Distribution Program	50,965
Depreciation	29,377
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(9,285)
(Increase)/Decrease in Inventory	(15,766)
Increase/(Decrease) in Accounts Payable	(43,624)
Increase/(Decrease) in Unearned Revenue	<u>(2,520)</u>
Total Adjustments	<u>9,147</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (404,814)</u>
Non-Cash Financing Activities	
Food Distribution Program Commodities Received	<u>\$ 50,965</u>

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, 2023**

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government’s financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government’s SBITA activities and evaluate a government’s obligations and assets resulting from SBITAs.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

- 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.
- 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.

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, 2023**

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 funds which are organized to be self-supporting through user charges:

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

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, 2023**

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, 2023**

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 a future period(s) 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, 2023**

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 a future period(s) 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 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, 2023**

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).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 adopted 2023/2024 District 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 – 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 represents 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, 2023**

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 2021-2022 and 2022-2023 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, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$843,694 and the special revenue fund by \$1,717,880. 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. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$109,702 from the general fund.

**SADDLE BROOK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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. Capital Reserve

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

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

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

Balance, July 1, 2022	\$ 3,260,123
Increased by:	
Deposits Approved by Board Resolution	<u>253,342</u>
Decreased by:	
Withdrawals Approved by Board Resolution	109,702
Withdrawals Approved in District Budget	<u>702,000</u>
Balance, June 30, 2023	<u>\$ 2,701,763</u>

The June 30, 2023 LRFP 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. \$2,495,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

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

Balance, July 1, 2022	\$ 1,223,778
Increased by:	
Deposits Approved by Board Resolution	<u>200,000</u>
	1,423,778
Decreased by:	
Withdrawals Approved in District Budget	<u>282,000</u>
Balance, June 30, 2023	<u>\$ 1,141,778</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,331,073. \$875,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits was \$20,105,369 and bank and brokerage firm balances of the Board’s deposits amounted to \$21,958,206. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 21,020,159
Uninsured and Uncollaterized	<u>938,047</u>
	<u>\$ 21,958,206</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2022 the Board’s bank balance of \$938,047 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Uncollateralized

Collateral held by pledging financial institution's trust department but not in the Board's name.

\$ 938,047

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, 2023, the Board had no outstanding investments.

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

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

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

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

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds in the aggregate are as follows:

	General <u>Fund</u>	Special Revenue <u>Fund</u>	Food Service	<u>Total</u>
Receivables:				
Accounts	\$ 9,572	\$ 897	\$ 17,191	\$ 27,660
Intergovernmental				
Federal		593,641	13,551	607,192
State	228,229		567	228,796
Other	<u>-</u>	<u>160</u>	<u>-</u>	<u>160</u>
Net Total Receivables	<u>\$ 237,801</u>	<u>\$ 594,698</u>	<u>\$ 31,309</u>	<u>\$ 863,808</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	\$ 5,175
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>20,178</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 25,353</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Balance, June 30, 2023</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,974			\$ 31,974
Construction in Progress	<u>138,459</u>	<u>\$ 1,544,652</u>	<u>-</u>	<u>1,683,111</u>
Total capital assets, not being depreciated	<u>170,433</u>	<u>1,544,652</u>	<u>-</u>	<u>1,715,085</u>
Capital assets, being depreciated:				
Land Improvements	696,410	-		696,410
Buildings and Building Improvements	44,807,310	-	\$ (1,062,031)	43,745,279
Machinery and Equipment	<u>4,079,704</u>	<u>324,138</u>	<u>1,037,031</u>	<u>5,440,873</u>
Total capital assets being depreciated	<u>49,583,424</u>	<u>324,138</u>	<u>(25,000)</u>	<u>49,882,562</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(333,102)	(26,409)		(359,511)
Land Improvements	(19,272,948)	(1,407,718)	503,724	(20,176,942)
Machinery and Equipment	<u>(3,517,979)</u>	<u>(182,603)</u>	<u>(478,724)</u>	<u>(4,179,306)</u>
Total accumulated depreciation	<u>(23,124,029)</u>	<u>(1,616,730)</u>	<u>25,000</u>	<u>(24,715,759)</u>
Total capital assets, being depreciated, net	<u>26,459,395</u>	<u>(1,292,592)</u>	<u>-</u>	<u>25,166,803</u>
Governmental activities capital assets, net	<u>\$ 26,629,828</u>	<u>\$ 252,060</u>	<u>\$ -</u>	<u>\$ 26,881,888</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 263,594	\$ 197,176	-	\$ 460,770
Total capital assets being depreciated	<u>263,594</u>	<u>197,176</u>	-	<u>460,770</u>
Less accumulated depreciation for:				
Machinery and Equipment	(218,137)	(29,377)	-	(247,514)
Total accumulated depreciation	<u>(218,137)</u>	<u>(29,377)</u>	-	<u>(247,514)</u>
Total capital assets, being depreciated, net	<u>45,457</u>	<u>167,799</u>	-	<u>213,256</u>
Business-type activities capital assets, net	<u>\$ 45,457</u>	<u>\$ 167,799</u>	<u>\$ -</u>	<u>\$ 213,256</u>

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

Governmental activities:	
Instruction	
Regular	\$ 601,758
Special Education	285,396
Other Instruction	58,529
School-Sponsored Activities and Athletics	<u>35,519</u>
Total Instruction	<u>981,202</u>
Support Services	
Student and Instruction Related Services	287,175
Educational Media	15,931
General and Business Administrative Services	26,564
School Administrative Services	129,112
Plant Operations and Maintenance	109,208
Pupil Transportation	21,061
Central Services	<u>46,477</u>
Total Support Services	<u>635,528</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,616,730</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 29,377</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2023 Referendum - Various Improvements	\$ 628,572	\$ 13,813,215
	<u>\$ 628,572</u>	<u>\$ 13,813,215</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 376,347
General Fund	Capital Projects Fund	<u>2,908</u>
		<u>\$ 379,255</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>Capital Projects Fund</u>	<u>Total</u>
Transfer In: General Fund	\$ 3,039	\$ 3,039
Total	<u>\$ 3,039</u>	<u>\$ 3,039</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, 2023**

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, 2023 are comprised of the following:

\$732,780, 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%	\$ 3,865,000
\$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%	558,186
\$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%	215,351
\$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%	<u>155,931</u>
Total	<u>\$ 4,794,468</u>

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, 2023**

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, 2023 are comprised of the following:

<p>\$117,456, fiscal year 2021 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$28,934 to \$29770 through September 1, 2023 interest at 2.89%</p>	<p>\$ 29,770</p>
<p>\$94,541, fiscal year 2021 Agreement for the acquisition of technology equipment for a term of 4 years due in annual principal installments of \$23,077 and \$23,843 through February 1, 2024 interest at 3.32%</p>	<p>23,843</p>
<p>\$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%</p>	<p>133,625</p>
<p>\$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%</p>	<p><u>140,074</u></p>
<p>Total</p>	<p><u>\$ 327,312</u></p>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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>	
2024	\$ 447,675	\$ 145,181	\$ 141,560	\$ 11,759	\$ 746,175
2025	469,180	131,767	91,192	6,863	699,002
2026	495,932	117,637	94,560	3,496	711,625
2027	463,138	102,794			565,932
2028	298,543	89,096			387,639
2029-3033	1,735,000	295,631			2,030,631
3034-3036	885,000	46,866	-	-	931,866
Total	<u>\$ 4,794,468</u>	<u>\$ 928,972</u>	<u>\$ 327,312</u>	<u>\$ 22,118</u>	<u>\$ 6,072,870</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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

Bonds payable at June 30, 2023 are comprised of the following issues:

\$2,955,000, 2012 Pension Refunding Bonds, due in annual installments of \$185,000 to \$240,000 through August 15, 2028, interest at 5.00% - 5.75%	\$ 1,290,000
\$3,530,000, 2012 Refunding Bonds, due in annual installments of \$400,000 through February 15, 2024, interest at 4.25% - 4.375%	400,000
\$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%	2,439,000
\$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>\$ 18,570,000</u>

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2024	\$ 935,000	\$ 648,044	\$ 1,583,044
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>\$ 18,570,000</u>	<u>\$ 6,881,071</u>	<u>\$ 25,451,071</u>

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 115,058,698
Less: Net Debt Issued and Authorized But Not Issued	<u>18,571,180</u>
Remaining Borrowing Power	<u>\$ 96,487,518</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 5,884,000	\$ 14,441,000	\$ 1,755,000	\$ 18,570,000	\$ 935,000
Deferred Amounts					
Add: Premium	25,819		19,324	6,495	6,495
Less: Discount	<u>(9,183)</u>	<u>-</u>	<u>1,313</u>	<u>(7,870)</u>	<u>1,313</u>
Total Bonds Payable	5,900,636	14,441,000	1,775,637	18,568,625	942,808
Net Pension Liability	3,891,942	2,450,546	940,280	5,402,208	
Capital Financing Agreements	5,202,266		407,798	4,794,468	447,675
Other Financing Agreements	321,631	190,145	184,464	327,312	141,560
Compensated Absences	<u>568,725</u>	<u>28,541</u>	<u>8,999</u>	<u>588,267</u>	<u>50,000</u>
Governmental Activity Long-Term Liabilities	<u>\$ 15,885,200</u>	<u>\$ 17,110,232</u>	<u>\$ 3,317,178</u>	<u>\$ 29,680,880</u>	<u>\$ 1,582,043</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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

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, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund for the current and previous two years:

Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earnings</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2023		\$ 36,852	\$ 436	\$ 26,096	\$ 423,050
2022		31,817	243		411,858
2021	\$ 300,000	33,156	80		411,615

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, 2023, 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, 2023**

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, 2023, 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, 2023**

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, 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 for his/her 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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. Prudential retirement 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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

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

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2023 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 2023, 2022 and 2021 were equal to the required contributions.

