

UPPER SADDLE RIVER BOARD OF EDUCATION

UPPER SADDLE RIVER, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Upper Saddle River Board of Education

Upper Saddle River, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

Business Office

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INTRODUCTORY SECTION



**UPPER SADDLE RIVER
SCHOOL DISTRICT**
A TRADITION OF EXCELLENCE

Brad Siegel, Ed.D.
Superintendent of Schools

395 West Saddle River Road
Upper Saddle River, New Jersey 07458
201-961-6500 (voice) ~ 201-961-9020 (fax)

Dana Imbasciani
Board Secretary/Business Administrator

Honorable President and
Members of the Board of Education
Upper Saddle River Board of Education
Upper Saddle River, NJ 07458

Dear Board Members:

The comprehensive annual financial report of the Upper Saddle River Board of Education (the "Board" or "District") for the fiscal year ended June 30, 2020, 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 Upper Saddle River Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual 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 Independent Auditor's Report, Management's Discussion and Analysis and basic financial statements including the district-wide financial statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (RSI). 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 State Treasury OMB Circular Letter 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Upper Saddle River Board of Education is an independent reporting entity. All funds of the District are included in this report. The Upper Saddle River Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade Levels K through 8. The District completed the 2019/20 fiscal year with an average daily enrollment of 1,103, which is 24 students less than the previous year’s enrollment. The following details the changes in the average daily enrollment of the District over the last ten years.

<u>School Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2019/2020	1,103	(2.13%)
2018/2019	1,127	(3.26%)
2017/2018	1,165	(2.27%)
2016/2017	1,191	(2.70%)
2015/2016	1,224	(2.00%)
2014/2015	1,249	(3.78%)
2013/2014	1,298	(3.71%)
2012/2013	1,348	(0.44%)
2011/2012	1,354	(1.81%)
2010/2011	1,379	(0.51%)

2. ECONOMIC CONDITION AND OUTLOOK:

Development and expansion in the Upper Saddle River area has increased this year. The Upper Saddle River area is expected to continue to prosper.

3. MAJOR INITIATIVES:

The district committed to the following new programs/goals:

- Curricula are reviewed and developed on a cyclical basis. The most significant recent reform is in the area of English/Language Arts. Last year, the district completed a comprehensive revision to each grade level by moving around different units and establishing interdisciplinary connections. The district also re-balanced aspects of its literacy by adjusting practices with reading, vocabulary, and spelling. For this year, the district is utilizing a teacher as instructional coach, working alongside of the Director of Curriculum, to implement the new units of study.
- The district is beginning the stages of curriculum review for elementary mathematics and middle school social studies. These subject areas are due for review, and the administrative team and teachers have key focus points in each area. For mathematics, the district is looking at formative assessments and instructional modules that are built from classroom experience rather than directly

from our adopted program. The social studies program is being reviewed for content/skills adjustments based on newly adopted state standards.

- Given the pandemic and disruption to school, the district has invested resources and time into establishing best practices with blended learning. This process includes reviewing and purchasing new technology programs that provide tools for teaching in a remote environment, supported by training and coaching.
- Students' social, emotional, and academic wellness continues to be a district goal and a high priority for the district. The district has adopted an online platform for data management and program development in the area of social-emotional learning. Our parent-educator wellness partnership is sponsoring and leading a 10-part Parent Wellness Academy with various local and national wellness experts.
- The district continued its commitment to small elementary class size by maintaining an average of 17.6 students in all classes grades K-5.

4. INTERNAL ACCOUNTING CONTROLS:

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as either restriction or assigned fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB).

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements". 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) or New Jersey Cash Management Fund. 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, which the funds are secured in accordance with the Act or the New Jersey Cash Management Fund.

8. 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.

9. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the State Treasury OMB Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

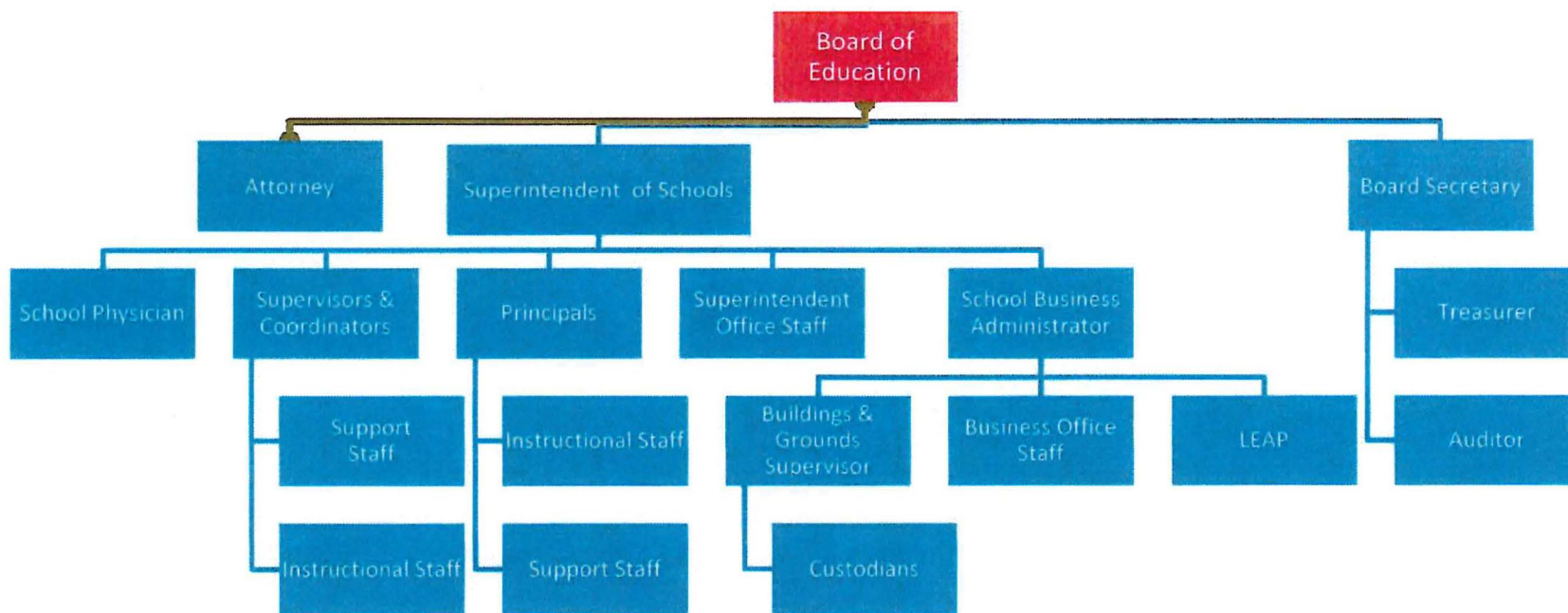


Brad Siegel
Superintendent of Schools



Dana Imbasciani
Board Secretary/Business Administrator

Upper Saddle River Schools Organizational Chart



UPPER SADDLE RIVER BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jennifer Johnston, President	2020
Kenneth Amano, Vice President	2020
Susan Gandara	2021
Erin Ginsberg	2020
Mary Ann Gray	2021
Stephen Quagliani	2021
Dr. David Verducci	2022

Other Officials

Dr. Brad Siegel, Superintendent of Schools

Dana Imbasciani, Business Administrator/Board Secretary

Jennifer Pfohl, Treasurer

**UPPER SADDLE RIVER BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

Board Auditor

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

Board Attorney

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

Official Depository

Capital One
1300 Route 17 North
Ramsey, NJ 07446

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Saddle River Board of Education, as of and for the fiscal year ended June 30, 2020 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund, and the aggregate remaining fund information of the Upper Saddle River Board of Education as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Upper Saddle River Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards, and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Upper Saddle River Board of Education.


The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2021 on our consideration of the Upper Saddle River 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 Upper Saddle River 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 Upper Saddle River Board of Education's internal control over financial reporting and compliance.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 11, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Upper Saddle River Board of Education

Management's Discussion and Analysis

This section of the Upper Saddle River Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2019-2020 fiscal year are as follows:

- The assets and deferred outflows of resources of the Upper Saddle River Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,987,577 (net position).
- The District's total net position increased \$1,704,270.
- Overall district revenues were \$30,917,574. General revenues accounted for \$23,952,317 or 77% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,965,257 or 23% of total revenues.
- The school district had \$29,177,871 in expenses for governmental activities; only \$6,927,977 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds (GAAP Basis) reported a combined ending fund balance of \$6,184,548. Of this amount, \$389,692 is available for spending at the District's discretion (unassigned/undesignated fund balance – General Fund).
- The General Fund unassigned budgetary basis fund balance at June 30, 2020 was \$1,096,486, which represents an increase of \$361,294 compared to the ending unassigned budgetary basis fund balance at June 30, 2019 of \$735,192.

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 Upper Saddle River Board of Education.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operates like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The schedule below summarizes the major features of the Upper Saddle River Board of Educations’ financial statements, including the portion of the District’s activities they cover and the types of information they contain. 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	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance, and food service	Activities the district operates similar to private businesses
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position
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/deferred Inflows/outflows of resources and liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and deferred inflows of resources and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred inflows/outflows of resource and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-Wide Statements

The district-wide statements report information about the Upper Saddle River Board of Education 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/inflows of resources and liabilities. 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.

District-Wide Statements (Continued)

The two district-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets, deferred outflows/inflows of resources and liabilities – 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 building 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 and special education, transportation, administration and community education. Property taxes and state aids finance most of these activities.
- **Business-type activities-** The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund, LEAP Program and Quad Tech Programs are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The district has three 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 explain 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.

Fund Financial Statements (Continued)

- *Fiduciary funds*- The District is the trustee, or fiduciary, for assets that belong to others such as scholarship fund, payroll and payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE UPPER SADDLE RIVER BOARD OF EDUCATION AS A WHOLE

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

Below is a summary of the school district's net position as of June 30, 2020 along with comparative data for June 30, 2019.

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other Assets	\$ 6,203,520	\$ 5,626,588	\$ 137,869	\$ 150,944	\$ 6,341,389	\$ 5,777,532
Capital Assets	14,126,876	14,028,086	871	1,307	14,127,747	14,029,393
Total Assets	<u>20,330,396</u>	<u>19,654,674</u>	<u>138,740</u>	<u>152,251</u>	<u>20,469,136</u>	<u>19,806,925</u>
Deferred Outflows of Resources	<u>1,441,702</u>	<u>2,214,108</u>	<u>-</u>	<u>-</u>	<u>1,441,702</u>	<u>2,214,108</u>
Total Assets and Deferred Outflows of Resources	<u>21,772,098</u>	<u>21,868,782</u>	<u>138,740</u>	<u>152,251</u>	<u>21,910,838</u>	<u>22,021,033</u>
Liabilities						
Long-Term Liabilities	8,501,140	10,275,538	-	-	8,501,140	10,275,538
Other Liabilities	29,087	31,652	-	-	29,087	31,652
Total Liabilities	<u>8,530,227</u>	<u>10,307,190</u>	<u>-</u>	<u>-</u>	<u>8,530,227</u>	<u>10,307,190</u>
Deferred Inflows of Resources	<u>2,393,034</u>	<u>2,430,536</u>	<u>-</u>	<u>-</u>	<u>2,393,034</u>	<u>2,430,536</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,923,261</u>	<u>12,737,726</u>	<u>-</u>	<u>-</u>	<u>10,923,261</u>	<u>12,737,726</u>
Net Position:						
Net Investment in Capital Assets	12,994,416	11,802,104	871	1,307	12,995,287	11,803,411
Restricted	2,324,972	2,388,056	-	-	2,324,972	2,388,056
Unrestricted	(4,470,551)	(5,059,104)	137,869	150,944	(4,332,682)	(4,908,160)
Total Net Position	<u>\$ 10,848,837</u>	<u>\$ 9,131,056</u>	<u>\$ 138,740</u>	<u>\$ 152,251</u>	<u>\$ 10,987,577</u>	<u>\$ 9,283,307</u>

Below is a schedule of changes in net position for fiscal year ended June 30, 2020, along with comparative data for the prior fiscal year.

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 277,367	\$ 269,700	\$ 37,280	\$ 459,377	\$ 314,647	\$ 729,077
Operating Grants and Contributions	6,650,610	7,641,979			6,650,610	7,641,979
Capital Grants and Contributions		75,000			-	75,000
General Revenues						
Property Taxes	23,542,803	23,119,813			23,542,803	23,119,813
State Aid - Formula Grants	290,856	301,778			290,856	301,778
Investment Earnings	48,516	52,674			48,516	52,674
Miscellaneous and Other Items	<u>70,142</u>	<u>22,004</u>	<u>-</u>	<u>-</u>	<u>70,142</u>	<u>22,004</u>
Total Revenues	<u>30,880,294</u>	<u>31,482,948</u>	<u>37,280</u>	<u>459,377</u>	<u>30,917,574</u>	<u>31,942,325</u>
Expenses						
Instruction						
Regular	12,833,887	13,440,824			12,833,887	13,440,824
Special Education	3,513,879	4,012,488			3,513,879	4,012,488
Other Instruction	834,733	649,497			834,733	649,497
School Sponsored Activities and Ath.	149,015	171,290			149,015	171,290
Support Services						
Student and Instruction Related Serv.	4,846,129	4,813,372			4,846,129	4,813,372
General Administrative Services	762,954	728,878			762,954	728,878
School Administrative Services	1,456,477	1,494,200			1,456,477	1,494,200
Plant Operations and Maintenance	3,570,956	3,557,953			3,570,956	3,557,953
Pupil Transportation	434,941	527,268			434,941	527,268
Business Services	706,991	724,284			706,991	724,284
Food Services			3,674	3,992	3,674	3,992
LEAP Program			31,759	49,680	31,759	49,680
QUAD Tech Program				393,005	-	393,005
Interest on Long-Term Debt	<u>67,909</u>	<u>104,189</u>	<u>-</u>	<u>-</u>	<u>67,909</u>	<u>104,189</u>
Total Expenses	<u>29,177,871</u>	<u>30,224,243</u>	<u>35,433</u>	<u>446,677</u>	<u>29,213,304</u>	<u>30,670,920</u>
Transfers	<u>15,358</u>	<u>-</u>	<u>(15,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,717,781	1,258,705	(13,511)	12,700	1,704,270	1,271,405
Net Position, Beginning of Year	<u>9,131,056</u>	<u>7,872,351</u>	<u>152,251</u>	<u>139,551</u>	<u>9,283,307</u>	<u>8,011,902</u>
Net Position, End of Year	<u>\$ 10,848,837</u>	<u>\$ 9,131,056</u>	<u>\$ 138,740</u>	<u>\$ 152,251</u>	<u>\$ 10,987,577</u>	<u>\$ 9,283,307</u>

Governmental Activities. The District's total revenues were \$30,880,294. The local share of the revenues, that included property taxes, tuition, interest, and miscellaneous revenue, amounted to \$23,952,317 or 78% of total revenues. Funding from state and federal sources amounted to \$6,927,977 or 22%.

