

**WALDWICK BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Waldwick, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Waldwick Board of Education**

**Waldwick, New Jersey**

**For The Fiscal Year Ended June 30, 2020**

**Prepared by**

**Business Office**

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials	v
Consultants and Advisors	vi

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-17
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	18
A-2 Statement of Activities	19

**B. Fund Financial Statements**

*Governmental Funds*

B-1 Balance Sheet	20-21
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	22
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	23

*Proprietary Funds*

B-4 Statement of Net Position	24
B-5 Statement of Revenues, Expenses, and Changes in Net Position	25
B-6 Statement of Cash Flows	26

*Fiduciary Funds*

B-7 Statement of Fiduciary Net Position	27
B-8 Statement of Changes in Fiduciary Net Position	28

<b>Notes to the Financial Statements</b>	29-69
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**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	70-76
C-2	Budgetary Comparison Schedule – Special Revenue Fund	77

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II**

C-3	Budgetary Comparison Schedule –Required Supplementary Information	78
-----	---	----

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	79
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	80
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	81
L-4	Notes to Required Supplementary Information – Net Pension Liability	82
L-5	Required Supplementary Information – Schedule of Changes in District’s Proportionate Share of Total OPEB Liability	83
L-6	Notes to Required Supplementary Information – OPEB Liability	84

**OTHER SUPPLEMENTARY INFORMATION**

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1a	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	85-86
E-1b	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	87
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	88

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	89
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	90
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – New Building #11 at Traphagen School	91

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**OTHER SUPPLEMENTARY INFORMATION**

**G. Proprietary Funds**

*Enterprise Fund*

G-1	Combining Schedule of Net Position – Not Applicable	92
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	92
G-3	Combining Schedule of Cash Flows – Not Applicable	92

**H. Fiduciary Funds**

H-1	Combining Schedule of Agency Assets and Liabilities	93
H-2	Combining Schedule of Changes in Net Position – Not Applicable	93
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	94

**I. Long-Term Debt**

I-1	Schedule of Serial Bonds	95
I-2	Schedule of Obligations under Capital Leases	96
I-3	Budgetary Comparison Schedule – Debt Service Fund	97

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	98
J-2	Changes in Net Position	99-100
J-3	Fund Balances – Governmental Funds	101
J-4	Changes in Fund Balances - Governmental Funds	102
J-5	General Fund Other Local Revenue by Source	103
J-6	Assessed Value and Actual Value of Taxable Property	104
J-7	Property Tax Rates Direct and Overlapping Governments	105
J-8	Principal Property Taxpayers	106
J-9	Property Tax Levies and Collections	107
J-10	Ratios of Outstanding Debt by Type	108
J-11	Ratios of Net General Bonded Debt Outstanding	109
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	110
J-13	Legal Debt Margin Information	111
J-14	Demographic Statistics	112
J-15	Principal Employers – Not Available	113
J-16	Full-Time Equivalent District Employees by Function/Program	114
J-17	Operating Statistics	115
J-18	School Building Information	116
J-19	Schedule of Required Maintenance for School Facilities	117
J-20	Schedule of Insurance	118

**WALDWICK BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**SINGLE AUDIT SECTION**

K-1	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	119-120
K-2	Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor's Report	121-123
K-3	Schedule of Expenditures of Federal Awards	124
K-4	Schedule of Expenditures of State Financial Assistance	125
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	126-127
K-6	Schedule of Findings and Questioned Costs – Part 1 - Summary of Auditor's Results	128-129
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	130
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questions Costs	131
K-8	Summary Schedule of Prior Audit Findings	132

## **INTRODUCTORY SECTION**

# WALDWICK BOARD OF EDUCATION



JOHN GRIFFIN  
SCHOOL BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

155 SUMMIT AVENUE  
WALDWICK, NJ 07463  
201-445-3340 EXT. 4109

January 8, 2021

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

Dear Board Members:

The comprehensive annual financial report of the Waldwick School 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 Waldwick 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 financial statements and required supplementary information as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Waldwick School District is an independent reporting entity within the criteria adopted by the Governmental Accounts Standards Board (GASB) as established by NCGA. All funds of the District are included in this report. The Waldwick 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 Pre-K through 12. These include regular, vocational and special education. The District completed the 2019-2020 fiscal year with an average daily enrollment of 1,613 students, which is an increase from the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last ten years.

## Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	1,613	1%
2018-19	1,597	7%
2017-18	1,586	0%
2016-17	1,585	0%
2015-16	1,584	.4%
2014-15	1,577	-1.2%
2013-14	1,596	-1.4%
2012-13	1,618	1.6%
2011-12	1,593	0%
2010-11	1,593	.6%



**2) ECONOMIC CONDITION AND OUTLOOK:** The Waldwick area is experiencing limited development and expansion which is expected to continue. The number of businesses relocating to the area is limited due to the amount of available space in Waldwick. This results in a flat tax base.