**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)

Employer and Employee Pension Contributions (Continued)

During the fiscal years ended June 30, 2023, 2022 and 2021 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>
2023	\$ 451,413	\$ 5,171,719	\$ 13,466
2022	384,748	5,216,702	11,773
2021	388,317	3,693,785	5,716

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,047, \$1,928 and \$2,094, 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 \$1,166,898 during the fiscal year ended June 30, 2023 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. 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, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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, 2023**

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, 2022 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$5,402,208 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District’s proportionate share was 0.03580 percent, which was an increase of 0.00295 percent from its proportionate share measured as of June 30, 2021 of 0.03285 percent.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of (\$488,866) for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, 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	\$ 38,991	\$ 34,384
Changes of Assumptions	16,738	808,924
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	223,593	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>448,800</u>	<u>490,637</u>
Total	<u>\$ 728,122</u>	<u>\$ 1,333,945</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, 2023, 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>
2023	\$ (526,384)
2024	(272,540)
2025	(118,506)
2026	308,700
2027	2,907
Thereafter	<u>-</u>
	<u>\$ (605,823)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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%

**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)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**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, 2022. 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 percent, 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>6,940,255</u>	\$ <u>5,402,208</u>	\$ <u>4,093,268</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2021 through June 30, 2022. 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, 2022, 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,735,116 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$61,014,090. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .12496 percent, which was an increase of .00026 percent from its proportionate share measured as of June 30, 2021 of .12470 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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 71,540,317</u>	<u>\$ 61,014,090</u>	<u>\$ 52,147,066</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, 2022. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2022 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, 2022. 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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</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, 2023**

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, 2022 is \$50.6 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, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2021.

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, 2023, 2022 and 2021 were \$1,358,598, \$1,218,833 and \$1,157,574, 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. 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, 2021 through June 30, 2022. 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, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,483,966. 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, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$61,014,090. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .12 percent, which was a decrease of .00269 percent from its proportionate share measured as of June 30, 2021 of .12269 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the June 30, 2021 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, 2023**

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023 , increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ 73,620,931
Changes Recognized for the Fiscal Year:	
Service Cost	3,222,067
Interest on the Total OPEB Liability	1,616,941
Differences Between Expected and Actual Experience	471,975
Changes of Assumptions	(16,367,577)
Gross Benefit Payments	(1,601,628)
Contributions from the Member	51,381
	<u>51,381</u>
Net Changes	<u>(12,606,841)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>61,014,090</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 71,715,645	\$ 61,014,090	\$ 52,437,329

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	\$ 50,431,875	\$ 61,014,090	\$ 74,914,472

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2022 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, 2023**

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, 2023**

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final Budget with Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 34,479,432		\$ 34,479,432	\$ 34,479,432	
Tuition from Individuals	125,000		125,000	112,709	\$ (12,291)
Tuition from Other LEAs Within the State				57,000	57,000
Interests Earned on Unemployment Reserve				436	436
Miscellaneous	211,398	-	211,398	190,225	(21,173)
Sub-Total Local Sources	34,815,830	-	34,815,830	34,839,802	23,972
State Sources					
Special Education Aid	1,684,020		1,684,020	1,684,020	-
Equalization Aid	17,740		17,740	17,740	-
Security Aid	43,806		43,806	43,806	-
Transportation Aid	234,147		234,147	234,147	-
Extraordinary Aid	375,000		375,000	730,445	355,445
Non Public Transportation Aid				35,612	35,612
State Lead Testing				3,135	3,135
On Behalf TPAF Pension Contribution- (Non-Budgeted)					
Normal				5,100,949	5,100,949
NCGI Premium				70,770	70,770
Post Retirement Medical Contributions				1,358,598	1,358,598
Long-Term Disability				2,047	2,047
Reimbursed TPAF Social Security Contributions (Non Budgeted)	-	-	-	1,166,898	1,166,898
Sub-Total State Sources	2,354,713	-	2,354,713	10,448,167	8,093,454
Federal Sources					
Medicaid Assistance Program (SEMI)	20,840	-	20,840	32,592	11,752
Sub-Total Federal Sources	20,840	-	20,840	32,592	11,752
Total Revenues	37,191,383	-	37,191,383	45,320,561	8,129,178
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	60,124	\$ 851	60,975	60,975	-
Kindergarten	506,951	(69,653)	437,298	437,298	-
Grades 1-5	3,024,949	(20,641)	3,004,308	3,004,308	-
Grades 6-8	1,676,750	(233,442)	1,443,308	1,443,308	-
Grades 9-12	2,860,439	(17,716)	2,842,723	2,842,723	-
Regular Programs- Home Instructions					
Salaries of Teachers	50,000	12,163	62,163	61,963	200
Purchased Professional-Educational Services	7,000	4,394	11,394	4,579	6,815
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	46,515	-	46,515	37,912	8,603
Purchased Professional-Educational Services	200,000	178,762	378,762	377,192	1,570
Other Purchased Services	289,749	(6,214)	283,535	276,351	7,184
General Supplies	242,956	174,503	417,459	413,991	3,468
Textbooks	34,535	5,400	39,935	30,932	9,003
Other Objects		215	215	207	8
Travel	1,000	-	1,000	-	1,000
Total Regular Programs	9,000,968	28,622	9,029,590	8,991,739	37,851
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	181,105	33,363	214,468	214,468	-
Other Salaries for Instruction	126,355	(12,106)	114,249	114,249	-
Purchased Professional-Educational Services	40,000	(5,000)	35,000	35,000	-
Other Purchased Services	4,000	667	4,667	4,667	-
General Supplies	2,100	250	2,350	2,350	-
Total Learning and/or Language Disabilities	353,560	17,174	370,734	370,734	-

**SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Multiple Disabilities					
Salaries of Teachers		\$ 154,242	\$ 154,242	\$ 154,242	-
Other Salaries for Instruction	-	32,820	32,820	32,820	-
Total Multiple Disabilities	-	187,062	187,062	187,062	-
Resource Room					
Salaries of Teachers	\$ 2,226,696	(249,207)	1,977,489	1,977,489	-
Other Salaries for Instruction	673,501	(245,761)	427,740	427,740	-
General Supplies	6,890	(1,590)	5,300	5,300	-
Textbooks	1,510	(1,119)	391	391	-
Total Resource Room	2,908,597	(497,677)	2,410,920	2,410,920	-
Autism					
Salaries of Teachers	344,967	9,999	354,966	354,966	-
Other Salaries for Instruction	293,626	(217,305)	76,321	76,321	-
General Supplies	12,300	7,678	19,978	19,978	-
Textbooks	700	-	700	692	\$ 8
Total Autism	651,593	(199,628)	451,965	451,957	8
Preschool Disabilities - Part - Time					
Salaries of Teachers	55,553	46,738	102,291	102,291	-
Other Salaries for Instruction	21,160	44,415	65,575	65,575	-
General Supplies	2,000	(130)	1,870	1,870	-
Total Preschool Handicapped - Part - Time	78,713	91,023	169,736	169,736	-
Preschool Disabilities - Full - Time					
Salaries of Teachers	63,148	53,746	116,894	116,894	-
Other Salaries for Instruction	46,718	59,677	106,395	106,395	-
General Supplies	2,000	57	2,057	2,057	-
Total Preschool Disabilities - Full - Time	111,866	113,480	225,346	225,346	-
Home Instruction					
Purchased Professional Educational Services	7,000	499	7,499	7,499	-
Total Home Instruction	7,000	499	7,499	7,499	-
Total Special Education	4,111,329	(288,067)	3,823,262	3,823,254	8
Basic Skills/Remedial					
Salaries of Teachers	601,734	53,762	655,496	655,496	-
Supplies	2,000	-	2,000	1,739	261
Total Basic Skills/Remedial	603,734	53,762	657,496	657,235	261
Bilingual Education					
Salaries of Teachers	136,348	(24,143)	112,205	112,205	-
Total Bilingual Education	136,348	(24,143)	112,205	112,205	-

**SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 142,880	\$ (15,017)	\$ 127,863	\$ 125,114	\$ 2,749
Purchased Services	2,500	(1,254)	1,246	1,246	-
Supplies		215	215	215	-
Other Objects	19,075	3,835	22,910	22,910	-
Total School Sponsored Co/Extra Curricular Activities	164,455	(12,221)	152,234	149,485	2,749
School Sponsored Athletics					
Salaries	356,950	(16,177)	340,773	340,773	-
Purchased Services	76,521	(8,206)	68,315	62,715	5,600
Travel	2,000	420	2,420	1,390	1,030
Supplies and Materials	59,650	(2,160)	57,490	57,470	20
Other Objects	21,310	(6,759)	14,551	14,551	-
Total School Sponsored Athletics	516,431	(32,882)	483,549	476,899	6,650
Total - Instruction	14,533,265	(274,929)	14,258,336	14,210,817	47,519
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	262,960	26,303	289,263	289,263	-
Tuition to County Vocational School Dist.-Regular	428,805	(42,629)	386,176	386,176	-
Tuition to County Vocational School Dist.-Special	530,586	(11,274)	519,312	519,312	-
Tuition to CSSD & Regional Day Schools	370,112	(85,746)	284,366	284,366	-
Tuition to Private Schools for Disabled Within the State	1,680,056	174,448	1,854,504	1,854,504	-
Total Tuition	3,272,519	61,102	3,333,621	3,333,621	-
Health Services					
Salaries	418,292	(26,121)	392,171	391,671	500
Purchased Prof. and. Tech services	15,000	4,195	19,195	19,195	-
Other Purchased Services	1,000	1,075	2,075	1,900	175
Supplies and Materials	6,250	1,476	7,726	7,592	134
Other Objects	2,300	540	2,840	2,718	122
Total Health Services	442,842	(18,835)	424,007	423,076	931
Speech, OT/PT and Related Services					
Salaries	722,849	6,258	729,107	729,107	-
Purchased Prof. Ed. Services	68,070	(44,130)	23,940	23,940	-
Supplies and Materials	4,300	-	4,300	3,392	908
Total Speech, OT/PT and Related Services	795,219	(37,872)	757,347	756,439	908
Other Support Services - Students - Extra. Serv.					
Salaries	251,329	266,309	517,638	517,492	146
Purchased Professional-Educational Services	914,375	181,724	1,096,099	1,096,099	-
Total Other Support Services - Students - Extra Serv.	1,165,704	448,033	1,613,737	1,613,591	146
Guidance					
Salaries of Other Professional Staff	602,515	1,127	603,642	599,773	3,869
Salaries of Secretarial and Clerical Assistants	65,876	157	66,033	66,033	-
Purchased Professional - Educational Services	5,000	(5,000)	-	-	-
Other Purchased Services	25,650	15,087	40,737	28,939	11,798
Supplies and Materials	13,000	1,286	14,286	13,723	563
Travel - All Other	600	-	600	150	450
Other Objects	720	-	720	717	3
Total Guidance	713,361	12,657	726,018	709,335	16,683

**SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	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	\$ 1,056,302	\$ 25,328	\$ 1,081,630	\$ 1,081,630	
Salaries of Secretarial and Clerical Assistants	80,823	9,175	89,998	89,593	\$ 405
Purchased Prof. - Ed. Services	20,000	(1,359)	18,641	18,641	-
Travel	800	-	800	198	602
Supplies and Materials	12,400	-	12,400	10,991	1,409
Total Child Study Team	1,170,325	33,144	1,203,469	1,201,053	2,416
Improvement of Instructional Svcs/ Other Support					
Svcs - Instructional Staff					
Salaries of Supervisor of Instruction	251,440	1,000	252,440	252,440	-
Salaries of Other Professional Staff	20,000	(11,000)	9,000	4,000	5,000
Other Salaries	10,000	14,521	24,521	24,485	36
Travel	2,000	(1,036)	964	345	619
Total Improvement of Instructional Svcs	283,440	3,485	286,925	281,270	5,655
Educational Media Services/School Library					
Salaries	222,146	(13,000)	209,146	208,962	184
Other Purchased Services	1,320	(1,320)	-	-	-
Supplies and Materials	16,900	(4,833)	12,067	11,258	809
Other Objects	9,560	41	9,601	9,357	244
Total Educational Media Services/School Library	249,926	(19,112)	230,814	229,577	1,237
Instructional Staff Training Services					
Salaries of Other Professional Staff	136,475	(127,876)	8,599	8,599	-
Other Salaries	4,000	(2,050)	1,950	1,950	-
Purchased Prof.-Ed. Services	16,000	(12,500)	3,500	-	3,500
Other Purchased Services	23,000	(15,002)	7,998	5,632	2,366
Supplies and Materials	1,000	-	1,000	732	268
Total Instructional Staff Training Services	180,475	(157,428)	23,047	16,913	6,134
Support Services General Administration					
Salaries	346,621	1,809	348,430	348,430	-
Legal Services	65,000	(8,491)	56,509	56,509	-
Audit Fees	41,000	41,682	82,682	45,547	37,135
Other Purchased Professional Services	-	6,459	6,459	6,459	-
Communications/Telephone	153,800	(19,522)	134,278	134,278	-
BOE Other Purchased Services	13,000	(9,561)	3,439	3,439	-
Miscellaneous Purchased Services	72,300	730	73,030	73,030	-
General Supplies	6,200	2,765	8,965	7,609	1,356
BOE In-House Training/Meeting Supplies	3,000	(1,200)	1,800	1,367	433
Judgements Against The School District	-	7,500	7,500	7,500	-
Miscellaneous Expenditures	8,500	(3,778)	4,722	4,722	-
BOE Membership Dues and Fees	14,000	(1,000)	13,000	12,827	173
Total Support Services General Administration	723,421	17,393	740,814	701,717	39,097
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,172,676	116,005	1,288,681	1,288,259	422
Salaries of Secretarial and Clerical Assistants	399,789	5,470	405,259	405,259	-
Purchased Professional & Technical Services	3,000	(1,000)	2,000	701	1,299
Other Purchased Services	20,750	(31)	20,719	17,008	3,711
Travel - All Other	2,000	4,160	6,160	6,100	60
Supplies and Materials	44,330	5,046	49,376	36,466	12,910
Other Objects	21,300	-	21,300	15,575	5,725
Total Support Services School Administration	1,663,845	129,650	1,793,495	1,769,368	24,127

**SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final Budget with Actual</u>
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 412,472	\$ 948	\$ 413,420	\$ 413,420	
Purchased Professional Services	36,500	(4,484)	32,016	24,930	\$ 7,086
Purchased Technical Services	7,900	1,025	8,925	4,824	4,101
Miscellaneous Purchased Services	29,300	6,400	35,700	30,616	5,084
Travel - All Other	1,400	-	1,400	625	775
Supplies and Materials	20,275	16,010	36,285	33,430	2,855
Interest on Lease Purchase agreements	10,000	(10,000)	-	-	-
Miscellaneous Expenditures	1,300	690	1,990	1,940	50
Total Central Services	<u>519,147</u>	<u>10,589</u>	<u>529,736</u>	<u>509,785</u>	<u>19,951</u>
Admin. Info. Tech.					
Salaries	204,500	(8,295)	196,205	196,205	-
Purchased Technical Services	10,000	(10,000)	-	-	-
Other Purchased Services	168,800	29,241	198,041	189,992	8,049
Supplies and Materials	39,000	36,692	75,692	65,119	10,573
Other Objects	1,500	19,603	21,103	21,103	-
Total Admin. Info. Tech.	<u>423,800</u>	<u>67,241</u>	<u>491,041</u>	<u>472,419</u>	<u>18,622</u>
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	628,190	336,557	964,747	895,744	69,003
General Supplies	23,000	3,201	26,201	26,101	100
Other Objects	5,000	(5,000)	-	-	-
Total Required Maintenance for School Facilities	<u>656,190</u>	<u>334,758</u>	<u>990,948</u>	<u>921,845</u>	<u>69,103</u>
Custodial Services					
Salaries	1,231,683	(66,372)	1,165,311	1,164,165	1,146
Salaries of Non-Instructional Aides	158,069	26,795	184,864	184,193	671
Purchased Professional & Technical Services	9,000	29,908	38,908	38,892	16
Cleaning, Repair and Maint. Services	88,600	33,892	122,492	116,757	5,735
Other Purchased Property Services	30,000	636	30,636	30,636	-
Insurance	269,000	62,899	331,899	331,899	-
Miscellaneous Purchased Services	1,500	12,600	14,100	13,107	993
General Supplies	128,000	16,833	144,833	144,833	-
Energy - Natural Gas	159,000	16,835	175,835	175,576	259
Energy - Electricity	243,000	17,524	260,524	260,524	-
Other Objects	1,000	252	1,252	1,252	-
Interest-Energy Savings Improvement Bonds	136,747	(10,676)	126,071	126,071	-
Principal-Energy Savings Improvement Bonds	165,000	25,000	190,000	190,000	-
Total Custodial Services	<u>2,620,599</u>	<u>166,126</u>	<u>2,786,725</u>	<u>2,777,905</u>	<u>8,820</u>
Care and Upkeep of Grounds					
Salaries	56,712	27,368	84,080	84,080	-
Cleaning, Repair and Maint. Svc	142,500	87,848	230,348	228,698	1,650
General Supplies	24,500	(10,334)	14,166	14,145	21
Total Care and Upkeep of Grounds	<u>223,712</u>	<u>104,882</u>	<u>328,594</u>	<u>326,923</u>	<u>1,671</u>

**SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
General Supplies	\$ 1,421	\$ (1,421)	-	-	-
Total Security	1,421	(1,421)	-	-	-
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)	221,119	\$ 55,134	\$ 276,253	\$ 276,253	
Cleaning, Repair and Maintenance Services	30,000	14,346	44,346	44,346	
Lease Purchase Payments - School Buses	25,000	(929)	24,071	24,071	-
Contracted Services (Other Than Between Home and School) - Vendors	2,000	(2,000)	-	-	-
Contracted Services (Between Home and School) - Vendors	139,000	(42)	138,958	138,958	-
Contracted Services (Special Ed Students) - Vendors	28,000	(28,000)	-	-	-
Contracted Services (Special Ed Students) -Joint Agreements	1,035,000	135,133	1,170,133	1,170,133	-
Contracted Services - Aid in Lieu of Payments - Nonpublic	130,000	(9,392)	120,608	120,608	-
Transportation Supplies	25,000	1,102	26,102	26,082	\$ 20
Other Objects	2,800	3,110	5,910	5,890	20
Total Student Transportation Services	1,637,919	168,462	1,806,381	1,806,341	40
Unallocated Benefits					
Group Insurance - DCRP	15,000	(1,534)	13,466	13,466	-
Social Security Contributions	425,000	(12,183)	412,817	412,817	-
Other Retirement Contributions - PERS	450,000	39,840	489,840	489,840	-
Unemployment Compensation	70,000	(70,000)	-	-	-
Workmen's Compensation	190,000	(98,397)	91,603	91,603	-
Health Benefits	4,460,277	(242,348)	4,217,929	4,217,929	-
Tuition Reimbursement	57,000	(37,549)	19,451	18,926	525
Other Employee Benefits	26,000	218	26,218	26,218	-
Total Unallocated Benefits	5,693,277	(421,953)	5,271,324	5,270,799	525
On Behalf TPAF Pension Contributions- (Non-Budgeted)					
Normal				5,100,949	(5,100,949)
NCGI Premium				70,770	(70,770)
Post Retirement Medical Contribution				1,358,598	(1,358,598)
Long-Term Disability				2,047	(2,047)
On Behalf TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,166,898	(1,166,898)
Total On-Behalf Contributions	-	-	-	7,699,262	(7,699,262)
Total Undistributed Expenditures	22,437,142	900,901	23,338,043	30,821,239	(7,483,196)
Interest Earned on Maintenance Reserve	500	-	500	-	500
Total Current Expenditures	36,970,907	625,972	37,596,879	45,032,056	(7,435,177)