The District's expenses are predominantly related to instruction and support services. Instruction totaled \$17,331,514 (59%) and student and other support services totaled \$11,778,448 (40%) of total expenditures. Interest on Long-Term Debt comprised the remaining 1%.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2020 and 2019**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	\$ 12,833,887	\$ 13,440,824	\$ 9,389,021	\$ 9,344,077
Special Education	3,513,879	4,012,488	2,192,533	2,610,522
Other Instruction	834,733	649,497	561,978	402,499
School Sponsored Activities and Athletics	149,015	171,290	146,904	163,241
Support Services				
Student and Instruction Related Svcs.	4,846,129	4,813,372	3,655,823	3,560,447
General Administrative Services	762,954	728,878	678,387	621,086
School Administrative Services	1,456,477	1,494,200	1,168,341	1,144,958
Plant Operations and Maintenance	3,570,956	3,557,953	3,489,830	3,313,437
Pupil Transportation	434,941	527,268	285,022	371,031
Business Services	706,991	724,284	614,146	602,077
Interest on Long-Term Debt	<u>67,909</u>	<u>104,189</u>	<u>67,909</u>	<u>104,189</u>
 Total Governmental Activities	 <u>\$ 29,177,871</u>	 <u>\$ 30,224,243</u>	 <u>\$ 22,249,894</u>	 <u>\$ 22,237,564</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$35,433. These costs were funded by program fees and charges for services of \$37,280.

General Fund

The following schedule presents a summary of General Fund (GAAP Basis) revenues.

	<u>Fiscal Year Ended June 30, 2020</u>	<u>Fiscal Year Ended June 30, 2019</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources:				
Property Taxes	\$ 22,672,992	\$ 22,228,242	\$ 444,750	2.0%
Tuition	277,367	269,700	7,667	2.8%
Interest Earnings	48,516	52,674	(4,158)	-7.9%
Rental Income	3,450		3,450	100.0%
Miscellaneous	66,692	22,004	44,688	203.1%
Intergovernmental				
State Sources	4,631,912	4,336,189	295,723	6.8%
Federal Sources	<u>-</u>	<u>75,000</u>	<u>(75,000)</u>	<u>-100.0%</u>
 Total Revenues	 <u>\$ 27,700,929</u>	 <u>\$ 26,983,809</u>	 <u>\$ 717,120</u>	 <u>2.7%</u>

The following schedule presents a summary of General Fund (GAAP Basis) expenditures.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 15,971,909	\$ 15,987,262	\$ (15,353)	-0.10%
Support Services	10,105,187	9,825,532	279,655	2.85%
Debt Service	184,806	186,906	(2,100)	-1.12%
Capital Outlay	<u>319,700</u>	<u>336,243</u>	<u>(16,543)</u>	-4.92%
 Total Expenditures	 <u>\$ 26,581,602</u>	 <u>\$ 26,335,943</u>	 <u>\$ 245,659</u>	 <u>0.93%</u>

Capital Assets. At June 30, 2020 and 2019, the school district had invested in land, buildings, furniture, machinery and equipment as stated below:

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Land	\$ 100,820	\$ 100,820
Construction in Progress		30,000
Buildings	22,631,976	21,812,082
Improvements Other Than Buildings	3,923,085	3,923,085
Machinery and Equipment	<u>2,632,327</u>	<u>2,539,137</u>
 Total	 29,288,208	 28,405,124
 Less: Accumulated Depreciation	 <u>(15,161,332)</u>	 <u>(14,377,038)</u>
 Total	 <u>\$ 14,126,876</u>	 <u>\$ 14,028,086</u>

Debt Administration. As of June 30, 2020 and 2019 the school district had long-term debt and outstanding long-term liabilities as follows:

	<u>2020</u>	<u>2019</u>
Serial Bonds Payable, net	\$ 1,166,922	\$ 2,317,184
Obligation Under Capital Leases	155,432	331,278
Compensated Absences Payable	840,102	819,541
Net Pension Liability	<u>6,338,684</u>	<u>6,807,535</u>
 Total	 <u>\$ 8,501,140</u>	 <u>\$ 10,275,538</u>

General Fund Budgetary Highlights

Over the course of the year, the District amended the annual operating budget in order to prevent over-expenditures in specific line item accounts. These budget revisions were related to:

- Salary accounts were adjusted to reflect changes in staff assignments, retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Unanticipated costs for related services for special education students.
- TPAF, which is the state's contribution to the pension funds and social security is neither a revenue item nor an expenditure item in the District's budget but is required to be reflected in the Board's financial statements.

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 financial information, contact Dana Imbasciani, School Business Administrator/Board Secretary, Upper Saddle River Board of Education, 395 West Saddle River Road, Upper Saddle River, New Jersey 07458.

FINANCIAL STATEMENTS

**UPPER SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,183,633	\$ 137,869	\$ 6,321,502
Receivables, net	19,887		19,887
Capital Assets			
Not Being Depreciated	100,820		100,820
Being Depreciated, Net	<u>14,026,056</u>	<u>871</u>	<u>14,026,927</u>
Total Assets	<u>20,330,396</u>	<u>138,740</u>	<u>20,469,136</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding Bonds	34,462		34,462
Deferred Amounts on Net Pension Liability	<u>1,407,240</u>	<u>-</u>	<u>1,407,240</u>
Total Deferred Outflows of Resources	<u>1,441,702</u>	<u>-</u>	<u>1,441,702</u>
Total Assets and Deferred Outflows of Resources	<u>21,772,098</u>	<u>138,740</u>	<u>21,910,838</u>
LIABILITIES			
Accrued Interest Payable	10,115		10,115
Accounts Payable	14,199		14,199
Unearned Revenue	4,773		4,773
Noncurrent Liabilities			
Due Within One Year	398,879		398,879
Due Beyond One Year	<u>8,102,261</u>	<u>-</u>	<u>8,102,261</u>
Total Liabilities	<u>8,530,227</u>	<u>-</u>	<u>8,530,227</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,393,034</u>	<u>-</u>	<u>2,393,034</u>
Total Deferred Inflows of Resources	<u>2,393,034</u>	<u>-</u>	<u>2,393,034</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,923,261</u>	<u>-</u>	<u>10,923,261</u>
NET POSITION			
Net Investment in Capital Assets	12,994,416	871	12,995,287
Restricted for:			
Capital Projects	2,324,972		2,324,972
Unrestricted	<u>(4,470,551)</u>	<u>137,869</u>	<u>(4,332,682)</u>
Total Net Position	<u>\$ 10,848,837</u>	<u>\$ 138,740</u>	<u>\$ 10,987,577</u>

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

UPPER SADDLE RIVER BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 12,833,887	\$ 277,367	\$ 3,167,499	\$ (9,389,021)		\$ (9,389,021)
Special Education	3,513,879		1,321,346	(2,192,533)		(2,192,533)
Other Instruction	834,733		272,755	(561,978)		(561,978)
School Sponsored Activities and Athletics	149,015		2,111	(146,904)		(146,904)
Support Services:						
Student and Instruction Related Services	4,846,129		1,190,306	(3,655,823)		(3,655,823)
General Administrative Services	762,954		84,567	(678,387)		(678,387)
School Administrative Services	1,456,477		288,136	(1,168,341)		(1,168,341)
Plant Operations and Maintenance	3,570,956		81,126	(3,489,830)		(3,489,830)
Pupil Transportation	434,941		149,919	(285,022)		(285,022)
Business and Other Support Services	706,991		92,845	(614,146)		(614,146)
Interest on Long-Term Debt	67,909	-	-	(67,909)	-	(67,909)
Total Governmental Activities	29,177,871	277,367	6,650,610	(22,249,894)	-	(22,249,894)
Business-Type Activities:						
Food Service	3,674	2,930			\$ (744)	(744)
LEAP Program	31,759	34,350	-	-	2,591	2,591
Total Business-Type Activities	35,433	37,280	-	-	1,847	1,847
Total Primary Government	\$ 29,213,304	\$ 314,647	\$ 6,650,610	(22,249,894)	1,847	(22,248,047)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				22,672,992		22,672,992
Property Taxes Levied for Debt Service				869,811		869,811
State Aid Restricted for Debt Service				290,856		290,856
Rental Income				3,450		3,450
Investment Earnings				48,516		48,516
Miscellaneous Income				66,692		66,692
Transfers				15,358	(15,358)	-
Total General Revenues and Other Items				23,967,675	(15,358)	23,952,317
Change in Net Position				1,717,781	(13,511)	1,704,270
Net Position, Beginning of Year				9,131,056	152,251	9,283,307
Net Position, End of Year				\$ 10,848,837	\$ 138,740	\$ 10,987,577

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

FUND FINANCIAL STATEMENTS

UPPER SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020

	<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	\$ 6,183,633				\$ 6,183,633
Receivables, Net		\$ 18,956			18,956
Due from Other Funds	<u>1,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,919</u>
Total Assets	<u>\$ 6,185,552</u>	<u>\$ 18,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,204,508</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,004	\$ 13,195			\$ 14,199
Due to Other Funds		988			988
Unearned Revenue	<u>-</u>	<u>4,773</u>	<u>-</u>	<u>-</u>	<u>4,773</u>
Total Liabilities	<u>1,004</u>	<u>18,956</u>	<u>-</u>	<u>-</u>	<u>19,960</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	\$ 1,857,263				\$ 1,857,263
Excess Surplus - Designated for Subsequent Year's (2020/21) Budget	1,284,149				1,284,149
Capital Reserve	1,724,972				1,724,972
Capital Reserve - Designated for Subsequent Year's (2020/21) Budget	600,000				600,000
Assigned Fund Balance					
Encumbrances	328,472				328,472
Unassigned Fund Balance					
General Fund	<u>389,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,692</u>
Total Fund Balances	<u>6,184,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,184,548</u>
Total Liabilities and Fund Balances	<u>\$ 6,185,552</u>	<u>\$ 18,956</u>	<u>\$ -</u>	<u>\$ -</u>	

Total Fund Balances (Exhibit B-1)

6,184,548

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$29,288,208 and the accumulated depreciation is \$15,161,332.

14,126,876

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.

34,462

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

Deferred Outflows of Resources	\$ 1,407,240
Deferred Inflows of Resources	<u>(2,393,034)</u>

(985,794)

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

(10,115)

Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 2).

(8,501,140)

Net Position of Governmental Activities

\$ 10,848,837

**UPPER SADDLE RIVER BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	\$ 22,672,992			\$ 869,811	\$ 23,542,803
Interest	48,516				48,516
Tuition	277,367				277,367
Rental Income	3,450				3,450
Miscellaneous	66,692	\$ 114,797	-	-	181,489
Total Local Sources	<u>23,069,017</u>	<u>114,797</u>	<u>-</u>	<u>869,811</u>	<u>24,053,625</u>
State Sources	4,631,912			290,856	4,922,768
Federal Sources	-	334,480	-	-	334,480
Total Revenues	<u>27,700,929</u>	<u>449,277</u>	<u>-</u>	<u>1,160,667</u>	<u>29,310,873</u>
EXPENDITURES					
Current					
Regular Instruction	11,824,645	41,900			11,866,545
Special Education Instruction	3,354,961				3,354,961
Other Instruction	651,481	86,934			738,415
School Sponsored Activities and Athletics	140,822				140,822
Support Services					
Student and Instruction Related Services	4,174,082	319,443			4,493,525
General Administrative Services	730,533				730,533
School Administrative Services	1,316,782				1,316,782
Plant Operations and Maintenance	2,788,515	1,000			2,789,515
Pupil Transportation	434,941				434,941
Business and Other Support Services	660,334				660,334
Debt Service					
Principal	175,846			1,117,719	1,293,565
Interest and Other Charges	8,960			42,948	51,908
Capital Outlay	319,700	-	\$ 563,384	-	883,084
Total Expenditures	<u>26,581,602</u>	<u>449,277</u>	<u>563,384</u>	<u>1,160,667</u>	<u>28,754,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,119,327</u>	<u>-</u>	<u>(563,384)</u>	<u>-</u>	<u>555,943</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	90,974		330,000		420,974
Transfer Out	(330,000)	-	(75,616)	-	(405,616)
Total Other Financing Sources and Uses	<u>(239,026)</u>	<u>-</u>	<u>254,384</u>	<u>-</u>	<u>15,358</u>
Net Change in Fund Balances	880,301	-	(309,000)	-	571,301
Fund Balance, Beginning of Year	<u>5,304,247</u>	<u>-</u>	<u>309,000</u>	<u>-</u>	<u>5,613,247</u>
Fund Balance, End of Year	<u>\$ 6,184,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,184,548</u>

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 571,301**

Amounts reported for governmental activities in the statement of activities (A-2) are different because: Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	\$ (784,294)	
Capital Outlay	<u>883,084</u>	98,790

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments		
Capital Leases	175,846	
General Obligation Bonds	<u>1,117,719</u>	1,293,565

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of Deferred Charge on Refunding Bonds	(56,740)	
Amortization of Premium	<u>32,543</u>	(24,197)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. 8,196

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Net Increase in Compensated Absences	(20,561)	
Increase in Pension Expense	<u>(209,313)</u>	(229,874)

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,717,781**

**UPPER SADDLE RIVER BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business-Type Activities <hr/> Other Nonmajor Enterprise Funds
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ <u>137,869</u>
Capital Assets	
Furniture, Machinery, and Equipment	6,829
Less: Accumulated Depreciation	<u>(5,958)</u>
Total Capital Assets, Net	<u>871</u>
Total Assets	<u>138,740</u>
NET POSITION	
Investment in Capital Assets	871
Unrestricted	<u>137,869</u>
Total Net Position	<u>\$ 138,740</u>