SADDLE BROOK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	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		\$ 4,380	4,380	\$ 4,380	-
Undistr. Expend.- Admin Info. Tech.		6,990	6,990	6,990	-
Undistr. Expend - Care & Upkeep of Grounds	-	109,522	109,522	55,511	54,011
Total Undistributed Expenditures	-	120,892	120,892	66,881	54,011
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	52,000	1,102	53,102	39,826	13,276
Construction Services	800,000	108,600	908,600	308,322	600,278
Assessment for Debt Service on SDA Funding	50,619	-	50,619	50,619	-
Total Facilities Acquisition and Construction Services.	902,619	109,702	1,012,321	398,767	613,554
Total Capital Outlay	903,619	230,594	1,134,213	465,648	668,565
Transfers to Charter Schools	302,357	(12,872)	289,485	289,485	-
Total Expenditures	38,176,883	843,694	39,020,577	45,787,189	(6,766,612)
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(985,500)	(843,694)	(1,829,194)	(466,628)	1,362,566
Other Financing Sources(Uses)					
Financing Agreements (Non-Budget)				190,145	190,145
Transfer In From Capital Projects	-	-	-	3,039	3,039
Total Other Financing Sources(Uses)	-	-	-	193,184	193,184
Change in Fund Balance	(985,500)	(843,694)	(1,829,194)	(273,444)	1,555,750
Fund Balances, Beginning of Year	6,419,310	-	6,419,310	6,419,310	-
Fund Balances, End of Year	\$ 5,433,810	\$ (843,694)	\$ 4,590,116	\$ 6,145,866	\$ 1,555,750
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 206,763	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,495,000	
Maintenance Reserve				266,778	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				875,000	
Unemployment				423,050	
Assigned Fund Balance:					
Year-end Encumbrances				730,262	
Unassigned Fund Balance				<u>1,149,013</u>	
				6,145,866	
Reconciliation to Governmental Fund Statements (GAAP)					
Last two State Aid Payments				153,847	
Extraordinary Aid Payment				<u>730,445</u>	
Fund Balances per Governmental Funds (GAAP)				<u>\$ 5,261,574</u>	

**SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Intergovernmental					
Local	\$ 255,000	\$ 11,071	\$ 266,071	\$ 360,603	\$ 94,532
State	1,000	2,111	3,111		(3,111)
Federal	559,000	1,704,698	2,263,698	1,276,696	(987,002)
Total Revenues	<u>\$ 815,000</u>	<u>\$ 1,717,880</u>	<u>\$ 2,532,880</u>	<u>\$ 1,637,299</u>	<u>\$ (895,581)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 170,000	\$ 98,514	\$ 268,514	\$ 219,347	\$ 49,167
Purchased Prof. and Technical Services		132,650	132,650	30,951	101,699
Tuition	350,000	74,769	424,769	424,769	-
General Supplies	16,000	232,150	248,150	146,502	101,648
Student Activities/Athletics (Non-Budget)	250,000	-	250,000	298,578	(48,578)
Total Instruction	<u>786,000</u>	<u>538,083</u>	<u>1,324,083</u>	<u>1,120,147</u>	<u>203,936</u>
Support Services					
Other Salaries	200	237,383	237,583	93,303	144,280
Personal Services-Employee Benefits		322,959	322,959	165,093	157,866
Purchased Professional/Technical Services		63,399	63,399	60,517	2,882
Purchased Professional Educational Services	27,000	255,530	282,530	124,758	157,772
Other Purchased Services		16,900	16,900	13,493	3,407
Travel	-	-	-	-	-
Supplies and Materials	1,800	7,749	9,549	86	9,463
Other Objects		777	777	509	268
Scholarship Awards (Non-Budget)	-	-	-	-	-
Total Support Services	<u>29,000</u>	<u>904,697</u>	<u>933,697</u>	<u>457,759</u>	<u>475,938</u>
Capital Outlay					
Building Improvements		259,000	259,000		259,000
Instructional Equipment		16,100	16,100	-	16,100
Non Instructional Equipment	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>275,100</u>	<u>275,100</u>	<u>-</u>	<u>275,100</u>
Total Expenditures	<u>815,000</u>	<u>1,717,880</u>	<u>2,532,880</u>	<u>1,577,906</u>	<u>954,974</u>
Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,393</u>	<u>59,393</u>
Fund Balances, Beginning of Year	<u>182,659</u>	<u>-</u>	<u>182,659</u>	<u>182,659</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 182,659</u>	<u>\$ -</u>	<u>\$ 182,659</u>	<u>\$ 242,052</u>	<u>\$ 59,393</u>

Recapitulation of Fund Balance:

Restricted:

Student Activities	\$ 239,215
Scholarships	2,837
	<u>\$ 242,052</u>

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, 2023**

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	\$ 45,320,561	\$ 1,637,299
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, 2023 June 30, 2022		
State Aid payment and Extraordinary Aid (2021/2022) recognized for GAAP purposes, not recognized for budgetary statements.	746,181	
State Aid payment and Extraordinary Aid (2022/2023) recognized for budgetary purposes not recognized for GAAP statements	<u>(884,292)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 45,182,450</u>	<u>\$ 1,637,299</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 45,787,189	\$ 1,577,906
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 2023 June 30, 2022	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 45,787,189</u>	<u>\$ 1,577,906</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>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>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03580 %	0.03285 %	0.03549 %	0.03659 %	0.03715 %	0.03739 %	0.03816 %	0.03861 %	0.03880 %	0.05007 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 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	\$ 9,551,078
District's Covered Payroll	\$ 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	\$ 2,500,603
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	214.5 %	155.2 %	246.9 %	263.2 %	305.8 %	346.0 %	462.6 %	341.9 %	277.6 %	382.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

* 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

	<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>	<u>2014</u>
Contractually Required Contribution	\$ 451,413	\$ 384,748	\$ 388,317	\$ 355,953	\$ 369,577	\$ 346,373	\$ 338,988	\$ 349,095	\$ 337,940	\$ 276,809
Contributions in Relation to the Contractually Required Contribution	<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>	<u>276,809</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
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
Contributions as a Percentage of Covered Payroll	18 %	15 %	17 %	14 %	15 %	14 %	14 %	14 %	13 %	11 %

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>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>	<u>2014</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>\$ 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>	<u>\$ 61,071,128</u>
Total	<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>	<u>\$ 61,071,128</u>
District's Covered Payroll	\$ 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	\$ 11,975,438
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	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* 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, 2023**

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 Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 3,222,067	\$ 3,978,686	\$ 2,141,371	\$ 2,066,017	\$ 2,287,177	\$ 2,717,386
Interest On OPEB Liability	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	471,975	(17,577,433)	15,977,032	(10,304,962)	(4,029,569)	-
Changes of Assumptions	(16,367,577)	72,633	15,850,111	781,057	(6,778,214)	(8,808,156)
Gross Benefit Payments	(1,601,628)	(1,504,391)	(1,510,615)	(1,608,048)	(1,579,426)	(1,691,487)
Contribution from the Member	51,381	48,824	45,787	47,667	54,587	62,285
Net Change in Total OPEB Liability	(12,606,841)	(13,150,237)	34,386,677	(6,682,335)	(7,603,810)	(5,596,339)
Total OPEB Liability - Beginning	73,620,931	86,771,168	52,384,491	59,066,826	66,670,636	72,266,975
Total OPEB Liability - Ending	\$ 61,014,090	\$ 73,620,931	\$ 86,771,168	\$ 52,384,491	\$ 59,066,826	\$ 66,670,636
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	61,014,090	73,620,931	86,771,168	52,384,491	59,066,826	66,670,636
Total OPEB Liability - Ending	\$ 61,014,090	\$ 73,620,931	\$ 86,771,168	\$ 52,384,491	\$ 59,066,826	\$ 66,670,636
District Covered Payroll	\$ 18,495,142	\$ 18,017,301	\$ 16,165,612	\$ 16,045,587	\$ 15,566,635	\$ 15,803,643
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	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, 2023**

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, 2023

	Title I	Title I SIA	Title II A	Title III	Title III Immigrant	Title IV	IDEA Preschool	IDEA Basic	ARP ESSER			Totals (Page 2)	Total
									ESSER	Summer Learning	Mental Health		
REVENUES													
Intergovernmental													
Local												\$ 360,603	\$ 360,603
Federal	\$ 133,532	\$ 20,472	\$ 24,941	\$ 8,447	\$ 1,211	\$ 8,300	\$ 17,850	\$ 406,919	\$ 437,367	\$ 9,599	\$ 88,501	119,557	1,276,696
Total Revenues	\$ 133,532	\$ 20,472	\$ 24,941	\$ 8,447	\$ 1,211	\$ 8,300	\$ 17,850	\$ 406,919	\$ 437,367	\$ 9,599	\$ 88,501	\$ 480,160	\$ 1,637,299
EXPENDITURES													
Instruction													
Salaries of Teachers									\$ 215,747	\$ 3,600			\$ 219,347
Purchased Prof. and Technical Services	\$ 14,951					\$ 8,300						\$ 7,700	30,951
Tuition							\$ 17,850	\$ 406,919					424,769
General Supplies	110,581	\$ 13,472		\$ 4,768	\$ 1,211					5,999		10,471	146,502
Student Activities/Athletics	-	-	-	-	-	-	-	-	-	-	-	298,578	298,578
Total Instruction	125,532	13,472	-	4,768	1,211	8,300	17,850	406,919	215,747	9,599	-	316,749	1,120,147
Support Services													
Other Salaries			\$ 550						55,170			37,583	93,303
Personal Services Employee-Benefits	-	-							162,450			2,643	165,093
Purchased Prof. Technical Services				2,805								57,712	60,517
Purchased Prof. Educational Services	8,000	7,000	17,257	-					4,000		\$ 88,501	-	124,758
Other Purchased Services			7,134	279								6,080	13,493
Supplies and Materials			-	86					-			-	86
Other Objects				509								-	509
Scholarship Awards	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	8,000	7,000	24,941	3,679	-	-	-	-	221,620	-	88,501	104,018	457,759
Equipment													
Instructional Equipment		-											-
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	133,532	20,472	24,941	8,447	1,211	8,300	17,850	406,919	437,367	9,599	88,501	420,767	1,577,906
Change in Fund Balance	-	-	-	-	-	-	-	-	-	-	-	59,393	59,393
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	-	-	182,659	182,659
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,052	\$ 242,052

SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	CRRSA		Local Programs	Student Activities/ Athletics	Scholarship	Totals (Page 2)
	ESSER II	Learning Acceleration				
REVENUES						
Intergovernmental						
Local			\$ 2,632	\$ 357,962	\$ 9	\$ 360,603
Federal	\$ 91,705	\$ 27,852	-	-	-	119,557
Total Revenues	\$ 91,705	\$ 27,852	\$ 2,632	\$ 357,962	\$ 9	\$ 480,160
EXPENDITURES						
Instruction						
Salaries						-
Purchased Prof. and Technical Services		\$ 7,700				7,700
General Supplies		7,839	\$ 2,632			10,471
Student Activities/Athletics	-	-	-	\$ 298,578	-	298,578
Total Instruction	-	15,539	2,632	298,578	-	316,749
Support Services						
Other Salaries	\$ 37,583					37,583
Personal Services Employee-Benefits	2,643					2,643
Purchased Prof. Technical Services	45,399	12,313				57,712
Other Purchased Services	6,080					6,080
Supplies and Materials				-		-
Other Objects				-		-
Scholarship Awards	-	-	-	-	-	-
Total Support Services	91,705	12,313	-	-	-	104,018
Equipment						
Non Instructional Equipment	-	-	-	-	-	-
Total Equipment	-	-	-	-	-	-
Total Expenditures	91,705	27,852	2,632	298,578	-	420,767
Change in Fund Balance	-	-	-	59,384	9	59,393
Fund Balance, Beginning of Year	-	-	-	179,831	2,828	182,659
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ 239,215	\$ 2,837	\$ 242,052

**SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

**SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Balance, July 1, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2023</u>
Elementary Schools	\$ 19,902	\$ 40,013	\$ 19,900	\$ 40,015
Middle/High School	159,851	259,279	221,716	197,414
Athletics	<u>78</u>	<u>58,670</u>	<u>56,962</u>	<u>1,786</u>
 Total All Schools	 <u>\$ 179,831</u>	 <u>\$ 357,962</u>	 <u>\$ 298,578</u>	 <u>\$ 239,215</u>

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Year</u>	<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Balance, June 30, 2023</u>
			<u>Prior Year</u>	<u>Current Year</u>	
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	138,459	\$ 825,189	78,801
2022-23	Various Facility Improvements - 2023 Referendum	<u>14,441,787</u>	<u>-</u>	<u>628,572</u>	<u>13,813,215</u>
		<u>\$ 25,812,848</u>	<u>\$ 10,090,335</u>	<u>\$ 1,453,761</u>	<u>\$ 14,268,752</u>

Reconciliation to GAAP Basis

Project Balances	\$ 14,268,752
Less:	
Unfunded Amount not Realized on SDA Grant	(11)
Debt Authorized, Not Issued	<u>(1,180)</u>
Fund Balance (GAAP)	<u>\$ 14,267,561</u>

Reconciliation to Fund Balance

Reserve for Encumbrances	\$ 1,108,706
Available for Capital Projects	<u>13,158,855</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 14,267,561</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, 2023**

Revenues and Other Financing Sources

Bond Sale Proceeds	\$ 14,441,996
Interest Earned on Investments	2,043
	14,444,039
Total Revenues and Other Financing Sources	14,444,039

Expenditures and Other Financing Uses

Legal Services	41,721
Architectural/Engineering Services	91,105
Other Purchased Professional/Technical Svcs	199,279
Construction Services	864,398
Equipment	257,258
Transfer to General Fund	3,039
	1,456,800
Total Expenditures and Other Financing Uses	1,456,800

Change in Fund Balance	12,987,239
Fund Balance- Beginning of Year	1,280,322
Fund Balance- Ending of Year	\$ 14,267,561

Reconciliation of GAAP

Fund Balance, End of Year - Budgetary Basis	\$ 14,267,561
Fund Balance, End of Year - GAAP	\$ 14,267,561

**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, 2023**

	<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/>	<hr/>	<hr/>
Total Revenues	456,002	-	456,002	456,002
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	34,305		34,305	34,402
Construction Services	421,600		421,600	421,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	455,905	-	455,905	456,002
Excess (deficiency) of revenues over (under) expenditures	<hr/> <u>\$ 97</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 97</u>	<hr/> <u>\$ -</u>
Additional project information:				
Project Number	4610-080-14-61HK 4610-085-14-G1HL		4610-090-14-G1HM 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, 2023**

	<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
Total Revenues	<u>4,936,221</u>	<u>-</u>	<u>4,936,221</u>	<u>4,936,625</u>
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
Total Expenditures	<u>4,682,666</u>	<u>-</u>	<u>4,682,666</u>	<u>4,936,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 253,555</u>	<u>\$ -</u>	<u>\$ 253,555</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	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, 2023**

	<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
	<hr/>		<hr/>	
Total Revenues	4,773,985	-	4,773,985	4,773,985
	<hr/>		<hr/>	
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
	<hr/>		<hr/>	
Total Expenditures	4,732,181	-	4,732,181	4,773,985
	<hr/>		<hr/>	
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, 2023**

	<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	<u>162,000</u>	<u>-</u>	<u>162,000</u>	<u>162,000</u>
Expenditures and Other Financing Uses				
Architectural/Engineering Services	\$ 6,720	-	6,720	12,000
Construction Services	74,000	-	74,000	150,000
Total Expenditures	<u>80,720</u>	<u>-</u>	<u>80,720</u>	<u>162,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 81,280</u>	<u>\$ -</u>	<u>\$ 81,280</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	\$ 162,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 162,000			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	50%			
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, 2023**

	<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	33,253	\$ 27,631	60,884	44,338
Other Purchased Professional/Technical Svs	3,000	-	3,000	3,000
Construction Services	93,100	540,300	633,400	885,111
Equipment	-	257,258	257,258	100,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	138,459	825,189	963,648	1,042,449
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 903,990</u>	<u>\$ (825,189)</u>	<u>\$ 78,801</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	92%			
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, 2023**

	<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
Transfer from Other Funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	14,441,000	14,441,000	14,441,787
Expenditures and Other Financing Uses				
Legal Services	-	41,721	41,721	80,000
Architectural/Engineering Services	-	63,474	63,474	800,000
Other Purchased Professional/Technical Svcs	-	199,279	199,279	300,000
Construction Services	-	324,098	324,098	13,261,787
Equipment	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	628,572	628,572	14,441,787
Excess (deficiency) of revenues over (under) expenditures	<hr/> <u>\$ -</u>	<hr/> <u>\$ 13,812,428</u>	<hr/> <u>\$ 13,812,428</u>	<hr/> <u>\$ -</u>
Additional project information:				
Project Number	Not Applicable	Plus: Authorized Debt Not Issued	<hr/> <u>787</u>	
Grant Date	Not Applicable		<hr/> <u>\$ 13,813,215</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		4%		
Original target completion date	6/30/2024			
Revised target completion date	6/30/2024			

PROPRIETARY FUNDS

**SADDLE BROOK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

EXHIBIT G-4

**SADDLE BROOK BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	12/29/2009	\$ 9,030,000	8/15/2022	\$ 825,000	3.00-4.00%	\$ 825,000		\$ 825,000	
Pension Refunding Bonds	8/23/2012	2,955,000	8/15/2023	190,000	5.00-5.75%				
			8/15/2024	200,000					
			8/15/2025	210,000					
			8/15/2026	220,000					
			8/15/2027	230,000					
			8/15/2028	240,000		1,475,000		185,000	\$ 1,290,000
Refunding Bonds	8/23/2012	3,530,000	2/15/2024	400,000	4.25-4.375%	800,000		400,000	400,000
School Improvements	6/23/2015	4,609,000	2/15/2024-25	345,000	2.00-3.00%				
			2/15/2026-29	350,000					
			2/15/2030	349,000		2,784,000		345,000	2,439,000
School Improvements	5/16/2023	14,441,000	5/15/2025	716,000	3.25-4.00%				
			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					
						-	\$ 14,441,000	-	14,441,000
						\$ 5,884,000	\$ 14,441,000	\$ 1,755,000	\$ 18,570,000