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities
	<u>Other Nonmajor Enterprise Funds</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 2,930
Program Fees	34,350
	37,280
Total Operating Revenues	
OPERATING EXPENSES	
Salaries and Wages	24,794
Cost of Sales	1,738
Other Purchased Services	5,920
Supplies and Materials	2,545
Depreciation Expense	436
	35,433
Total Operating Expenses	
Operating Income	1,847
OTHER FINANCING SOURCES AND (USES)	
Transfers Out	(15,358)
Total Other Financing Sources and (Uses)	(15,358)
Change in Net Position	(13,511)
Net Position, Beginning of Year	152,251
Net Position, End of Year	\$ 138,740

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activities</u>
	<u>Other Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from Customers	\$ 37,280
Payments to Employees	(24,794)
Payments to Suppliers for Goods and Services	<u>(10,203)</u>
Net Cash Provided by Operating Activities	<u>2,283</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to Other Funds	<u>(15,358)</u>
Net Cash (Used by) Noncapital Financing Activities	<u>(15,358)</u>
Net Change in Cash and Cash Equivalents	(13,075)
Cash and Cash Equivalents, Beginning of Year	<u>150,944</u>
Cash and Cash Equivalents, End of Year	<u>\$ 137,869</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	<u>\$ 1,847</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	<u>436</u>
Total Adjustments	<u>436</u>
Net Cash Provided by Operating Activities	<u>\$ 2,283</u>

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 200,337	\$ 33,470	\$ 633,235
Total Assets	<u>200,337</u>	<u>33,470</u>	<u>\$ 633,235</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 68,997
Accrued Salaries and Wages			507,291
Other Liabilities			6,635
Due to Student Groups			49,381
Due to Other Funds	<u>-</u>	<u>-</u>	<u>931</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 633,235</u>
NET POSITION			
Held In Trust For Unemployment Compensation Claims and Other Purposes	<u>\$ 200,337</u>	<u>\$ 33,470</u>	

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose <u>Trust Fund</u>
ADDITIONS		
Contributions		
Board Contribution	\$ 21,021	
Employee Contribution	<u>31,393</u>	<u>-</u>
Total Additions	<u>52,414</u>	<u>-</u>
DEDUCTIONS		
Unemployment Compensation Claims	<u>20,336</u>	<u>-</u>
Total Deductions	<u>20,336</u>	<u>-</u>
Change in Net Position	32,078	-
Net Position, Beginning of Year	<u>168,259</u>	\$ <u>33,470</u>
Net Position, End of Year	<u>\$ 200,337</u>	<u>\$ 33,470</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Upper Saddle River 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 seven elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent 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 Upper Saddle River Board of Education this includes general operations, food service, the learning enrichment activities program (LEAP) 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

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. 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.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

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.

UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary 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 funds to be major funds and all of its enterprise funds to be nonmajor 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.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases 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.

UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

The *learning enrichment activities program (LEAP) fund* accounts for the activities of the District's technology program which provides statements with various enrichment activities offered in the fall and winter.

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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	20
Buildings	20-50
Building Improvements	20
Machinery and Equipment	5-10
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss 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.

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 periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amount 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds do not permit the accrual of unused vacation and sick leave.. 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.

7. *Pensions*

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

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses 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.

UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Budget - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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.

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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

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

10. Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the Board 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, and 2) operating 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *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 and the LEAP 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.

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Bonds Payable	\$ 1,120,874
Issuance Premium	46,048
Capital Leases Payable	155,432
Compensated Absences	840,102
Net Pension Liability	<u>6,338,684</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 8,501,140</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November do not have to submit their budgets that meet levy cap requirements for voter approval.

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 2019/2020. Also, during 2019/2020 the Board increased the original General Fund budget by \$71,249 and the Special Revenue budget by \$162,709. The increases were funded by grant awards and the reappropriation of prior year encumbrances.

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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 2,079,056
Increased by		
Interest Earnings	\$ 300	
Cancelled Capital Projects Balances Returned to Capital Reserve	75,616	
Transfer Authorized by Board Resolution	<u>500,000</u>	
		<u>575,916</u>
		2,654,972
Withdrawals		
Budgeted Withdrawal		<u>330,000</u>
Balance, June 30, 2020		<u>\$ 2,324,972</u>

Analysis of Balance

Designated for Subsequent Year's (2020/21) Budget	\$ 600,000
Capital Reserve	<u>1,724,972</u>
	<u>\$ 2,324,972</u>

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$3,141,412. Of this amount, \$1,284,149 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$1,857,263 will be appropriated in the 2021/2022 original budget certified for taxes.

D. Excess Expenditures Over Appropriations

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special Revenue Fund			
Support Services			
General Supplies	\$71,897	\$79,726	\$7,829

The above variances were offset with other available resources.

UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

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, 2020, the book value of the Board's deposits were \$7,188,544 and bank and brokerage firm balances of the Board's deposits amounted to \$7,912,553. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>7,912,553</u>
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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, 2020 none of the Board's bank balances were exposed to custodial credit risk.

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, 2020, the Board had no outstanding investments.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2020 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>Special Revenue</u>
Receivables:	
Intergovernmental	
Federal	\$ 18,956
Gross Receivables	18,956
Less: Allowance for Uncollectibles	<u> -</u>
Net Total Receivables	<u>\$ 18,956</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:

Special Revenue Fund	
Grant Draw Downs Reserve for Encumbrances	\$ <u>4,773</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 4,773</u>

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 100,820				\$ 100,820
Construction In Progress	30,000	-	-	\$ (30,000)	-
Total Capital Assets, Not Being Depreciated	<u>130,820</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>100,820</u>
Capital Assets, Being Depreciated:					
Buildings	21,812,082	\$ 789,894		30,000	22,631,976
Improvements Other Than Buildings	3,923,085				3,923,085
Machinery and Equipment	2,539,137	93,190	-	-	2,632,327
Total Capital Assets Being Depreciated	<u>28,274,304</u>	<u>883,084</u>	<u>-</u>	<u>30,000</u>	<u>29,187,388</u>
Less Accumulated Depreciation for:					
Buildings	(9,772,521)	(278,777)			(10,051,298)
Improvements Other Than Buildings	(2,483,518)	(369,517)			(2,853,035)
Machinery and Equipment	(2,120,999)	(136,000)	-	-	(2,256,999)
Total Accumulated Depreciation	<u>(14,377,038)</u>	<u>(784,294)</u>	<u>-</u>	<u>-</u>	<u>(15,161,332)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,897,266</u>	<u>98,790</u>	<u>-</u>	<u>30,000</u>	<u>14,026,056</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,028,086</u>	<u>\$ 98,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,126,876</u>

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2020</u>
Business-Type Activities:				
Food Service Enterprise Fund				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 6,829	-	-	\$ 6,829
Total Capital Assets, Being Depreciated	<u>6,829</u>	<u>-</u>	<u>-</u>	<u>6,829</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(5,522)	\$ (436)	-	(5,958)
Total Accumulated Depreciation	<u>(5,522)</u>	<u>(436)</u>	<u>-</u>	<u>(5,958)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,307</u>	<u>(436)</u>	<u>-</u>	<u>871</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,307</u>	<u>\$ (436)</u>	<u>\$ -</u>	<u>\$ 871</u>

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

Governmental Activities:

Instruction	
Regular	\$ 33,360
Support Services	
Student and Instruction Related Services	37,687
School Administration	35,392
Operations and Maintenance of Plant	<u>677,855</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 784,294</u>

Business-Type Activities

Food Service Fund	<u>\$ 436</u>
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UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 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, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
Furniture for Cavallini Middle School Learning Commons	\$ 161,279

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 988
General Fund	Agency Fund	931
Total		<u>\$ 1,919</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 In:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 330,000	\$ 330,000
Capital Projects Fund	\$ 75,616		75,616
Quad Tech Enterprise Fund	15,358	-	15,358
	<u>\$ 90,974</u>	<u>\$ 330,000</u>	<u>\$ 420,974</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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing copiers and technology equipment under capital leases. The leases terms range from four to five years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 54,828
2022	54,828
2023	<u>54,828</u>
Total Minimum Lease Payments	164,484
Less: Amount Representing Interest	<u>(9,052)</u>
Present Value of Minimum Lease Payments	<u>\$ 155,432</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 are comprised of the following issues:

\$715,775, 2009 School Bonds, due in annual installments of \$47,719 through December, 2023, interest at 1.21%	\$190,874
\$3,225,000, 2012 Refunding Bonds, due in annual installments of \$225,000 to \$240,000 through July, 2023, interest at 2.00% to 3.00%	<u>930,000</u>
Total	<u>\$1,120,874</u>

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30	Serial Bonds		Total
	Principal	Interest	
2021	\$ 272,719	\$ 19,496	\$ 292,215
2022	277,719	13,243	290,962
2023	282,718	8,016	290,734
2024	287,718	2,689	290,407
	<u>\$ 1,120,874</u>	<u>\$ 43,444</u>	<u>\$ 1,164,318</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 82,191,843
Less: Net Debt	<u>1,120,874</u>
Remaining Borrowing Power	<u>\$ 81,070,969</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Serial Bonds Payable	\$ 2,238,593		\$ 1,117,719	\$ 1,120,874	\$ 272,719
Add:					
Unamortized Premium	78,591	-	32,543	46,048	17,021
	<u>2,317,184</u>	<u>-</u>	<u>1,150,262</u>	<u>1,166,922</u>	<u>289,740</u>
Capital Leases Payable	331,278		175,846	155,432	49,893
Compensated Absences	819,541	\$ 49,034	28,473	840,102	59,246
Net Pension Liability	6,807,535	-	468,851	6,338,684	-
Governmental Activity Long-Term Liabilities	<u>\$ 10,275,538</u>	<u>\$ 49,034</u>	<u>\$ 1,823,432</u>	<u>\$ 8,501,140</u>	<u>\$ 398,879</u>

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION

A. Risk Management

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

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

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

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 fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	Board <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2020	\$ 21,021	\$ 31,393	\$ 20,336	\$ 200,337
2019	31,681	31,695	51,154	168,259
2018	12,223	30,552	10,765	156,037

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

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, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, 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) Comprehensive Annual Financial Report (CAFR) 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

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.

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) Comprehensive Annual Financial Report (CAFR) 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

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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 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 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. 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, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2017 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 2019.

PERS employees’ and TPAF State’s contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 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 less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF employer 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 342,188	\$ 2,102,221	\$ 7,369
2019	343,904	1,845,452	7,786
2018	312,878	1,403,423	7,005

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$2,041, \$2,403 and \$6,019, respectively for PERS and the State contributed \$2,441, \$2,912 and \$3,397, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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 \$735,181 during the fiscal year ended June 30, 2020 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 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, 2018 through June 30, 2019. 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.

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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$6,338,684 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the District's share of total contributions to the pension plan relative to the contributions of all participating governmental entities. At June 30, 2019, the District's proportionate share was .03517 percent, which was an increase of .00060 percent from its proportionate share measured as of June 30, 2018 of .03457 percent.

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$551,501 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2019 for contributions made subsequent to the current fiscal year end. At June 30, 2020, 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	\$ 113,771	\$ 28,002
Changes of Assumptions	632,941	2,200,137
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		100,059
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>660,528</u>	<u>64,836</u>
Total	<u>\$ 1,407,240</u>	<u>\$ 2,393,034</u>

At June 30, 2019, 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ 21,616
2022	(383,695)
2023	(398,205)
2024	(204,745)
2025	(20,765)
Thereafter	<u>-</u>
	<u>\$ (985,794)</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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 PERS's target asset allocation as of June 30, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

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 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>8,006,788</u>	\$ <u>6,338,684</u>	\$ <u>4,933,070</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, 2019. A sensitivity analysis specific to the District’s net pension liability at June 30, 2019 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. 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, 2018 through June 30, 2019. 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, 2019, the State's pension contribution was less 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,326,918 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$56,405,001. 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, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .09190 percent, which was a decrease of .00114 percent from its proportionate share measured as of June 30, 2018 of .09304 percent.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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:

Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rate Table Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) 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, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<u>Decrease (4.60%)</u>	<u>Discount Rate (5.60%)</u>	<u>Increase (6.60%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 66,513,980</u>	<u>\$ 56,405,001</u>	<u>\$ 48,017,740</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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 an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a 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 single 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.

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 and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. 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.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$779,885, \$837,094, and \$906,441, 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, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,124,609. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$36,485,719. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .08743 percent, which was an/a increase/decrease of .00067 percent from its proportionate share measured as of June 30, 2018 of .08676 percent.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate 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, 2020 (measurement date June 30, 2019) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ 40,006,919
Changes Recognized for the Fiscal Year:	
Service Cost	1,681,668
Interest on the Total OPEB Liability	1,592,518
Differences Between Expected and Actual Experience	(6,252,588)
Changes of Assumptions	544,005
Gross Benefit Payments	(1,120,003)
Contributions from the Member	33,200
Net Changes	<u>\$ (3,521,200)</u>
Balance, June 30, 2019 Measurement Date	<u>\$ 36,485,719</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**UPPER SADDLE RIVER BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>43,104,052</u>	\$ <u>36,485,719</u>	\$ <u>31,228,478</u>

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
Total OPEB Liability (School Retirees)	\$ <u>30,062,606</u>	\$ <u>36,485,719</u>	\$ <u>44,988,601</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 OTHER INFORMATION (Continued)

F. Subsequent Events

Appropriation of Fund Balance

On August 10, 2020 the Board approved the reduction of General Fund appropriations in the 2020-21 original budget certified for taxes in the amount of \$72,998; specifically, in the Required Maintenance for School Facilities budget account, in order to offset the District's reduction in 2020-21 State Aid and balance the 2020-21 budget.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