**SADDLE BROOK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL & OTHER FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>						
2017/18 Energy Savings Incentive Program	\$ 4,743,181	3.14%	\$ 4,055,000		\$ 190,000	\$ 3,865,000
Acquisition and Installation of Various Equipment	700,000	2.66%	700,000		141,814	558,186
Acquisition of Copiers (Revised in 22-23)	250,241	3.38%	241,973		26,622	215,351
Acquisition of Various Vehicles	260,000	2.604%	<u>205,293</u>	<u>-</u>	<u>49,362</u>	<u>155,931</u>
Total Capital Financing Agreements			<u>5,202,266</u>	<u>-</u>	<u>407,798</u>	<u>4,794,468</u>
<u>Other Financing Agreements</u>						
2019/20 Network Servers/Switches	162,275	3.45%	40,468		40,468	-
2020/21 Technology Equipment	117,456	2.89%	58,704		28,934	29,770
2020/21 Technology Equipment	94,541	3.32%	46,920		23,077	23,843
2021/22 Technology Equipment	222,276	3.072%	175,539		41,914	133,625
2022/23 Technology Equipment	190,145	4.286%	<u>-</u>	<u>\$ 190,145</u>	<u>50,071</u>	<u>140,074</u>
Total Other Financing Agreements			<u>321,631</u>	<u>190,145</u>	<u>184,464</u>	<u>327,312</u>
Total Financing Agreements			<u>\$ 5,523,897</u>	<u>\$ 190,145</u>	<u>\$ 592,262</u>	<u>\$ 5,121,780</u>

**SADDLE BROOK BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 1,813,027		\$ 1,813,027	\$ 1,813,027	
State Sources					
Debt Service Aid	<u>130,194</u>	<u>-</u>	<u>130,194</u>	<u>130,194</u>	<u>-</u>
Total Revenues	<u>1,943,221</u>	<u>-</u>	<u>1,943,221</u>	<u>1,943,221</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Interest	188,222		188,222	188,222	-
Principal	<u>1,755,000</u>	<u>-</u>	<u>1,755,000</u>	<u>1,755,000</u>	<u>-</u>
Total Expenditures	<u>1,943,222</u>	<u>-</u>	<u>1,943,222</u>	<u>1,943,222</u>	<u>-</u>
Change in Fund Balance	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
<u>Analysis of Fund Balance</u>					
Designated for Subsequent Years Expenditures				<u>\$ 1</u>	
				<u>\$ 1</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 12,219,781	\$ 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
Restricted	406,245	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021
Unrestricted	<u>(12,691,298)</u>	<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>
Total Governmental Activities Net Position	\$ (65,272)	\$ 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
Business-Type Activities										
Net Investment in Capital Assets	\$ 80,164	\$ 77,931	\$ 71,968	\$ 62,177	\$ 84,901	\$ 77,883	\$ 59,515	\$ 45,205	\$ 45,457	\$ 213,256
Unrestricted	<u>687,093</u>	<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>
Total Business-Type Activities Net Position	\$ 767,257	\$ 545,272	\$ 325,976	\$ 432,153	\$ 510,198	\$ 509,993	\$ 459,472	\$ 487,073	\$ 397,334	\$ 440,470
District-Wide										
Net Investment in Capital Assets	\$ 12,299,945	\$ 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
Restricted	406,245	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925	6,358,742	4,590,021
Unrestricted	<u>(12,004,205)</u>	<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>
Total District Net Position	\$ 701,985	\$ 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

Source: District Financial Records

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

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 12,048,752	\$ 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
Special Education	6,896,661	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
Other Instruction	853,366	870,994	915,587	1,191,767	1,555,684	1,259,840	925,579	1,336,941	962,659	1,282,215
School Sponsored Activities And Athletics	650,225	763,574	905,379	1,067,496	1,105,156	905,800	965,905	1,238,234	1,189,477	1,231,920
Support Services:										
Student & Instruction Related Services	4,818,320	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
Educational Media/School Library	180,622	206,409	154,639	364,953	260,098	409,473	368,060	463,264	341,869	799,849
General Administration	668,506	812,107	828,035	821,461	914,590	965,972	974,810	998,376	933,206	945,693
School Administrative Services	1,653,247	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
Central Services	732,490	746,421	755,517	765,904	835,222	862,647	927,934	1,104,472	1,170,306	740,498
Plant Operations And Maintenance	3,259,360	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
Pupil Transportation	1,099,945	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
Interest On Long-Term Debt	600,608	534,472	562,191	638,892	592,762	613,821	538,144	483,887	381,348	389,567
Total Governmental Activities Expenses	33,462,102	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
Business-Type Activities:										
Food Service	449,462	477,628	554,745	561,537	567,765	632,843	538,480	517,471	966,212	953,325
Community School	432,793	333,191	372,345	352,638	414,642	519,756	137,472	26,697	-	-
Total Business-Type Activities Expense	882,255	810,819	927,090	914,175	982,407	1,152,599	675,952	544,168	966,212	953,325
Total District Expenses	\$ 34,344,357	\$ 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
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 11,600	\$ 90,450	\$ 66,064	\$ 23,047	\$ 82,927	\$ 120,269	\$ 222,929	\$ 79,875	\$ 161,095	\$ 169,709
Special Education	78,638	78,130	48,763	186,962	136,655	30,000	-	-	-	-
School Sponsored Activities And Athletics	-	-	-	-	-	-	-	-	333,927	357,971
Plant Operations And Maintenance	132,960	163,230	174,714	99,560	100,860	37,500	-	246,006	-	-
Operating Grants And Contributions	4,366,581	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
Capital Grants And Contributions	-	-	517,061	-	-	50,435	86,544	-	-	-
Total Governmental Activities Program Revenues	4,589,779	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
Business-Type Activities:										
Charges For Services										
Food Service	\$ 330,252	\$ 333,462	\$ 401,699	\$ 394,300	\$ 389,037	\$ 450,618	\$ 317,238	\$ 7,143	\$ 164,985	\$ 539,364
Community Programs	483,290	395,188	386,879	457,549	480,207	500,105	129,289	-	-	-
Operating Grants And Contributions	160,687	156,827	158,822	168,082	190,917	201,356	178,781	564,494	1,053,920	457,010
Total Business Type Activities Program Revenues	974,229	885,477	947,400	1,019,931	1,060,161	1,152,079	625,308	571,637	1,218,905	996,374
Total District Program Revenues	\$ 5,564,008	\$ 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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental Activities	\$ (28,872,323)	\$ (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)
Business-Type Activities	91,974	74,658	20,310	105,756	77,754	(520)	(50,644)	27,469	252,693	43,049
Total District-Wide Net Expense	\$ (28,780,349)	\$ (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)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 27,349,334	\$ 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
Taxes Levied For Debt Service	1,710,837	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
State Aid Restricted for Debt Service				113,132	132,623	132,197	131,742	131,256	130,738	130,194
Unrestricted Grants And Contributions	18,490	49,046	51,727	72,630	70,104	21,034	18,060	17,547	17,616	20,684
Miscellaneous Income	159,972	181,879	332,368	159,457	132,367	54,252	156,711	185,730	346,790	190,661
Transfers	-	300,000	240,299	-	-	-	-	-	342,449	3,039
Total Governmental Activities	29,238,633	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
Business-Type Activities:										
Investment Earnings	4,590	3,357	693	421	291	315	123	132	17	87
Transfers	-	(300,000)	(240,299)	-	-	-	-	-	(342,449)	-
Total Business-Type Activities	4,590	(296,643)	(239,606)	421	291	315	123	132	(342,432)	87
Total District-Wide	\$ 29,243,223	\$ 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
Change in Net Position										
Governmental Activities	\$ 366,310	\$ 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
Business-Type Activities	96,564	(221,985)	(219,296)	106,177	78,045	(205)	(50,521)	27,601	(89,739)	43,136
Total District	\$ 462,874	\$ 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

Source: District Financial Records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nondisposable										
Restricted	\$ 350,353	\$ 1,116,002	\$ 1,627,653	\$ 604,496	\$ 583,606	\$ 175,268	\$ 566,388	\$ 2,674,542	\$ 4,895,759	\$ 4,266,591
Assigned	347,374	91,144	257,231	513,084	59,920	327,103	116,232	649,307	543,847	730,262
Unassigned	78,156	245,876	320,382	301,696	8,364	(427,865)	306,398	176,847	233,523	264,721
Total General Fund	<u>\$ 775,883</u>	<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>
All Other Governmental Funds										
Restricted	\$ 103,451	\$ 3,097,043	\$ 2,044,951	\$ 674,650	\$ 3,044,768	\$ 365,194	\$ 487,121	\$ 384,383	\$ 1,462,983	\$ 14,509,614
Total All Other Governmental Funds	<u>\$ 103,451</u>	<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>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 29,060,171	\$ 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
Tuition Charges									161,095	169,709
Miscellaneous	418,705	547,987	662,118	500,473	459,387	479,974	503,366	536,003	699,969	553,307
State Sources	3,776,008	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
Federal Sources	573,528	578,247	659,198	651,305	731,290	703,052	744,360	887,738	2,229,204	1,309,288
Total Revenue	33,828,412	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
Expenditures										
Instruction										
Regular Instruction	11,501,438	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
Special Education Instruction	6,741,817	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
Community Services										
Other Instruction	816,378	765,585	762,347	934,784	1,237,698	1,112,622	856,572	1,177,311	983,470	1,392,162
School Sponsored Activities and Athletics	625,855	681,983	754,665	863,254	893,454	799,006	889,307	1,109,750	1,207,031	1,298,642
Support Services:										
Student and Inst. Related Services	4,704,765	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
Educational Media/School Library	175,117	184,966	130,420	288,648	202,276	356,193	334,067	389,596	349,644	829,775
General Administration	649,438	745,186	726,370	716,162	791,601	883,601	918,869	894,304	947,048	995,593
School Administrative Services	1,578,393	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
Central Services	701,620	729,688	731,149	734,759	774,007	815,906	904,383	996,400	1,075,329	716,886
Plant Operations And Maintenance	3,168,527	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
Pupil Transportation	1,090,970	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
Capital Outlay	629,502	1,846,081	2,060,468	2,425,781	2,996,119	3,256,022	529,119	112,767	655,245	1,868,790
Debt Service:										
Principal	1,416,460	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
Interest and Other Charges	608,913	542,429	528,883	664,859	536,569	643,795	566,770	499,812	388,637	345,490
Total Expenditures	34,409,193	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
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(580,781)	(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)
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
Cancellation of Prior SDA Revenue						(18,598)				
Proceeds From Borrowing		4,609,000			4,743,181					14,441,996
Lease Purchase Agreement	147,093	242,386	140,555	142,506				211,997	-	-
Transfers In	432	301,126	304,968	861,201	130,285	300,614	345	142	504,586	3,039
Transfers Out	(432)	(1,126)	(64,669)	(861,201)	(130,285)	(300,614)	(345)	(142)	(162,137)	(3,039)
Total Other Financing Sources (Uses)	147,093	5,151,386	380,854	142,506	5,168,129	123,059	162,275	211,997	1,766,698	14,632,141
Net Change in Fund Balances	\$ (433,688)	\$ 3,670,731	\$ (299,848)	\$ (2,156,291)	\$ 1,602,732	\$ (3,256,958)	\$ 778,790	\$ 2,408,940	\$ 3,251,033	\$ 12,635,076
Debt Service as a Percentage of Noncapital Expenditures	6.00%	5.85%	5.77%	6.41%	6.12%	6.53%	6.37%	6.06%	5.54%	5.51%

* 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>
2014	\$ 90,238	\$ 13,612	\$ 69,100	\$ 77,753		\$ 6,186	\$ 125,849	\$ 382,738
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

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
2014	14,556,100	1,219,569,100			341,476,130	292,991,600	74,807,500	1,943,400,430		1,943,400,430	2,256,345,441	1.515
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

Source: County Abstract of Ratables

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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	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County (1)</u>
2014	\$ 2.620	\$ 1.515	\$ 0.838	\$ 0.267
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

(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	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Park 80 West	\$ 94,825,700	3.35%		
A.O. Associates	67,618,000	2.39%		
Tri-State Commercial Realty, LLC	51,518,200	1.82%		
Midland Holding CO	41,202,400	1.46%		
Saddle Brook Mayhill Assoc.,LLC	37,483,900	1.33%		
CPT NJ 301 Mayhill LLC	27,740,900	0.98%		
Arrow Fasteners	25,829,600	0.91%		
Midland Comm Saddle Brook LLC	22,566,100	0.80%		
Peykar Brothers Realty	22,263,200	0.79%		
45 Mayhill LLC	20,727,600	0.73%		
L&L Park 80 LLC			\$ 91,400,000	4.70%
Midland Holding CO.			33,256,400	1.71%
Tri State Realty			26,000,000	1.34%
CP Saddle Brook, LLC			24,000,000	1.23%
Arrow Fastener			23,739,800	1.22%
A.O. Associates			20,141,300	1.04%
Saddle Brook Mayhill			17,875,000	0.92%
A.O. Associates			13,858,700	0.71%
Kessler Institute			15,202,300	0.78%
Brook Assoc. C/O Roseheart			12,546,000	0.65%
	<u>\$ 411,775,600</u>	<u>14.56%</u>	<u>\$ 278,019,500</u>	<u>14.31%</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	
2014	\$ 29,060,171	\$ 29,060,171	100.00%	
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%	

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		
2014	\$ 13,805,000		\$ 495,912			\$ 14,300,912	13,867	\$ 1,031
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

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			
2014	\$ 13,805,000		\$ 13,805,000	0.71%	996
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		18,570,000	0.66%	1,295

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, 2022
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Township of Saddle Brook School District	\$ 4,874,000
Township of Saddle Brook	<u>63,606,345</u>
	<u><u>\$ 68,480,345</u></u>
Overlapping debt Apportioned to the Municipality:	
Bergen County (3);(A):	
County of Bergen (A)	21,738,661
Passaic Valley Sewerage Commission (2)	<u>2,528,290</u>
Total Direct and Overlapping Debt	<u><u>\$ 92,747,296</u></u>

(A) The debt for this entity was apportioned to the Township of Saddle Brook by dividing the Municipality's 2022 equalized value by the total 2022 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 12/31/2022

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

Legal Debt Margin Calculation for Calendar Year 2022

	Equalized valuation basis
	2022 \$ 3,014,850,062
	2021 2,923,122,177
	2020 <u>2,691,430,119</u>
	<u>\$ 8,629,402,358</u>
Average equalized valuation of taxable property	\$ 2,876,467,453
Debt limit (4 % of average equalization value)	115,058,698 ^a
Total Net Debt Applicable to Limit	<u>18,571,180</u>
Legal debt margin	<u>\$ 96,487,518</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 92,339,508	\$ 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
Total Net Debt Applicable to Limit	<u>11,295,482</u>	<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>
Legal Debt Margin	<u>\$ 81,044,026</u>	<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>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.23%	11.38%	15.05%	13.13%	11.93%	10.30%	7.71%	7.49%	5.42%	16.14%

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 NJSA 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>
2014	6.7%	\$ 73,883	13,867
2015	5.3%	77,323	13,884
2016	5.3%	78,836	13,921
2017	4.9%	81,024	13,912
2018	4.9%	85,191	13,934
2019	4.1%	88,241	13,883
2020	3.3%	91,972	13,568
2021	12.3%	97,343	13,591
2022	7.6%	97,343 *	14,359
2023	4.1%	97,343 *	14,340

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>2014</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>
Instruction										
Regular	104	107	108	110	112	104	104	105	104	106
Special Education	45	46	47	48	49	47	47	47	46	47
Other Special Education	6	6	6	6	6	5	5	5	5	6
Support Services:										
General Administration	2	2	2	2	2	3	3	3	3	3
School Administrative Services	11	11	11	11	11	13	13	13	13	13
Central Services	6	6	6	6	6	4	4	4	4	4
Plant Operations And Maintenance	24	24	24	24	24	31	31	31	31	31
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	39	41	42	45	61	70	69	69	73	75
Total	<u>240</u>	<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>

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				
2014	1,738	\$ 31,754,318	\$ 18,271	8.37%	155	1:20	1:20	1:19	1,649	1,561	-3.00%	94.66%
2015	1,720	32,618,855	18,964	3.80%	157	1:20	1:20	1:19	1,683	1,590	2.06%	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%

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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	275	283	295	305	309	313	296	294	300	331
<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	279	298	298	304	314	319	310	270	293	308
<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	305	294	278	270	272	270	278	285	291	297
<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	777	766	789	784	778	785	802	776	775	799
<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	36	42	70	55	59	54	60	42	63	70

Number of Schools at June 30, 2023
 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>2014</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>
School Facilities										
Washington School	\$ 62,037	\$ 34,765	\$ 33,139	\$ 48,642	\$ 61,755	\$ 30,792	\$ 20,637	\$ 39,672	\$ 69,792	\$ 145,417
Franklin School	80,026	39,640	82,168	43,679	52,551	26,240	39,143	38,165	67,140	139,891
Long Memorial School	80,678	117,714	81,199	47,347	42,905	21,071	74,442	17,758	31,240	65,091
Helen I. Smith School	57,165	63,371	60,281	50,811	42,586	77,663	33,297	26,791	47,131	98,201
High School/Middle School	<u>98,547</u>	<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>
Grand Total	<u>\$ 378,453</u>	<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>

Source: School District's Financial Statements

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Insurance Co.		
Property -Blanket Building and Contents	\$ 39,038,355	(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 - Great American Insurance Co.		
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 - Starstone/Markel (Not Shared)		
	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)	100,000	5,000
Blanket Employee Dishonesty - Excess	400,000	100,000
Forgery and Alterations	100,000	1,000
Cyber Liability - Indian Harbor Insurance Co.		
	1,000,000/2,000,000	
Group Aggregate	6,000,000	100,000
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.		
	69,038,355	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
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**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, 2023 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 February 15, 2024.

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 have not been identified.

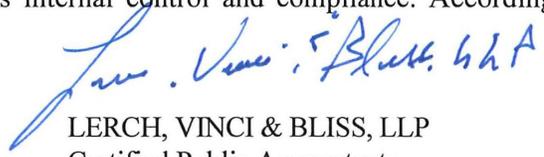
Report on Compliance and Other Matters

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.

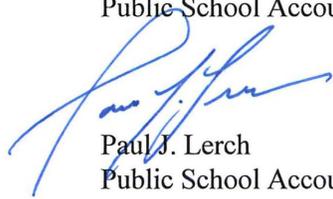
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Saddle Brook Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 15, 2024

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
February 15, 2024



LERCH, VINCI & BLISS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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**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, 2023. 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, 2023.

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.