UPPER SADDLE RIVER BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 22,672,992	-	\$ 22,672,992	\$ 22,672,992	
Tuition from Individuals	240,000	-	240,000	218,300	\$ (21,700)
Tuition from LEA's		-		59,067	59,067
Interest on Capital Reserve	300	-	300	300	-
Interest on Deposits	30,000	-	30,000	48,216	18,216
Rental Income		-		3,450	3,450
Miscellaneous	85,000	-	85,000	66,692	(18,308)
Total Local Sources	23,028,292	-	23,028,292	23,069,017	40,725
State Sources					
Special Education Aid	564,539		564,539	564,539	-
Security Aid	53,937		53,937	53,937	-
Transportation Aid	150,581		150,581	150,581	-
Extraordinary Aid				630,649	630,649
On-Behalf TPAF (Non-Budget)					
Pension Contribution				2,065,205	2,065,205
NCGI Premium				37,016	37,016
Post Retirement Medical Benefits				779,885	779,885
Long Term Disability Insurance				2,441	2,441
Social Security Contribution	-	-	-	735,181	735,181
Total State Sources	769,057	-	769,057	5,019,434	4,250,377
Total Revenues	23,797,349	-	23,797,349	28,088,451	4,291,102
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	684,950	\$ (10,983)	673,967	673,967	-
Grades 1-5	3,376,450	(61,199)	3,315,251	3,314,121	1,130
Grades 6-8	2,660,500	(31,167)	2,629,333	2,629,333	-
Regular Programs - Home Instruction					
Other Salaries for Instruction	5,000		5,000	367	4,633
Purchased Prof. - Ed. Services	6,450		6,450	1,270	5,180
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	117,700		117,700	117,410	290
Other Purchased Services	500		500	102	398
General Supplies	908,116	159,822	1,067,938	844,582	223,356
Textbooks	2,850	-	2,850	1,002	1,848
Total Instruction Regular Programs	7,762,516	56,473	7,818,989	7,582,154	236,835
Learning and/or Language Disabilities					
Salaries of Teachers	146,800	-	146,800	143,500	3,300
General Supplies	4,360	-	4,360	1,661	2,699
Total Learning and/or Language Disabilities	151,160	-	151,160	145,161	5,999
Resource Room					
Salaries of Teachers	841,600	(107,119)	734,481	721,373	13,108
Other Salaries for Instruction	509,600	59,823	569,423	556,376	13,047
General Supplies	16,000	-	16,000	10,293	5,707
Total Resource Room	1,367,200	(47,296)	1,319,904	1,288,042	31,862
Autism					
Salaries of Teachers	62,300	-	62,300	60,150	2,150
General Supplies	10,000	-	10,000	9,822	178
Total Autism	72,300	-	72,300	69,972	2,328
Preschool Disabilities - Part-Time					
Salaries of Teachers	130,550	-	130,550	130,542	8
General Supplies	2,500	-	2,500	894	1,606
Total Preschool Disabilities - Part-Time	133,050	-	133,050	131,436	1,614

**UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 10,000		\$ 10,000	\$ 1,575	\$ 8,425
Purchased Professional - Educational Services	48,323	-	48,323	8,650	39,673
Total Home Instruction	58,323	-	58,323	10,225	48,098
Total Special Education	1,782,033	\$ (47,296)	1,734,737	1,644,836	89,901
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	247,200	47,296	294,496	283,283	11,213
General Supplies	3,100	-	3,100	1,052	2,048
Total Basic Skills/Remedial	250,300	47,296	297,596	284,335	13,261
Bilingual Education					
Salaries of Teachers	110,100	425	110,525	110,525	-
General Supplies	1,600	(425)	1,175	-	1,175
Total Bilingual Education	111,700	-	111,700	110,525	1,175
School Sponsored Co/Extra Curricular Activities					
Salaries	50,000	-	50,000	41,481	8,519
Supplies and Materials	7,000	(450)	6,550	2,240	4,310
Total School Sponsored Co/Extra Curricular Activities	57,000	(450)	56,550	43,721	12,829
School Sponsored Athletics - Instruction					
Salaries	55,800	-	55,800	42,650	13,150
Purchased Services	7,570	-	7,570	3,738	3,832
Supplies and Materials	13,137	-	13,137	6,170	6,967
Total School Sponsored Athletics	76,507	-	76,507	52,558	23,949
Total - Instruction	10,040,056	56,023	10,096,079	9,718,129	377,950
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State-Special	324,891	-	324,891	109,613	215,278
Tuition to APSSD Within the State	883,318	-	883,318	617,065	266,253
Total Undistributed Expenditures - Instruction	1,208,209	-	1,208,209	726,678	481,531
Health Services					
Salaries	256,300	-	256,300	219,780	36,520
Purchased Professional and Technical Services	1,800	1,250	3,050	3,050	-
Supplies and Materials	18,370	-	18,370	16,602	1,768
Total Health Services	276,470	1,250	277,720	239,432	38,288
Speech, OT, PT & Related Services					
Salaries	465,100	-	465,100	462,149	2,951
Purchased Professional - Educational Services	135,000	-	135,000	52,775	82,225
Supplies and Materials	1,000	-	1,000	893	107
Total Speech, OT, PT & Related Services	601,100	-	601,100	515,817	85,283
Other Support Services - Students - Extraordinary Svcs					
Salaries	135,000	-	135,000	-	135,000
Total Other Support Services - Students - Extraordinary Services	135,000	-	135,000	-	135,000

**UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 328,400	-	\$ 328,400	\$ 327,004	\$ 1,396
Salaries of Secretarial and Clerical Assistants	127,900	-	127,900	124,640	3,260
Supplies and Materials	8,550	\$ 224	8,774	6,071	2,703
Total Guidance	464,850	224	465,074	457,715	7,359
Child Study Team					
Salaries of Other Professional Staff	592,800	2,200	595,000	594,818	182
Salaries of Secretarial and Clerical Assistants	55,700	-	55,700	54,137	1,563
Purchased Professional - Educational Services	20,000	(2,200)	17,800	14,224	3,576
Other Purchased Prof. and Technical Services	30,000	(224)	29,776	6,125	23,651
Other Purchased Services	1,000	-	1,000	714	286
Supplies and Materials	21,300	-	21,300	17,783	3,517
Other Objects	3,525	-	3,525	2,190	1,335
Total Child Study Team	724,325	(224)	724,101	689,991	34,110
Improvement of Instructional Services					
Salaries of Other Professional Staff	133,100	-	133,100	133,048	52
Purchased Prof. - Ed. Services	98,000	-	98,000	45,089	52,911
Supplies and Materials	5,000	-	5,000	-	5,000
Total Improvement of Instructional Services	236,100	-	236,100	178,137	57,963
Educational Media Services/School Library					
Salaries	196,400	657	197,057	196,201	856
Salaries of Technology Coordinators	315,300	(10,107)	305,193	301,786	3,407
Supplies and Materials	43,100	8,200	51,300	18,206	33,094
Total Educational Media Services/School Library	554,800	(1,250)	553,550	516,193	37,357
Instructional Staff Training Services					
Salaries of Other Professional Staff	26,400	(1,882)	24,518	1,008	23,510
Purchased Prof. - Ed. Services	77,400	-	77,400	30,672	46,728
Other Purchased Professional and Tech Services	49,500	834	50,334	20,615	29,719
Other Purchased Services	12,000	754	12,754	5,420	7,334
Supplies and Materials	17,550	294	17,844	17,314	530
Other Objects	2,145	-	2,145	1,765	380
Total Instructional Staff Training Services	184,995	-	184,995	76,794	108,201
Support Services General Administration					
Salaries	276,100	496	276,596	259,994	16,602
Legal Services	50,000	15,664	65,664	59,462	6,202
Audit Fees	30,000	28,000	58,000	27,176	30,824
Architectural/Engineering Services	15,000	21,842	36,842	29,254	7,588
Other Purchased Professional Service	20,000	939	20,939	7,939	13,000
Purchased Technical Services	84,000	(5,664)	78,336	75,165	3,171
Communications/Telephone	95,800	(20,721)	75,079	61,814	13,265
BOE Other Purchased Services	-	-	-	-	-
Miscellaneous Purchased Services	35,000	(10,000)	25,000	11,327	13,673
General Supplies	22,500	-	22,500	19,211	3,289
Miscellaneous Expenditures	31,950	(496)	31,454	20,193	11,261
Total Support Services General Administration	660,350	30,060	690,410	571,535	118,875
Support Services School Administration					
Salaries of Principals/Asst. Principals	601,200	-	601,200	600,991	209
Salaries of Secretarial and Clerical Assistants	182,300	1,430	183,730	181,496	2,234
Other Purchased Services	64,150	(1,185)	62,965	59,076	3,889
Supplies and Materials	52,000	(189)	51,811	35,699	16,112
Other Objects	5,300	(56)	5,244	4,526	718
Total Support Services School Administration	904,950	-	904,950	881,788	23,162

**UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	\$ 403,000	-	\$ 403,000	\$ 401,775	\$ 1,225
Purchased Technical Services	11,000	-	11,000	10,444	556
Miscellaneous Purchased Services	1,500	-	1,500	-	1,500
General Supplies	11,000	\$ 289	11,289	11,289	-
Miscellaneous Expenditures	5,550	(289)	5,261	1,470	3,791
Total Central Services	432,050	-	432,050	424,978	7,072
Required Maintenance for School Facilities					
Salaries	101,600	864	102,464	102,464	-
Cleaning, Repair, and Maint. Services	310,210	221,338	531,548	500,410	31,138
General Supplies	14,000	67,599	81,599	81,599	-
Total Required Maintenance of School Facilities	425,810	289,801	715,611	684,473	31,138
Custodial Services					
Salaries	1,079,000	(45,963)	1,033,037	950,705	82,332
Cleaning, Repair, and Maintenance Services	49,500	(26,515)	22,985	19,499	3,486
Other Purchase Property Services	1,000	-	1,000	487	513
Insurance	140,500	-	140,500	140,485	15
Miscellaneous Purchased Services	500	-	500	-	500
General Supplies	147,000	(13,885)	133,115	125,316	7,799
Energy (Natural Gas)	135,000	(4,500)	130,500	100,978	29,522
Energy (Electricity)	235,000	(13,301)	221,699	202,196	19,503
Total Custodial Services	1,800,750	(102,164)	1,698,586	1,546,440	152,146
Student Transportation Services					
Contracted Services - Aid in Lieu Payments - Non Public Schools	50,000	(1,604)	48,396	29,566	18,830
Contracted Services (Between Home & School) - Vendors	140,000	1,604	141,604	126,604	15,000
Contracted Services (Other Than Between Home & School) - Vendors	32,000	450	32,450	18,119	14,331
Contracted Services (Special Education) - Joint Agreement	355,000	-	355,000	260,652	94,348
Total Student Transportation Services	577,000	450	577,450	434,941	142,509
Unallocated Benefits - Employee Benefits					
Social Security Contributions	315,000	-	315,000	272,665	42,335
Other Retirement Contributions - PERS	390,500	-	390,500	354,177	36,323
Unemployment Compensation	75,000	-	75,000	21,021	53,979
Workmen's Compensation	130,000	-	130,000	61,224	68,776
Health Benefits	4,747,933	(245,585)	4,502,348	4,217,281	285,067
Tuition Reimbursement	65,000	-	65,000	52,765	12,235
Total Unallocated Benefits-Employee Benefits	5,723,433	(245,585)	5,477,848	4,979,133	498,715
On-Behalf TPAF (Non-Budget)					
Pension Contribution - Normal Cost	-	-	-	2,065,205	(2,065,205)
NCGI Premium	-	-	-	37,016	(37,016)
Post Retirement Medical Benefits	-	-	-	779,885	(779,885)
Long Term Disability Insurance	-	-	-	2,441	(2,441)
Social Security Contr.	-	-	-	735,181	(735,181)
Total TPAF - On-Behalf	-	-	-	3,619,728	(3,619,728)
Total Undistributed Expenditures	14,910,192	(27,438)	14,882,754	16,543,773	(1,661,019)
Total Current Expenditures	24,950,248	28,585	24,978,833	26,261,902	(1,283,069)

**UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	\$ 300	-	\$ 300	-	\$ 300
Equipment					
Undistributed Expenditures - Instruction	40,000	\$ 26,497	66,497	\$ 58,048	8,449
Undistributed Expenditures - Required Maintenance for School Facilities	75,900		75,900	75,900	-
Undistributed Expenditures - Custodial Services	161,000	5,667	166,667	135,862	30,805
Undistributed Expenditures - Security	18,390	-	18,390	18,390	-
Total Undistributed Expenditures	295,290	32,164	327,454	288,200	39,254
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000	1,500	31,500	31,500	-
Land and Improvements	-	9,000	9,000	-	9,000
Total Facilities Acquisition and Construction Services	30,000	10,500	40,500	31,500	9,000
Total Capital Outlay	325,590	42,664	368,254	319,700	48,554
Total General Fund Expenditures	25,275,838	71,249	25,347,087	26,581,602	(1,234,515)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,478,489)	(71,249)	(1,549,738)	1,506,849	3,056,587
Other Financing Sources and (Uses)					
Transfers In				90,974	90,974
Transfers Out	(330,000)	-	(330,000)	(330,000)	-
Total Other Financing Sources	(330,000)	-	(330,000)	(239,026)	90,974
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,808,489)	(71,249)	(1,879,738)	1,267,823	3,147,561
Fund Balances, Beginning of Year	5,623,519	-	5,623,519	5,623,519	-
Fund Balances, End of Year	\$ 3,815,030	\$ (71,249)	\$ 3,743,781	\$ 6,891,342	\$ 3,147,561
Recapitulation					
Restricted Fund Balance:					
Excess Surplus				\$ 1,857,263	
Excess Surplus - Designated for Subsequent Year's (2020/21) Budget				1,284,149	
Capital Reserve				1,724,972	
Capital Reserve - Designated for Subsequent Year's (2020/21) Budget				600,000	
Assigned Fund Balance:					
Encumbrances				328,472	
Unassigned Fund Balance				1,096,486	
				6,891,342	
Reconciliation to Governmental Fund Statements (GAAP)					
2019/2020 State Aid Payments Not Recognized on a GAAP Basis				706,794	
Fund Balance per Governmental Funds (GAAP)				\$ 6,184,548	

**UPPER SADDLE RIVER BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources		\$ 114,797	\$ 114,797	\$ 114,797	
Intergovernmental Federal	\$ 303,150	47,912	351,062	339,253	\$ 11,809
Total Revenues	303,150	162,709	465,859	454,050	11,809
EXPENDITURES					
Instruction					
Salaries of Teachers	73,150	400	73,550	73,550	-
General Supplies	-	43,000	43,000	41,000	2,000
Total Instruction	73,150	43,400	116,550	114,550	2,000
Support Services					
Other Salaries for Instruction	230,000	11,237	241,237	241,237	-
Purchased Prof. and Technical Services		1,680	1,680	1,353	327
Employee Benefits		24,495	24,495	13,195	11,300
Purchased Professional/Educational Services		1,000	1,000	989	11
Cleaning, Repairs and Maintenance		1,000	1,000	1,000	-
General Supplies		71,897	71,897	79,726	(7,829)
Miscellaneous	-	2,000	2,000	2,000	-
Total Support Services	230,000	113,309	343,309	339,500	3,809
Facilities Acquisition and Construction Services					
Buildings		3,000	3,000	-	3,000
Non-Instructional Equipment	-	3,000	3,000	-	3,000
Total Facilities Acq. and Construction Svcs	-	6,000	6,000	-	6,000
Total Expenditures	303,150	162,709	465,859	454,050	11,809
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Revenues (budgetary basis) (Exhibits C-1 and C-2)	\$ 28,088,451	\$ 454,050
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Less: June 30, 2020 Encumbrances		(4,773)
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements - Current Year	(706,794)	
State Aid payments recognized for GAAP statements, not recognized for budgetary purposes - Prior Year	<u>319,272</u>	<u>-</u>
Total Revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 27,700,929</u>	<u>\$ 449,277</u>
Uses/Outflows of Resources		
Actual expenditures (budgetary basis) (Exhibits C-1 and C-2)	\$ 26,581,602	\$ 454,050
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less: June 30, 2020 Encumbrances	<u>-</u>	<u>(4,773)</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 26,581,602</u>	<u>\$ 449,277</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION**

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

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

	<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)	0.03517 %	0.03457 %	0.03377 %	0.03115 %	0.02883 %	0.03150 %	0.02806 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,338,684	\$ 6,807,535	\$ 7,861,996	\$ 9,226,932	\$ 6,472,288	\$ 5,899,218	\$ 5,362,966
District's Covered-Employee Payroll	\$ 2,575,135	\$ 2,466,257	\$ 2,412,391	\$ 2,292,382	\$ 2,029,156	\$ 2,026,624	\$ 1,990,254
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	246%	276%	326%	403%	319%	291%	269%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**UPPER SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 342,188	\$ 343,904	\$ 312,878	\$ 276,768	\$ 247,881	\$ 248,869	\$ 222,312
Contributions in Relation to the Contractually Required Contributions	<u>342,188</u>	<u>343,904</u>	<u>312,878</u>	<u>276,768</u>	<u>247,881</u>	<u>248,869</u>	<u>222,312</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-
District's Covered- Employee Payroll	\$ 2,419,274	\$ 2,575,135	\$ 2,466,257	\$ 2,412,391	\$ 2,292,382	\$ 2,029,156	\$ 2,026,624
Contributions as a Percentage of Covered-Employee Payroll	14.14%	13.35%	12.69%	11.47%	10.81%	12.26%	10.97%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

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

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

	<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)	- %	- %	- %	- %	- %	- %	- %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 56,405,001</u>	<u>\$ 59,190,992</u>	<u>\$ 62,553,271</u>	<u>\$ 69,693,481</u>	<u>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
Total	<u>\$ 56,405,001</u>	<u>\$ 59,190,992</u>	<u>\$ 62,553,271</u>	<u>\$ 69,693,481</u>	<u>\$ 56,392,957</u>	<u>\$ 48,361,663</u>	<u>\$ 44,823,719</u>
District's Covered-Employee Payroll	\$ 10,070,350	\$ 9,863,366	\$ 9,782,167	\$ 9,659,577	\$ 9,185,713	\$ 9,006,986	\$ 9,071,340
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

UPPER SADDLE RIVER 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, 2020

Change of Benefit Terms:

None.

Change of Assumptions:

Assumptions used in calculating the net pension liability and
statutorily required employer contributions are presented in Note 5d.

**UPPER SADDLE RIVER BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY**

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,681,668	\$ 1,907,619	\$ 2,299,381
Interest on the Total OPEB Liability	1,592,518	1,705,127	1,467,544
Differences Between Expected and Actual Experience	(6,252,588)	(4,215,519)	
Changes of Assumptions	544,005	(4,590,994)	(6,108,112)
Gross Benefit Payments	(1,120,003)	(1,069,771)	(1,417,888)
Contributions from the Member	<u>33,200</u>	<u>36,973</u>	<u>52,210</u>
Net Change in Total OPEB Liability	\$ (3,521,200)	\$ (6,226,565)	\$ (3,706,865)
Total OPEB Liability - Beginning of Year	<u>40,006,919</u>	<u>46,233,484</u>	<u>49,940,349</u>
Total OPEB Liability - End of Year	<u>36,485,719</u>	<u>40,006,919</u>	<u>46,233,484</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>\$ 36,485,719</u>	<u>\$ 40,006,919</u>	<u>\$ 46,233,484</u>
Total OPEB Liability - Ending	<u>\$ 36,485,719</u>	<u>\$ 40,006,919</u>	<u>\$ 46,233,484</u>
District's Covered-Employee Payroll	<u>\$ 12,645,485</u>	<u>\$ 12,331,623</u>	<u>\$ 12,194,558</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%	0%	0%

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

UPPER SADDLE RIVER 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, 2020

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5E.

SPECIAL REVENUE FUND

**UPPER SADDLE RIVER BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	E.S.E.A.			I.D.E.A. Part B		Local	
	Title I Part A	Title III Immigrant	Title IV Part A	Basic	Preschool	Miscellaneous Donations	Total
REVENUES							
Local Sources						\$ 114,797	\$ 114,797
Intergovernmental Federal	\$ 86,934	\$ 1,353	\$ 9,729	\$ 228,487	\$ 12,750	-	339,253
Total Revenues	<u>86,934</u>	<u>1,353</u>	<u>9,729</u>	<u>228,487</u>	<u>12,750</u>	<u>114,797</u>	<u>454,050</u>
EXPENDITURES							
Instruction							
Salaries of Teachers	72,650					900	73,550
General Supplies	-	-	-	-	-	41,000	41,000
Total Instruction Services	<u>72,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,900</u>	<u>114,550</u>
Support Services							
Other Salaries for Instruction				228,487	12,750		241,237
Purchased Prof. and Technical Services		1,353					1,353
Employee Benefits	13,195						13,195
Purchased Prof. Ed. Services	989						989
Cleaning, Repairs and Maintenance						1,000	1,000
General Supplies	100		7,729			71,897	79,726
Miscellaneous	-	-	2,000	-	-	-	2,000
Total Support Services	<u>14,284</u>	<u>1,353</u>	<u>9,729</u>	<u>228,487</u>	<u>12,750</u>	<u>72,897</u>	<u>339,500</u>
Total Expenditures	<u>86,934</u>	<u>1,353</u>	<u>9,729</u>	<u>228,487</u>	<u>12,750</u>	<u>114,797</u>	<u>454,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Fund Balance, Beginning of Year	-	-	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECTS FUND

**UPPER SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project Title</u>	<u>Appropriation</u>	<u>Cancelled</u>	<u>Expended</u>		<u>Balance June 30, 2020</u>
			<u>Prior Year</u>	<u>Current Year</u>	
Partial Window Replacement at Reynolds Elementary School - Phase I	\$ 339,000	\$ (30,000)	\$ 30,000	\$ 279,000	
District-wide Telephone Upgrades and Lockdown Emergency Notification System	330,000	(45,616)		284,384	
Partial Window Replacement at Reynolds Elementary School - Phase II	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 600,000</u>
	<u>\$ 1,269,000</u>	<u>\$ (75,616)</u>	<u>\$ 30,000</u>	<u>\$ 563,384</u>	<u>\$ 600,000</u>

Recapitulation of Fund Balance

Project Fund Balance	\$ 600,000
Less: Capital Reserve - Designated for Subsequent Year's (2020/21) Budget	<u>600,000</u>
Total Fund Balance, GAAP Basis	<u>\$ -</u>

UPPER SADDLE RIVER 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, 2020

Revenues and Other Financing Sources	
Other Financing Sources	
Transfer from Capital Reserve	\$ <u>330,000</u>
 Total Revenues and Other Financing Sources	 <u>330,000</u>
 Expenditures	
Construction Services	563,384
Transfer to General Fund - Cancelled Project Balances	
Capital Reserve	<u>75,616</u>
 Total Expenditures	 <u>639,000</u>
 Excess of Revenues Over Expenditures	 (309,000)
 Fund Balance, Beginning of Year	 <u>309,000</u>
 Fund Balance, End of Year	 <u>\$ -</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
PARTIAL WINDOW REPLACEMENT AT REYNOLDS ELEMENTARY SCHOOL - PHASE I
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Outlay/Reserve	\$ 339,000	\$ -	\$ (30,000)	\$ 309,000	\$ 309,000
Total Revenues	<u>339,000</u>	<u>-</u>	<u>(30,000)</u>	<u>309,000</u>	<u>309,000</u>
EXPENDITURES AND OTHER FINANCING SOURCES					
Architect and Engineering Fees	30,000			30,000	30,000
Construction Services	<u>-</u>	<u>279,000</u>	<u>-</u>	<u>279,000</u>	<u>279,000</u>
Total Expenditures and Other Financing Uses	<u>30,000</u>	<u>279,000</u>	<u>-</u>	<u>309,000</u>	<u>309,000</u>
Excess (deficiency) of Revenues over (under) Expenditures	<u>\$ 309,000</u>	<u>\$ (279,000)</u>	<u>\$ (30,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Original Authorized Cost	\$ 339,000				
Increase/(Decrease)	(30,000)				
Revised Authorized Cost	\$ 309,000				
Percentage Increase Over Original Authorized Cost	-8.85%				
Percentage Completion	100.00%				
Original Target Completion Date	June 30, 2020				
Revised Completion Date	June 30, 2020				

**UPPER SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
DISTRICT-WIDE TELEPHONE UPGRADES AND EMERGENCY LOCKDOWN NOTIFICATION SYSTEM
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Reserve	-	\$ 330,000	\$ (45,616)	\$ 284,384	\$ 284,384
Total Revenues	-	330,000	(45,616)	284,384	284,384
EXPENDITURES AND OTHER FINANCING SOURCES					
Construction Services	-	284,384	-	284,384	284,384
Total Expenditures and Other Financing Uses	-	284,384	-	284,384	284,384
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ 45,616	\$ (45,616)	\$ -	\$ -
Original Authorized Cost		\$ 330,000			
Increase/(Decrease)		(45,616)			
Revised Authorized Cost		\$ 284,384			
Percentage Increase Over Original Authorized Cost		-13.82%			
Percentage Completion		100.00%			
Original Target Completion Date		June 30, 2020			
Revised Completion Date		June 30, 2020			

**UPPER SADDLE RIVER BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
PARTIAL WINDOW REPLACEMENT AT REYNOLDS ELEMENTARY SCHOOL - PHASE II
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Cancellations</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES					
Transfer from Capital Reserve	-	-	-	-	\$ 600,000
Total Revenues	-	-	-	-	600,000
EXPENDITURES AND OTHER FINANCING SOURCES					
Construction Services	-	-	-	-	600,000
Total Expenditures and Other Financing Uses	-	-	-	-	600,000
Excess (deficiency) of Revenues over (under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Original Authorized Cost	\$ 600,000				
Increase/(Decrease)	-				
Revised Authorized Cost	\$ 600,000				
Percentage Increase Over Original Authorized Cost	0.00%				
Percentage Completion	0.00%				
Original Target Completion Date	June 30, 2022				
Revised Completion Date	June 30, 2022				

ENTERPRISE FUNDS

**UPPER SADDLE RIVER BOARD OF EDUCATION
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 441	\$ 137,428		\$ 137,869
Capital Assets				
Furniture, Machinery, and Equipment	6,829			6,829
Less: Accumulated Depreciation	<u>(5,958)</u>	<u>-</u>	<u>-</u>	<u>(5,958)</u>
Total Capital Assets, Net	<u>871</u>	<u>-</u>	<u>-</u>	<u>871</u>
Total Assets	<u>1,312</u>	<u>137,428</u>	<u>-</u>	<u>138,740</u>
NET POSITION				
Investment in Capital Assets	871			871
Unrestricted	<u>441</u>	<u>137,428</u>	<u>-</u>	<u>137,869</u>
Total Net Position	<u>\$ 1,312</u>	<u>\$ 137,428</u>	<u>\$ -</u>	<u>\$ 138,740</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES				
Charges for Services				
Daily Sales	\$ 2,930			\$ 2,930
Program Fees	-	\$ 34,350	-	34,350
	<u>2,930</u>	<u>34,350</u>	<u>-</u>	<u>37,280</u>
Total Operating Revenues				
OPERATING EXPENSES				
Salaries and Wages	1,500	23,294		24,794
Cost of Sales	1,738			1,738
Other Purchase Services		5,920		5,920
Supplies and Materials		2,545		2,545
Depreciation Expense	436	-	-	436
	<u>3,674</u>	<u>31,759</u>	<u>-</u>	<u>35,433</u>
Total Operating Expenses				
Operating Income (Loss)	<u>(744)</u>	<u>2,591</u>	<u>-</u>	<u>1,847</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers Out	-	-	\$ (15,358)	(15,358)
	<u>-</u>	<u>-</u>	<u>(15,358)</u>	<u>(15,358)</u>
Total Other Financing Sources and (Uses)				
Change in Net Position	(744)	2,591	(15,358)	(13,511)
Net Position, Beginning of Year	<u>2,056</u>	<u>134,837</u>	<u>15,358</u>	<u>152,251</u>
Net Position, End of Year	<u>\$ 1,312</u>	<u>\$ 137,428</u>	<u>\$ -</u>	<u>\$ 138,740</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Food Service</u>	<u>LEAP Program</u>	<u>QUAD Tech Program</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from Customers	\$ 2,930	\$ 34,350	-	\$ 37,280
Payments for Employees Salaries	(1,500)	(23,294)	-	(24,794)
Payments to Suppliers for Goods and Services	<u>(1,738)</u>	<u>(8,465)</u>	<u>-</u>	<u>(10,203)</u>
Net Cash Provided by (Used by) Operating Activities	<u>(308)</u>	<u>2,591</u>	<u>-</u>	<u>2,283</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to Other Funds	<u>-</u>	<u>-</u>	<u>\$ (15,358)</u>	<u>(15,358)</u>
Net Cash (Used by) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(15,358)</u>	<u>(15,358)</u>
Net Change in Cash and Cash Equivalents	(308)	2,591	(15,358)	(13,075)
Cash and Cash Equivalents, Beginning of Year	<u>749</u>	<u>134,837</u>	<u>15,358</u>	<u>150,944</u>
Cash and Cash Equivalents, End of Year	<u>\$ 441</u>	<u>\$ 137,428</u>	<u>\$ -</u>	<u>\$ 137,869</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	<u>\$ (744)</u>	<u>\$ 2,591</u>	<u>\$ -</u>	<u>\$ 1,847</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by) Operating Activities				
Change in Assets and Liabilities				
Depreciation Expense	<u>436</u>	<u>-</u>	<u>-</u>	<u>436</u>
Total Adjustments	<u>436</u>	<u>-</u>	<u>-</u>	<u>436</u>
Net Cash Provided by (Used by) Operating Activities	<u>\$ (308)</u>	<u>\$ 2,591</u>	<u>\$ -</u>	<u>\$ 2,283</u>