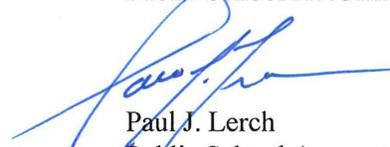
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2023, 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 February 15, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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
February 15, 2024

SADDLE BROOK BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2022			Deferred Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2023			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	2305NJ5MAP	7/1/22-6/30/23	\$ 32,592	-	-	-	-	-	\$ 32,592	\$ 32,592	-	-	-	-	
Total U.S. Department of Education/General Fund					-	-	-	-	-	32,592	32,592	-	-	-	-	
U.S. Department of Agriculture																
Passed-through State Department of Education																
National School Lunch Program																
Non-Cash Assistance	10.555	231NJ304N1099	9/1/22-6/30/23	50,965						50,965	50,965					
Cash Assistance	10.555	231NJ304N1099	9/1/22-6/30/23	248,992						236,519	248,992		\$ (12,473)		\$ (12,473)	
Cash Assistance	10.555	221NJ304N1099	9/1/21-6/30/22	875,373	\$ (67,808)					67,808						
Supply Chain Assistance Award	10.555		9/1/22-6/30/23	89,769						89,769	89,769					
After School Snacks	10.555	221NJ304N1099	9/1/21-6/30/22	18,647	(1,905)					1,905						
School Breakfast Program	10.553	231NJ304N1099	9/1/22-6/30/23	12,723						11,645	12,723		(1,078)		(1,078)	
School Breakfast Program	10.553	221NJ304N1099	9/1/21-6/30/22	75,232	(7,817)					7,817						
Total U.S. Department of Agriculture- Cluster/Food Service Fund					(77,530)	-	-	-	-	466,428	402,449	-	(13,551)	-	(13,551)	
U.S. Department of Education																
Passed-through State Department of Education																
ESEA Title I	84.010	S010A220030	7/1/22-9/30/23	194,384			\$ 8,133	\$ (8,133)	133,633	133,531			(68,884)	\$ 68,986	102	
ESEA Title I	84.010	S010A210030	7/1/21-9/30/22	119,179	(65,923)	\$ 8,133	(8,133)	8,133	57,790						(16,977)	
ESEA Title I SIA	84.010	S010A220030	7/1/22-9/30/23	20,000			472	(472)	3,495	20,472			(16,977)			
ESEA Title I SIA	84.010	S010A210030	7/1/21-9/30/22	17,800	(52,631)	472	(472)	472	52,159							
ESEA Title I Cluster Program					(118,554)	8,605	-	-	247,077	154,003	-		(85,861)	68,986	(16,875)	
ESEA Title IIA	84.367A	S367A220029	7/1/22-9/30/23	38,718			7,134	(7,134)	24,480	24,941			(21,372)	20,911	(461)	
ESEA Title IIA	84.367A	S367A210029	7/1/21-9/30/22	30,328	(18,190)	8,334	(7,134)	7,134	12,636		\$ (2,780)					
ESEA Title III, Immigrant	84.365A	S365A220030	7/1/22-9/30/23	4,920			2,088	(2,088)	291	1,211			(6,717)	5,797	(920)	
ESEA Title III, Immigrant	84.365A	S365A200030	7/1/20-9/30/21	3,316	(3,590)	10,115	(2,088)	2,088	2,185		(8,710)					
ESEA Title III	84.365A	S365A220030	7/1/22-9/30/23	10,777					6,588	8,447			(4,189)	2,330	(1,859)	
ESEA Title IV	84.424A	S424A220031	7/1/22-9/30/23	10,000					8,300	8,300			(1,700)	1,700	-	
ESEA Title IV	84.424A	S424A210031	7/1/21-9/30/22	17,090	(660)				660							
I.D.E.A. Part B, Basic Regular	84.027A	H027A220100	7/1/22-9/30/23	406,919					330,987	406,919			(75,932)	-	(75,932)	
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/21-9/30/22	382,288	(34,184)				34,184							
I.D.E.A. Part B, Preschool	84.173A	H173A220114	7/1/22-9/30/23	17,850					17,850	17,850						
IDEA Cluster Program					(34,184)	-	-	-	383,021	424,769	-		(75,932)	-	(75,932)	
Elementary and Secondary School Emergency Relief (ESSER)																
Coronavirus Aid, Relief and Economic Security (CARE) Act																
CARES Emergency Relief Fund	84.425D	S425D200027	3/13/20-9/30/22	253,739	(31,422)					31,422						
Elementary and Secondary School Emergency Relief (ESSER II)																
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	767,459	(322,448)	91,706			305,886	91,706			(16,562)	-	(16,562)	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	49,252	(27,852)	27,852			13,867	27,852			(13,985)	-	(13,985)	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(19,000)				19,000							
American Rescue Plan (ARP) Elementary and Secondary Schools																
ESSER	84.425U	S425U210027	3/13/20-9/30/24	1,724,815	(1,724,815)	1,278,110			577,012	437,367			(1,147,803)	840,743	(307,060)	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	145,142	(145,142)								(145,142)		(145,142)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			3,600	9,599			(36,400)	30,401	(5,999)	
Evidence Based Comprehensive Beyond the School	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000							(40,000)	40,000		
NTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	88,501	(88,501)	88,501			79,655	88,501			(8,846)		(8,846)	
ESF Cluster Program/Special Revenue Fund					(2,439,180)	1,566,169	-	-	1,030,442	655,025	-		(1,408,738)	911,144	(497,594)	
Total U.S. Department of Education / Special Revenue Fund					(2,614,358)	1,593,223	-	-	1,715,680	1,276,696	(11,490)		(1,604,509)	1,010,868	(593,641)	
Total Federal Awards Subject to a Single Audit					\$ (2,691,888)	\$ 1,593,223	\$ -	\$ -	\$ -	\$ 2,214,700	\$ 1,711,737	\$ (11,490)	\$ (1,618,060)	\$ 1,010,868	\$ (607,192)	

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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, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2023			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund															
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,380,662	\$ (92,456)			\$ 92,456								
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	1,684,020				1,553,152	\$ 1,684,020		\$ (130,868)				\$ 1,684,020	
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	17,740	(1,188)			1,188								
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	17,740				16,361	17,740		(1,379)				17,740	
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	43,806	(2,933)			2,933								
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	43,806				40,402	43,806		(3,404)				43,806	
State Aid Public Cluster				(96,577)			1,706,492	1,745,566		(135,651)				1,745,566	
Extraordinary Aid	22-100-034-5120-044	7/1/21-6/30/22	633,924	(633,924)			633,924								
Extraordinary Aid	22-100-034-5120-044	7/1/22-6/30/23	730,445					730,445		(730,445)				730,445	
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	31,992	(31,992)			31,992								
Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	35,612					35,612		(35,612)		\$ (35,612)		35,612	
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	234,147	(15,680)			15,680								
Transportation Aid	22-495-034-5120-014	7/1/22-6/30/23	234,147				215,951	234,147		(18,196)				234,147	
Transportation Aid Cluster				(47,672)			263,623	269,759		(53,808)				269,759	
School Lead Testing Program		7/1/22-6/30/23	3,135				3,135	3,135						3,135	
On-Behalf Payments															
TPAF Pension and Annuity Aid															
Normal	23-495-034-5094-002	7/1/22-6/30/23	5,100,949				5,100,949	5,100,949						5,100,949	
NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	70,770				70,770	70,770						70,770	
Post Retirement Medical Contribution	23-495-034-5094-001	7/1/22-6/30/23	1,358,598				1,358,598	1,358,598						1,358,598	
Long-Term Disability	23-495-034-5094-004	7/1/22-6/30/23	2,047				2,047	2,047						2,047	
TPAF Social Security	22-495-034-5094-003	7/1/21-6/30/22	1,128,354	(55,425)			55,425								
TPAF Social Security	23-495-034-5094-003	7/1/22-6/30/23	1,166,898				1,052,433	1,166,898		(114,465)		(114,465)		1,166,898	
Total General Fund				(833,598)			10,247,396	10,448,167		(1,034,369)			(150,077)	10,448,167	
Special Revenue Fund															
Nonpublic Aid															
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	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	22-100-034-5120-066	7/1/21-6/30/22	826		\$ 826				\$ 826						
Supplemental Instruction	23-100-034-5120-066	7/1/22-6/30/23	826				826								
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	1,860		1,860				1,860						
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	1,860				1,860								
Total Special Revenue Fund						2,686	3,111		2,686						
State Department of Agriculture															
Enterprise Fund															
National School Lunch Program															
State Share	23-100-010-3350-023	7/1/22-6/30/23	10,825				10,298	10,825		(527)			(527)	10,825	
State Share	22-100-010-3350-023	7/1/21-6/30/22	21,990	(1,561)			1,561								
National School Breakfast Program															
State Share	23-100-010-3350-023	7/1/22-6/30/23	490				450	490		(40)			(40)	490	
Total Enterprise Fund				(1,561)			12,309	11,315		(567)			(567)	11,315	
Debt Service Fund															
Debt Service Aid	23-495-034-5120-075	7/1/22-6/30/23	130,194				130,194	130,194						130,194	
Total Debt Service Fund							130,194	130,194						130,194	
Total State Financial Assistance- Determination for Single Audit				\$ (835,159)	\$ -	\$ 2,686	\$ 10,393,010	\$ 10,589,676	\$ 2,686	\$ (1,034,936)	\$ -	\$ 3,111	\$ (150,644)	\$ 10,589,676	
Less: On -Behalf TPAF Pension System Contributions															
Normal							(5,100,949)								
NCGI Premium							(70,770)								
Post Retirement Medical Contribution							(1,358,598)								
Long-Term Disability							(2,047)								
Total State Financial Assistance Subject to Major Program Determination								\$ 4,057,312							

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
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 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 \$138,111 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	\$ 32,592	\$ 10,310,056	\$ 10,342,648
Special Revenue Fund	1,276,696	-	1,276,696
Debt Service Fund		130,194	130,194
Food Service Fund	<u>402,449</u>	<u>11,315</u>	<u>413,764</u>
Total Financial Assistance	<u>\$ 1,711,737</u>	<u>\$ 10,451,565</u>	<u>\$ 12,163,302</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, 2023**

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 \$1,166,898 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$5,171,719, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,358,598 and TPAF Long-Term Disability Insurance in the amount of \$2,047 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

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, 2023**

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>84.027A</u>	<u>H027A220100</u>	<u>I.D.E.A. Part B, Basic Regular</u>
<u>84.173A</u>	<u>H173A220114</u>	<u>I.D.E.A. Part B, Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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**SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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.

**SADDLE BROOK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, as amended.

STATUS OF PRIOR YEAR FINDINGS

There were none.