FIDUCIARY FUNDS

**UPPER SADDLE RIVER BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student</u> <u>Activity</u>	<u>Agency</u> <u>Payroll</u>	<u>Total</u>
ASSETS			
Cash	\$ 49,381	\$ 583,854	\$ 633,235
Total Assets	<u>\$ 49,381</u>	<u>\$ 583,854</u>	<u>\$ 633,235</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 68,997	\$ 68,997
Accrued Salaries and Wages		507,291	507,291
Other Liabilities		6,635	6,635
Due to Other Funds		931	931
Due to Student Groups	\$ 49,381	-	49,381
Total Liabilities	<u>\$ 49,381</u>	<u>\$ 583,854</u>	<u>\$ 633,235</u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**UPPER SADDLE RIVER BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>School</u>	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
Bogert	\$ 27,258	\$ 10,011	\$ 26,235	\$ 11,034
Reynolds	19,165	7,117	7,318	18,964
Cavallini	<u>16,620</u>	<u>15,180</u>	<u>12,417</u>	<u>19,383</u>
Total	<u>\$ 63,043</u>	<u>\$ 32,308</u>	<u>\$ 45,970</u>	<u>\$ 49,381</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
Payroll Deductions and Withholdings	\$ 91,636	\$ 7,799,489	\$ 7,822,128	\$ 68,997
Accrued Salaries and Wages	438,050	8,730,254	8,661,013	507,291
Due to Other Funds	931			931
Other Liabilities	<u>6,635</u>	<u>-</u>	<u>-</u>	<u>6,635</u>
Totals	<u>\$ 537,252</u>	<u>\$ 16,529,743</u>	<u>\$ 16,483,141</u>	<u>\$ 583,854</u>

LONG-TERM DEBT

UPPER SADDLE RIVER BOARD OF EDUCATION
 SCHEDULE OF SERIAL BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<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, 2019</u>	<u>Issued</u>	<u>Retirements</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding Bonds	12/15/2004	\$ 6,480,000			4.000 %	\$ 690,000		\$ 690,000	
School Bonds (BCIA)	7/7/2009	715,775	12/15/2020-2023	47,719	1.21	238,593		47,719	\$ 190,874
Refunding Bonds	11/29/2012	3,255,000	7/15/2020	225,000	3.00	<u>1,310,000</u>	<u>-</u>	<u>380,000</u>	<u>930,000</u>
			7/15/2021	230,000	2.00				
			7/15/2022	235,000	2.00				
			7/15/2023	240,000	2.00				
						<u>\$ 2,238,593</u>	<u>\$ -</u>	<u>\$ 1,117,719</u>	<u>\$ 1,120,874</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 869,811		\$ 869,811	\$ 869,811	
State Sources					
Debt Service Aid	<u>290,856</u>	<u>-</u>	<u>290,856</u>	<u>290,856</u>	<u>-</u>
Total Revenues	<u>1,160,667</u>	<u>-</u>	<u>1,160,667</u>	<u>1,160,667</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal	1,117,719		1,117,719	1,117,719	-
Interest	<u>42,948</u>	<u>-</u>	<u>42,948</u>	<u>42,948</u>	<u>-</u>
Total Expenditures	<u>1,160,667</u>	<u>-</u>	<u>1,160,667</u>	<u>1,160,667</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Retirements/ Cancellations</u>	<u>Balance, June 30, 2020</u>
Chromebooks	1.699%	\$ 513,500	\$ 129,872	\$ 129,872	
2018 - Copiers	1.699%	274,140	<u>201,406</u>	<u>45,974</u>	<u>\$ 155,432</u>
			<u>\$ 331,278</u>	<u>\$ 175,846</u>	<u>\$ 155,432</u>

STATISTICAL SECTION

This part of the Upper Saddle River Board of Education's comprehensive annual 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 comprehensive annual financial reports for the relevant year.

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

	Fiscal Year Ended June 30,									
	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 5,005,659	\$ 5,440,930	\$ 6,875,092	\$ 7,438,818	\$ 8,157,043	\$ 8,984,318	\$ 10,222,682	\$ 11,015,775	\$ 11,802,104	\$ 12,994,416
Restricted	894,298	1,688,399	1,090,083	1,500,463	1,701,918	2,084,052	1,977,677	1,965,250	2,388,056	2,324,972
Unrestricted	1,236,119	1,852,310	2,059,799	2,105,866	(3,374,913)	(3,519,853)	(4,753,813)	(5,108,674)	(5,059,104)	(4,470,551)
Total Governmental Activities Net Position	<u>\$ 7,136,076</u>	<u>\$ 8,981,639</u>	<u>\$ 10,024,974</u>	<u>\$ 11,045,147</u>	<u>\$ 6,484,048</u>	<u>\$ 7,548,517</u>	<u>\$ 7,446,546</u>	<u>\$ 7,872,351</u>	<u>\$ 9,131,056</u>	<u>\$ 10,848,837</u>
Business-Type Activities										
Investment in Capital Assets	\$ 4,443	\$ 3,513	\$ 2,583	\$ 1,653	\$ 723		\$ 2,179	\$ 1,743	\$ 1,307	\$ 871
Unrestricted	43,003	52,656	67,729	82,453	87,886	\$ 124,284	128,803	137,808	150,944	137,869
Total Business-Type Activities Net Assets	<u>\$ 47,446</u>	<u>\$ 56,169</u>	<u>\$ 70,312</u>	<u>\$ 84,106</u>	<u>\$ 88,609</u>	<u>\$ 124,284</u>	<u>\$ 130,982</u>	<u>\$ 139,551</u>	<u>\$ 152,251</u>	<u>\$ 138,740</u>
District-Wide										
Net Investment in Capital Assets	\$ 5,010,102	\$ 5,444,443	\$ 6,877,675	\$ 7,440,471	\$ 8,157,766	\$ 8,984,318	\$ 10,224,861	\$ 11,017,518	\$ 11,803,411	\$ 12,995,287
Restricted	894,298	1,688,399	1,090,083	1,500,463	1,701,918	2,084,052	1,977,677	1,965,250	2,388,056	2,324,972
Unrestricted	1,279,122	1,904,966	2,127,528	2,188,319	(3,287,027)	(3,395,569)	(4,625,010)	(4,970,866)	(4,908,160)	(4,332,682)
Total District Net Position	<u>\$ 7,183,522</u>	<u>\$ 9,037,808</u>	<u>\$ 10,095,286</u>	<u>\$ 11,129,253</u>	<u>\$ 6,572,657</u>	<u>\$ 7,672,801</u>	<u>\$ 7,577,528</u>	<u>\$ 8,011,902</u>	<u>\$ 9,283,307</u>	<u>\$ 10,987,577</u>

Note 1 - Net Position at June 30, 2011 was restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 9,271,906	\$ 8,964,853	\$ 9,881,525	\$ 10,113,325	\$ 11,680,775	\$ 12,492,130	\$ 14,352,425	\$ 14,685,297	\$ 13,440,824	\$ 12,833,887
Special Education	3,409,545	3,346,003	3,368,583	3,201,829	3,665,144	3,647,796	3,757,293	4,085,024	4,012,488	3,513,879
Other Instruction	131,803	124,623	137,514	168,694	187,415	432,817	560,623	703,424	649,497	834,733
School Sponsored Activities And Athletics	124,692	139,724	110,029	140,718	158,503	144,582	184,771	189,182	171,290	149,015
Support Services:										
Student And Instruction Related Services	2,972,735	3,206,907	3,490,179	3,646,526	4,117,637	4,344,731	4,997,725	4,914,789	4,813,372	4,846,129
General Administration	684,539	550,256	728,332	704,781	713,830	670,222	717,077	881,978	728,878	762,954
School Administrative Services	1,127,290	1,163,359	1,217,660	1,166,331	1,341,332	1,389,737	1,564,850	1,689,849	1,494,200	1,456,477
Plant Operations And Maintenance	2,800,157	2,852,597	2,936,625	2,948,702	3,116,097	3,279,385	3,513,763	3,906,330	3,557,953	3,570,956
Pupil Transportation	462,360	462,418	416,143	387,319	450,242	451,862	449,611	489,729	527,268	434,941
Business And Other Support Services	490,719	512,838	523,520	544,643	582,981	614,330	698,737	747,585	724,284	706,991
Interest On Long-Term Debt	501,379	475,877	416,959	412,023	253,353	216,137	185,226	144,777	104,189	67,909
Total Governmental Activities Expenses	21,977,125	21,799,455	23,227,069	23,434,891	26,267,309	27,683,729	30,982,101	32,437,964	30,224,243	29,177,871
Business-Type Activities:										
Food Service	17,269	12,512	12,630	10,099	14,531	9,058	4,169	5,119	3,992	3,674
LEAP Program	44,208	35,264	41,843	37,253	43,000	47,275	55,755	55,423	49,680	31,759
QUAD Tech Program					249,687	346,570	361,339	378,302	393,005	
Total Business-Type Activities Expense	61,477	47,776	54,473	47,352	307,218	402,903	421,263	438,844	446,677	35,433
Total District Expenses	\$ 22,038,602	\$ 21,847,231	\$ 23,281,542	\$ 23,482,243	\$ 26,574,527	\$ 28,086,632	\$ 31,403,364	\$ 32,876,808	\$ 30,670,920	\$ 29,213,304
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Education	\$ 141,746	\$ 214,800	\$ 206,385	\$ 174,405	\$ 135,475	\$ 196,405	\$ 260,305	\$ 301,280	\$ 269,700	\$ 277,367
Special Education	2,640	40,352	-	37,500	32,813					
Operating Grants And Contributions	1,911,075	2,529,151	2,945,486	2,734,848	5,148,326	6,329,004	8,068,634	9,440,951	7,641,979	6,650,610
Capital Grants And Contributions	-	-	-	-	98,156		12,713		75,000	
Total Governmental Activities Program Revenues	2,055,461	2,784,303	3,151,871	2,946,753	5,414,770	6,525,409	8,341,652	9,742,231	7,986,679	6,927,977
Business-Type Activities:										
Charges For Services										
Food Service	12,973	11,692	12,203	11,079	10,155	7,738	6,510	4,625	3,115	2,930
LEAP Program	53,737	44,515	56,030	49,615	51,536	60,639	67,400	64,486	63,745	34,350
QUAD Tech Program					249,687	369,808	353,947	378,302	392,517	
Operating Grants And Contributions										
Total Business Type Activities Program Revenues	66,710	56,207	68,233	60,694	311,378	438,185	427,857	447,413	459,377	37,280
Total District Program Revenues	\$ 2,122,171	\$ 2,840,510	\$ 3,220,104	\$ 3,007,447	\$ 5,726,148	\$ 6,963,594	\$ 8,769,509	\$ 10,189,644	\$ 8,446,056	\$ 6,965,257

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (19,921,664)	\$ (19,015,152)	\$ (20,075,198)	\$ (20,488,138)	\$ (20,852,539)	\$ (21,158,320)	\$ (22,640,449)	\$ (22,695,733)	\$ (22,237,564)	\$ (22,249,894)
Business-Type Activities	5,233	8,431	13,760	13,342	4,160	35,282	6,594	8,569	12,700	1,847
Total District-Wide Net Expense	<u>\$ (19,916,431)</u>	<u>\$ (19,006,721)</u>	<u>\$ (20,061,438)</u>	<u>\$ (20,474,796)</u>	<u>\$ (20,848,379)</u>	<u>\$ (21,123,038)</u>	<u>\$ (22,633,855)</u>	<u>\$ (22,687,164)</u>	<u>\$ (22,224,864)</u>	<u>\$ (22,248,047)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes										
Levied For General Purposes	\$ 19,378,221	\$ 19,422,319	\$ 19,713,654	\$ 20,082,298	\$ 20,483,944	\$ 20,893,623	\$ 21,311,495	\$ 21,798,681	\$ 22,228,242	\$ 22,672,992
Levied For Debt Service	952,599	1,060,039	980,396	915,295	898,438	912,440	910,656	900,822	891,571	869,811
Unrestricted Grants And Contributions				32	22,986	25,540	36,273	37,189	3,731	
State Aid Restricted For Debt Service	415,494	293,733	324,124	321,062	283,587	305,387	304,425	301,268	298,047	290,856
Donations Of Capital Assets				10,000						
Investment Earnings	23,168	8,672	12,321	13,995	10,154	12,792	15,517	21,245	52,674	48,516
Miscellaneous Income	190,330	75,952	88,038	165,629	22,503	73,007	22,594	16,283	22,004	70,142
Other Items							34,347	46,050		
Transfers										15,358
Loss on Disposal of Capital Assets					(67,206)		(96,829)	-	-	
Total Governmental Activities	<u>20,959,812</u>	<u>20,860,715</u>	<u>21,118,533</u>	<u>21,508,311</u>	<u>21,654,406</u>	<u>22,222,789</u>	<u>22,538,478</u>	<u>23,121,538</u>	<u>23,496,269</u>	<u>23,967,675</u>
Business-Type Activities:										
Investment Earnings	459	292	383	452	343	393	104			
Transfers										(15,358)
Loss on Disposal of Asset	(2,694)									
Total Business-Type Activities	<u>(2,235)</u>	<u>292</u>	<u>383</u>	<u>452</u>	<u>343</u>	<u>393</u>	<u>104</u>	<u>-</u>	<u>-</u>	<u>(15,358)</u>
Total District-Wide	<u>\$ 20,957,577</u>	<u>\$ 20,861,007</u>	<u>\$ 21,118,916</u>	<u>\$ 21,508,763</u>	<u>\$ 21,654,749</u>	<u>\$ 22,223,182</u>	<u>\$ 22,538,582</u>	<u>\$ 23,121,538</u>	<u>\$ 23,496,269</u>	<u>\$ 23,952,317</u>
Change In Net Position										
Governmental Activities	\$ 1,038,148	\$ 1,845,563	\$ 1,043,335	\$ 1,020,173	\$ 801,867	\$ 1,064,469	\$ (101,971)	\$ 425,805	\$ 1,258,705	\$ 1,717,781
Business-Type Activities	2,998	8,723	14,143	13,794	4,503	35,675	6,698	8,569	12,700	(13,511)
Total District	<u>\$ 1,041,146</u>	<u>\$ 1,854,286</u>	<u>\$ 1,057,478</u>	<u>\$ 1,033,967</u>	<u>\$ 806,370</u>	<u>\$ 1,100,144</u>	<u>\$ (95,273)</u>	<u>\$ 434,374</u>	<u>\$ 1,271,405</u>	<u>\$ 1,704,270</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Restricted	\$ 1,780,231	\$ 3,087,116	\$ 3,009,269	\$ 3,229,617	\$ 3,337,281	\$ 3,413,883	\$ 3,636,153	\$ 4,100,919	\$ 4,628,310	\$ 5,466,384
Committed	83,317	47,949	54,900	98,877						
Assigned	280,897	492,484	246,750	294,684	331,706	495,005	347,683	321,130	260,017	328,472
Unassigned	398,410	360,900	370,623	376,056	385,827	391,695	402,387	413,689	415,920	389,692
Total General Fund	\$ 2,542,855	\$ 3,988,449	\$ 3,681,542	\$ 3,999,234	\$ 4,054,814	\$ 4,300,583	\$ 4,386,223	\$ 4,835,738	\$ 5,304,247	\$ 6,184,548
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 239,658	\$ 189,660	\$ 135,931	\$ 401,950	\$ 533,405	\$ 765,540	\$ 459,164	\$ 246,138	\$ 309,000	
Assigned	5,901	50,000	50,000	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 245,559	\$ 239,660	\$ 185,931	\$ 401,950	\$ 533,405	\$ 765,540	\$ 459,164	\$ 246,138	\$ 309,000	\$ -

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property Tax Levy	\$ 20,330,820	\$ 20,482,358	\$ 20,694,050	\$ 20,997,593	\$ 21,382,382	\$ 21,806,063	\$ 22,222,151	\$ 22,699,503	\$ 23,119,813	\$ 23,542,803
Tuition Charges	144,386	255,152	206,385	211,905	168,288	196,405	260,305	301,280	269,700	277,367
Interest Earnings	23,168	8,672	12,321	13,995	10,154	12,792	15,517	21,245	52,674	48,516
Miscellaneous	190,330	75,952	88,038	165,629	22,503	196,347	125,808	85,494	152,936	184,939
State Sources	2,012,287	2,497,619	2,992,555	2,759,351	3,150,544	3,444,092	3,772,728	4,212,747	4,634,236	4,922,768
Federal Sources	314,282	325,265	277,055	296,591	282,573	358,517	353,161	347,278	424,783	334,480
Total Revenue	23,015,273	23,645,018	24,270,404	24,445,064	25,016,444	26,014,216	26,749,670	27,667,547	28,654,142	29,310,873
Expenditures										
Instruction										
Regular Instruction	9,179,194	8,924,721	9,857,895	10,034,942	10,367,659	10,702,372	11,580,935	11,619,074	11,793,990	11,866,545
Special Education Instruction	3,387,021	3,338,815	3,370,370	3,192,598	3,417,671	3,348,691	3,255,330	3,532,434	3,701,840	3,354,961
Other Instruction	131,803	124,623	137,514	167,472	179,429	379,216	459,508	514,019	540,391	738,415
School Sponsored Activities And Athletics	124,692	139,724	110,029	140,718	153,320	138,358	161,207	158,243	155,354	140,822
Support Services:										
Student And Inst. Related Services	2,971,734	3,186,664	3,467,674	3,620,140	3,719,730	3,809,181	4,150,912	3,985,948	4,249,528	4,493,525
General Administration	555,877	561,769	659,707	712,047	665,072	622,242	630,194	757,988	670,937	730,533
School Administrative Services	1,083,194	1,127,850	1,178,980	1,158,298	1,156,880	1,164,936	1,236,982	1,264,477	1,282,512	1,316,782
Plant Operations And Maintenance	2,334,303	2,364,146	2,355,724	2,401,832	2,506,379	2,619,002	2,633,033	2,919,694	2,716,082	2,789,515
Pupil Transportation	462,360	462,418	416,143	387,319	450,242	451,862	449,611	489,729	527,268	434,941
Business And Other Support Services	489,713	512,351	526,007	534,016	532,550	553,977	578,696	601,819	642,010	660,334
Capital Outlay	309,920	185,821	1,221,990	109,674	549,421	477,290	966,918	467,774	466,334	883,084
Debt Service:										
Principal	943,036	972,656	1,006,400	1,051,032	1,042,500	1,067,720	1,218,021	1,239,365	1,281,743	1,293,565
Bond Issuance Costs			68,625							
Advance Refunding Escrow										
Interest And Other Charges	478,015	439,587	373,330	401,265	240,858	201,465	162,557	128,224	94,782	51,908
Total Expenditures	22,450,862	22,341,145	24,750,388	23,911,353	24,981,711	25,536,312	27,483,904	27,678,788	28,122,771	28,754,930
Excess (Deficiency) Of Revenues Over (Under) Expenditures	564,411	1,303,873	(479,984)	533,711	34,733	477,904	(734,234)	(11,241)	531,371	555,943
Other Financing Sources (Uses)										
Original Issue Premium			284,828							
Capital Leases (Non-Budgeted)	12,320	135,822	80,724		152,302		513,500	247,728		
Bond Proceeds										
Proceeds From Refunding			3,255,000							
Payments To Escrow Agent			(3,501,204)							
Transfers In	239,646			380,639	328,687	619,170	300,000	617,332	498,643	420,974
Transfers Out	(239,646)			(380,639)	(328,687)	(619,170)	(300,000)	(617,332)	(498,643)	(405,616)
Total Other Financing Sources (Uses)	12,320	135,822	119,348	-	152,302	-	513,500	247,728	-	15,358
Net Change In Fund Balances	\$ 576,731	\$ 1,439,695	\$ (360,636)	\$ 533,711	\$ 187,035	\$ 477,904	\$ (220,734)	\$ 236,487	\$ 531,371	\$ 571,301
Debt Service As A Percentage Of Noncapital Expenditures	6.42%	6.37%	5.86%	6.10%	5.25%	5.06%	5.21%	5.03%	4.98%	4.83%

* Noncapital expenditures are total expenditures less capital outlay.

**UPPER SADDLE RIVER 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>Interlocal Payroll Service</u>	<u>Energy Rebate</u>	<u>Rental</u>	<u>Misc.</u>	<u>Total</u>
2011	\$ 144,386	\$ 23,168		\$ 144,663		\$ 45,667	\$ 357,884
2012	255,152	8,672		58,790	\$ 4,358	12,804	339,776
2013	206,385	12,321		38,500	2,790	46,748	306,744
2014	211,905	13,995		23,100		142,529	391,529
2015	168,288	10,154			465	22,038	200,945
2016	196,405	12,792			1,140	71,867	282,204
2017	260,305	15,517			830	21,764	298,416
2018	301,280	21,245			950	15,333	338,808
2019	269,700	52,674			3,000	19,004	344,378
2020	277,367	48,516			3,450	66,692	396,025

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Valuation	Total Direct School Tax Rate ^a
2011	\$ 16,079,800	\$ 1,975,814,000	\$ 174,353,200	\$ 6,217,000	\$ 18,551,000	\$ 2,191,015,000	\$ 1,972,027	\$ 2,191,015,700	\$ 2,954,810,904	\$ 0.931
2012	15,715,400	1,982,729,000	171,623,500	6,217,700	18,551,000	2,194,836,600	1,998,282	2,196,834,882	2,920,759,989	0.938
2013	16,726,500	1,986,761,100	171,223,500	6,217,700	18,551,000	2,199,479,800	100,000	2,199,579,800	2,827,191,218	0.948
2014	15,437,400	1,996,173,700	171,223,500	6,217,700	18,551,000	2,207,603,300	100,000	2,207,703,300	2,794,042,727	0.960
2015	15,472,600	2,002,788,500	171,123,500	6,217,700	18,551,000	2,214,153,300	100,000	2,214,253,300	2,757,653,408	0.975
2016	16,007,400	2,013,563,300	170,132,500	6,217,700	18,551,000	2,224,471,900	100,000	2,224,571,900	2,767,210,718	0.990
2017	24,891,200	2,030,685,200	127,765,000	6,217,700	18,551,000	2,208,110,100	100,000	2,208,210,100	2,776,753,610	1.018
2018	50,492,000	2,049,711,200	123,393,600	6,217,700	18,551,000	2,248,365,500	100,000	2,248,465,500	2,807,482,955	1.019
2019	58,683,300	2,047,410,900	121,693,600	6,217,700	18,551,000	2,252,556,500	100,000	2,252,656,500	2,747,346,459	1.036
2020	58,683,300	2,040,321,600	121,693,600	6,217,700	18,551,000	2,245,467,200	100,000	2,245,567,200	2,725,978,730	1.044

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	Overlapping Rates				Total Direct and Overlapping Tax Rate
	Local School	Regional High School	Municipality	County	
2011	\$ 0.931	\$ 0.536	\$ 0.370	\$ 0.280	\$ 2.117
2012	0.938	0.540	0.367	0.293	2.138
2013	0.948	0.557	0.364	0.296	2.165
2014	0.960	0.567	0.375	0.296	2.198
2015	0.975	0.590	0.374	0.299	2.238
2016	0.990	0.600	0.375	0.306	2.271
2017	1.018	0.624	0.385	0.315	2.342
2018	1.019	0.625	0.411	0.306	2.361
2019	1.036	0.626	0.420	0.296	2.378
2020	1.044	0.635	0.454	0.301	2.434

Source: Abstract of Ratables, County Board of Taxation

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

Taxpayer	2020	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation
Toll Brothers	31,430,000	1.40%
Viewstar LLC NJ	14,500,000	0.65%
Upper Saddle River Developers, LLC .	10,600,600	0.47%
Whitney Associates	8,353,800	0.37%
U.S.R Developers, LLC %Pinnacle	7,950,400	0.35%
Pentak Management Corp	7,500,000	0.33%
Porven Real Estate, Inc	6,421,500	0.29%
Upper Saddle River Project LLC	6,071,000	0.27%
Birdie Investments, LLC	5,580,300	0.25%
2 Park Way Assoc., LLC	4,200,000	0.18%
	\$ 102,607,600	4.56%

	2011	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation
Mack-Cali Realty, LP	\$ 50,765,700	2.31%
Mountainview Realty, LLC	16,000,000	0.73%
USR Developers, LLC	10,600,600	0.48%
Pentek Management Corp.	8,600,000	0.39%
Whitney Associates	8,353,800	0.38%
USR Developers, LLC % Pinnacle	7,950,400	0.36%
Upper Saddle River Project LLC	6,571,000	0.30%
Porven Real Estate, Inc.	6,421,500	0.29%
Birdie Investments	5,580,300	0.25%
2 Park Way Assoc., LLC	5,273,200	0.24%
	\$ 126,116,500	5.74%

Source: Municipal Tax Assessor

**UPPER SADDLE RIVER 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	
2011	\$ 20,330,820	\$ 20,330,820	100.00%	N/A
2012	20,482,358	20,482,358	100.00%	N/A
2013	20,694,050	20,694,050	100.00%	N/A
2014	20,997,593	20,997,593	100.00%	N/A
2015	21,382,382	21,382,382	100.00%	N/A
2016	21,806,063	21,806,063	100.00%	N/A
2017	22,222,151	22,222,151	100.00%	N/A
2018	22,699,503	22,699,503	100.00%	N/A
2019	23,119,813	23,119,813	100.00%	N/A
2020	23,542,803	23,542,803	100.00%	N/A

Source: Board's financial statements

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total School District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Loans			
2011	\$ 10,286,319	\$ 148,937	\$ 149,372	\$ 10,584,628	8,169	\$ 1,296
2012	9,406,406	179,919	101,305	9,687,630	8,218	1,179
2013	8,462,965	188,734	51,542	8,703,241	8,238	1,056
2014	7,507,185	145,024		7,652,209	8,248	928
2015	6,509,467	186,422		6,695,889	8,208	816
2016	5,486,749	141,420		5,628,169	8,224	684
2017	4,429,031	460,270		4,889,301	8,226	594
2018	3,346,312	505,302		3,851,614	8,268	466
2019	2,238,593	331,278		2,569,871	8,236	312
2020	1,120,874	155,432		1,276,306	8,205	156

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

General Bonded Debt Outstanding						
Fiscal Year Ended June 30,	General Obligation Bonds	Intergovernmental Loan	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 10,286,319	\$ 149,372		\$ 10,435,691	0.48%	\$ 1,277
2012	9,406,406	101,305		9,507,711	0.43%	1,157
2013	8,462,965	51,542		8,514,507	0.39%	1,034
2014	7,507,185			7,507,185	0.34%	910
2015	6,509,467			6,509,467	0.29%	793
2016	5,486,749			5,486,749	0.25%	667
2017	4,429,031			4,429,031	0.20%	538
2018	3,346,312			3,346,312	0.15%	405
2019	2,238,593			2,238,593	0.10%	272
2020	1,120,874			1,120,874	0.05%	137

**UPPER SADDLE RIVER BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
(Unaudited)**

	<u>Gross Debt</u>
Municipal Debt:	
Upper Saddle River Board of Education	\$ 1,120,874
Northern Highlands Regional High School - Upper Saddle River's Share (1)	3,043,563
Borough of Upper Saddle River (1)	<u>15,732,982</u>
	19,897,419
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (2)	<u>21,463,095</u>
 Total Direct and Overlapping Debt	 <u>\$ 41,360,514</u>

Source:

- (1) Borough of Upper Saddle River's 2019 Annual Debt Statement
- (2) Bergen County's 2019 Annual Debt Statement

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 91,944,079	\$ 89,331,539	\$ 86,686,851	\$ 85,012,947	\$ 83,375,789	\$ 82,713,770	\$ 82,853,110	\$ 82,934,673	\$ 82,815,681	\$ 82,191,843
Total Net Debt Applicable to Limit	10,435,691	9,507,711	8,514,507	7,507,185	6,509,467	5,486,749	4,429,031	3,346,312	2,238,593	1,120,874
Legal Debt Margin	<u>\$ 81,508,388</u>	<u>\$ 79,823,828</u>	<u>\$ 78,172,344</u>	<u>\$ 77,505,762</u>	<u>\$ 76,866,322</u>	<u>\$ 77,227,021</u>	<u>\$ 78,424,079</u>	<u>\$ 79,588,361</u>	<u>\$ 80,577,088</u>	<u>\$ 81,070,969</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.35%	10.64%	9.82%	8.83%	7.81%	6.63%	5.35%	4.03%	2.70%	1.36%

Legal Debt Margin Calculation June 30, 2020

Equalized Valuation Basis	
2019	\$ 2,729,723,521
2018	2,737,235,817
2017	<u>2,752,224,978</u>
	<u>\$ 8,219,184,316</u>
Average Equalized Valuation of Taxable Property	\$ 2,739,728,105
Debt Limit (3 % of average equalization value)	82,191,843
Total Net Debt Applicable to Limit	<u>1,120,874</u>
Legal Debt Margin	<u>\$ 81,070,969</u>

Source: Municipal Annual Debt Statements

**UPPER SADDLE RIVER BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	8,169	\$ 66,064	9.0%
2012	8,218	69,053	9.2%
2013	8,238	72,152	6.0%
2014	8,248	71,679	4.1%
2015	8,208	74,452	3.3%
2016	8,224	77,666	3.2%
2017	8,226	79,145	3.2%
2018	8,268	81,483	3.0%
2019	8,236	85,951	2.4%
2020	8,205	85,951 (E)	2.2%

(E) - Estimate

Source: New Jersey State Department of Education

UPPER SADDLE RIVER BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Employer	2020		2011	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	88	88	88	89	89	89	89	88.5	87.5	88.5
Special Education	44	44	44	45	45	46	46	46	46	47
Other Special Education	4	4	4	4	4	4	4	4	4	4
Support Services:										
Student & Instruction Related Services	29	30	30	33	34	35	38	38	40	40
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services	9	9	9	9	9	9	9	9	9	9
Other Administrative Services										
Central Services	4	4	4	4	4	4	4	4	4	4
Plant Operations And Maintenance	18	18	18	22	22	22	22	21.5	21.5	22
Total	<u>198</u>	<u>199</u>	<u>199</u>	<u>208</u>	<u>209</u>	<u>211</u>	<u>214</u>	<u>213</u>	<u>214</u>	<u>217</u>

Source: District Personnel Records

UPPER SADDLE RIVER 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				
2011	1,374	\$ 20,719,891	\$ 15,080	-0.95%	136	20/1	25/1	1,379	1,334	-0.51%	96.74%
2012	1,339	20,743,621	15,492	2.73%	136	20/1	24.9/1	1,354	1,313	-1.81%	96.97%
2013	1,336	22,080,043	16,527	6.68%	139	19.3/1	25.7/1	1,348	1,293	-0.44%	95.92%
2014	1,308	23,359,724	17,859	8.06%	139.5	19/1	24.6/1	1,298	1,244	-3.71%	95.84%
2015	1,248	23,148,932	18,549	3.86%	140.5	18/1	24/1	1,249	1,201	-3.78%	96.16%
2016	1,223	23,789,837	19,452	4.87%	141.5	17.7/1	23.6/1	1,224	1,177	-2.00%	96.16%
2017	1,191	25,136,408	21,105	8.50%	141.0	17.5/1	24.7/1	1,191	1,144	-2.70%	96.05%
2018	1,164	25,843,425	22,202	5.20%	140.0	18.42/1	22.9/1	1,165	1,115	-2.18%	95.71%
2019	1,117	26,279,912	23,527	5.97%	141.0	18.26/1	22.77/1	1,127	1,082	-3.26%	96.01%
2020	1,099	26,526,373	24,137	2.59%	142.0	17.62/1	22.39/1	1,103	1,071	-2.13%	97.10%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

UPPER SADDLE RIVER BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
<u>Elementary</u>										
Robert Reynolds Elementary (1960)										
Square Feet	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503	40,503
Capacity (students)	421	421	421	421	421	421	421	421	421	421
Enrollment	461	426	399	369	369	370	355	348	344	350
Edith Bogert Elementary (1950)										
Square Feet	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221	67,221
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	462	453	458	453	426	391	380	388	380	346
<u>Middle School</u>										
Square Feet	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704	97,704
Capacity (students)	452	452	452	452	452	452	452	452	452	452
Enrollment	468	473	490	468	479	472	470	435	410	403
<u>Other</u>										
Administration Building										
Square Feet	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372
Science Center										
Square Feet	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Number of Schools at June 30, 2020										
Elementary = 2										
Middle School = 1										
Other = 1										

Source: District Office

Note: Year of original construction is shown in parenthesis. Enrollment is based on the annual October district count.

UPPER SADDLE RIVER BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ended June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
School Facilities										
Cavallini School	\$ 153,307	\$ 170,798	\$ 158,731	\$ 135,966	\$ 214,002	\$ 199,098	\$ 218,491	\$ 203,107	\$ 153,491	\$ 264,024
Bogert School	169,777	93,681	171,686	147,403	139,909	149,140	130,500	281,084	287,956	186,408
Reynolds School	167,823	174,306	177,755	155,164	117,756	160,886	185,024	318,306	109,498	211,316
Administration	<u>18,490</u>	<u>26,020</u>	<u>25,810</u>	<u>22,016</u>	<u>28,742</u>	<u>28,047</u>	<u>20,327</u>	<u>40,047</u>	<u>19,653</u>	<u>22,725</u>
Grand Total	<u>\$ 509,397</u>	<u>\$ 464,805</u>	<u>\$ 533,982</u>	<u>\$ 460,549</u>	<u>\$ 500,409</u>	<u>\$ 537,171</u>	<u>\$ 554,342</u>	<u>\$ 842,544</u>	<u>\$ 570,598</u>	<u>\$ 684,473</u>

Source: District Records

**UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<u>School Package Policy - Selective Insurance Group</u>		
Property Blanket Building & Contents	\$47,490,871	\$5,000
Comprehensive General Liability		
General Aggregate	2,000,000	
Products Completed Operations	2,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	1,000,000	
Fire Legal Liability	1,000,000	
Medical Expense	5,000	
<u>Commercial Automobile Policy - Great American</u>	1,000,000	1,000 (Comp/Collision)
<u>Umbrella Liability Policy - American Alternative Ins. Co.</u>	9,000,000	
<u>Excess Umbrella Liability Policy - Firemen's Fund</u>	50,000,000	
	(Shared limit among all Boards)	
<u>Boiler & Machinery - Great American</u>	47,490,831	5,000
Bonds - RLI Surety:		
Public Official Bond - Bus. Admin	50,000	
<u>Public Official Bond - Treasurer of School Monies</u>	250,000	
Environmental Impairment Liability - Ace	20,000,000	
	(Group Aggregate)	
Each Impairment:	2,000,000	15,000
Aggregate Per Impairment:	4,000,000	
School Board Legal Liability - XL Catlin	1,000,000	5,000
Employment Related Practices Liability included		15,000
Crime - Great American:		
Employee Dishonesty	100,000 per employee 500,000 per loss	5,000 100,000
Forgery & Alteration	100,000	1,000
Computer Fraud	100,000	1,000
Funds Transfer Fraud	100,000	1,000
Workers' Compensation -Safety National		
Each Accident	1,000,000	
Each Employee (Disease)	1,000,000	
Policy Limit (Disease)	1,000,000	
Employers Liability Retained Limit	500,000	

Source: School Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
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DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

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
Upper Saddle River Board of Education
Upper Saddle River, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Saddle River Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Upper Saddle River Board of Education's basic financial statements and have issued our report thereon dated January 11, 2021.

Internal Control Over Financial Reporting

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

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

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Upper Saddle River 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 11, 2021



LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major state Program

We have audited the Upper Saddle River Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Upper Saddle River Board of Education's major state programs for the fiscal year ended June 30, 2020. The Upper Saddle River Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Upper Saddle River Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Upper Saddle River Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Upper Saddle River Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Upper Saddle River Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Upper Saddle River Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Upper Saddle River Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Upper Saddle River Board of Education's internal control over compliance.


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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Upper Saddle River Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 11, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Gary J. Vinci
Public School Accountant
PSA Number CS00829

Fair Lawn, New Jersey
January 11, 2021

UPPER SADDLE RIVER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2019			Budgetary Expenditures	Adjustments	Balance at June 30, 2020		Memo GAAP Receivable
						(Accounts Receivable)	Unearned Revenue	Cash Received			(Accounts Receivable)	Unearned Revenue	
U.S. Department of Education Passed-Through State Department of Education Special Revenue Fund													
ESEA Title I	84.010A	S010A180030	ESEA533020	7/1/19-9/30/20	\$ 88,178			\$ 72,750	\$ 86,934		\$ (15,428)	\$ 1,244	\$ (14,184)
ESEA Title I	84.010A	S010A170030	ESEA533019	7/1/18-6/30/19	78,247	(20,490)	-	20,490	-	-	-	-	-
						(20,490)	-	93,240	86,934	-	(15,428)	1,244	(14,184)
ESEA Title II-A	84.367A	S367A170029	ESEA533019	7/1/18-6/30/19	16,644	(2,921)	\$ 14	2,908	-	(1)	-	-	-
						(2,921)	14	2,908	-	(1)	-	-	-
ESEA Title III Immigrant	84.367A	S367A170029	ESEA533020	7/1/19-9/30/20	1,680	-	-	1,353	1,353	-	(327)	327	-
						-	-	1,353	1,353	-	(327)	327	-
ESEA Title IV	84.424	S424A180031	ESEA533020	7/1/19-9/30/20	10,000			4,956	9,729		(5,044)	271	(4,773)
ESEA Title IV	84.424	S424A170031	ESEA533019	7/1/18-6/30/19	10,000	(189)	22	167	-	-	-	-	-
						(189)	22	5,123	9,729	-	(5,044)	271	(4,773)
IDEA Part B, Basic	84.027A	H027A180100	IDEA533020	7/1/19-9/30/20	228,487			228,487	228,487		-	-	-
IDEA Part B, Preschool	84.173A	H173A180114	IDEA533020	7/1/19-9/30/20	12,750			12,750	12,750		-	-	-
						-	-	241,237	241,237	-	-	-	-
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	59,357						(59,357)	59,357	-
						-	-				(59,357)	59,357	-
Total Special Revenue Fund						(23,600)	36	343,861	339,253	(1)	(80,156)	61,199	(18,957)
Total Federal Financial Assistance						\$ (23,600)	\$ 36	\$ 343,861	\$ 339,253	\$ (1)	\$ (80,156)	\$ 61,199	\$ (18,957)

This schedule was not subject to Single Audit in accordance with U.S. Uniform Guidance

UPPER SADDLE RIVER BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Received	Balance, July 1, 2019				Balance, June 30, 2020			MEMO	
				(Accounts Receivable)	Unearned Revenue	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education												
General Fund												
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 564,539			\$ 508,643	\$ 564,539	\$ (55,896)		*	\$ 564,539	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	489,279	\$ (46,293)		46,293				*	-	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	53,937			48,597	53,937	(5,340)		*	53,937	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	53,937	(5,103)	-	5,103	-	-		*	-	
Total State Aid Public				(51,396)	-	608,636	618,476	(61,236)		*	618,476	
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	630,649				630,649	(630,649)		*	630,649	
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	253,629	(253,629)		253,629				*	-	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	150,581			135,672	150,581	(14,909)		*	150,581	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	150,581	(14,247)		14,247				*	-	
Non Public Transportation Reimb.	N/A	7/1/18-6/30/19	15,950	(15,950)		15,950				*	-	
TPAF Pension												
Normal Cost	20-495-034-5094-002	7/1/19-6/30/20	2,065,205			2,065,205	2,065,205			*	2,065,205	
NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	37,016			37,016	37,016			*	37,016	
Post Retirement Medical Benefits	20-495-034-5094-001	7/1/19-6/30/20	779,885			779,885	779,885			*	779,885	
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	2,441			2,441	2,441			*	2,441	
TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	735,181	-	-	735,181	735,181	-	-	*	735,181	
Total General Fund				(335,222)	-	4,647,862	5,019,434	(706,794)		*	5,019,434	
Debt Service Fund												
Type II Debt Service Aid	20-495-034-5120-075	7/1/19-6/30/20	290,856	-	-	290,856	290,856	-	-	*	290,856	
Total Debt Service Fund				-	-	290,856	290,856	-	-	*	290,856	
Total State Financial Assistance Subject to Single Audit Determination				(335,222)	-	4,938,718	5,310,290	(706,794)		*	5,310,290	
State Financial Assistance												
Not Subject to Major Program Determination												
TPAF Pension Contributions - Normal Cost	20-495-034-5094-002	7/1/19-6/30/20	2,065,205			(2,065,205)	(2,065,205)			*	(2,065,205)	
TPAF Pension - NCGI Premiums	20-495-034-5094-004	7/1/19-6/30/20	37,016			(37,016)	(37,016)			*	(37,016)	
TPAF Post Retirement Medical Benefits	20-495-034-5094-001	7/1/19-6/30/20	779,885			(779,885)	(779,885)			*	(779,885)	
TPAF Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	2,441	-	-	(2,441)	(2,441)	-	-	*	(2,441)	
Total State Financial Assistance for Major Program Determination				\$ (335,222)	\$ -	\$ 2,054,171	\$ 2,425,743	\$ (706,794)	\$ -	*	\$ 2,425,743	

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Upper Saddle River Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting. This basis of accounting is described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the 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 \$387,522 for the general fund and \$4,773 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,631,912	\$ 4,631,912
Special Revenue Fund	\$ 334,480		334,480
Debt Service Fund	-	290,856	290,856
Total Financial Assistance	<u>\$ 334,480</u>	<u>\$ 4,922,768</u>	<u>\$ 5,257,248</u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

TPAF Social Security contributions in the amount of \$735,181 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$2,102,221, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$779,885 and TPAF Long-Term Disability Insurance in the amount of \$2,441 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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.

UPPER SADDLE RIVER BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified: yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Federal Awards Section Not Applicable

**UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over compliance:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported

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

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>20-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 - Schedule of Financial Statement Findings

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

There are none.

UPPER SADDLE RIVER BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable

CURRENT YEAR STATE AWARDS

There are none.

**UPPER SADDLE RIVER BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*, U.S. Uniform Guidance and New Jersey OMB Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.