**3) MAJOR INITIATIVES:** The school district continued its maintenance and construction program. Multiple interior and exterior doors at the High School were replaced. A handicapped ramp was installed at the High School's Greenberg Center entrance. The old Building #11 at Traphagen School was demolished. All four schools continued the technology initiative with various devices purchased and installed in addition to internet upgrades being started. The district completed the refurbishment of the remaining student bathrooms in the High School and Middle School and also refurbished all the faculty bathrooms in the two schools. Three student bathrooms at Crescent School were also completely refurbished. An irrigation system was installed at one of the high school's athletic fields. Crescent School also had all of its classrooms air conditioned via the installation of window units. Classroom air conditioning continues in select rooms at the High School and Middle School. The district took the first steps toward a construction referendum expected to be undertaken in the 2020-2021 school year.

**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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

**7) DEBT ADMINISTRATION:** At June 30, 2020, the District's long-term debt issue is for \$1,870,000 of general obligation bonds to provide funding for the school referendum.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

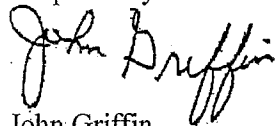
**10) OTHER INFORMATION:**

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

**11) ACKNOWLEDGMENTS:**

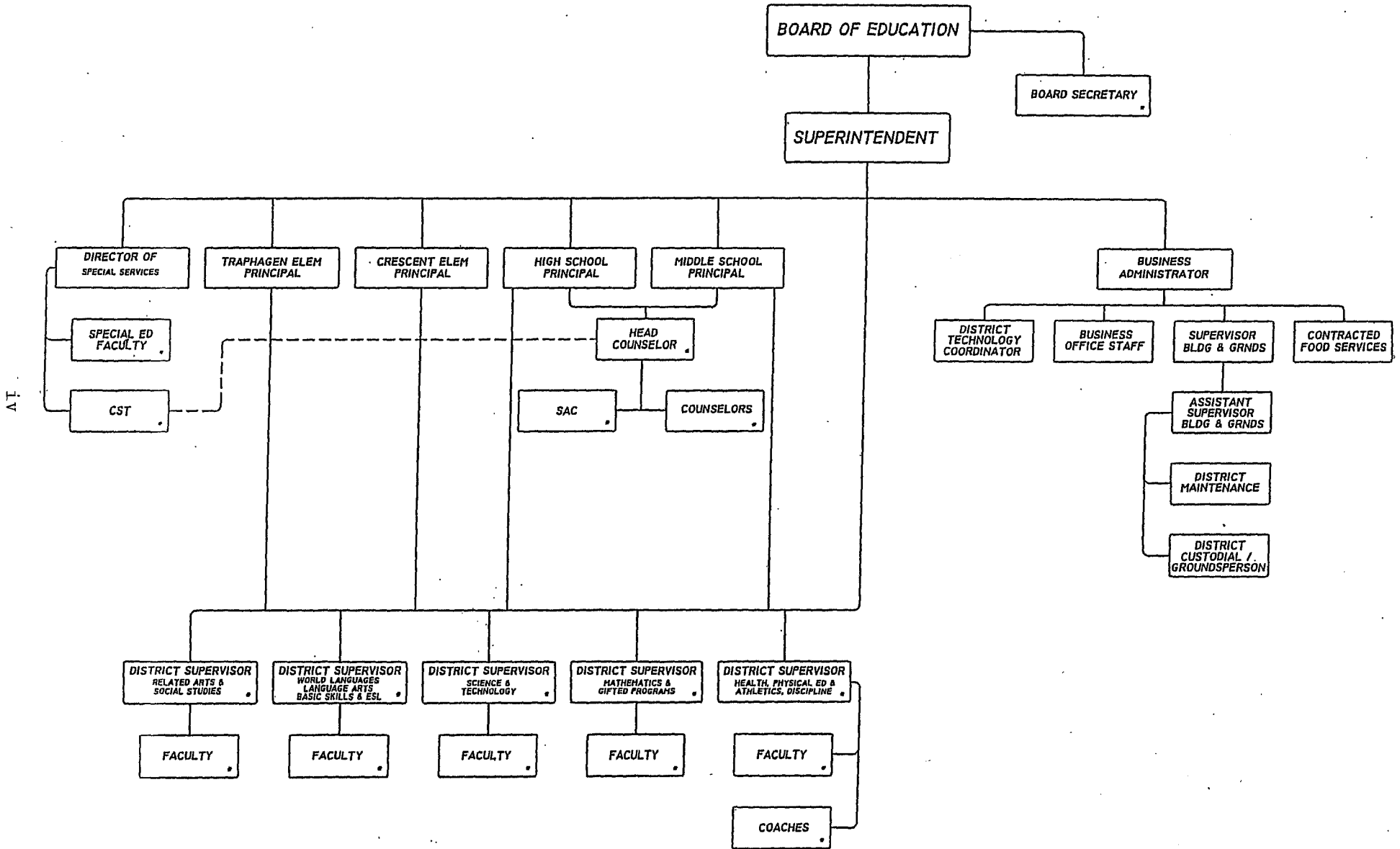
We would like to express our appreciation to the members of the Waldwick Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



John Griffin  
School Business Administrator/Board Secretary

# WALDWICK PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART



A.T.

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Daniel Marro, President	2023
Andrew Frey, Vice President	2021
Andrew Fowler	2022
Julie Mangler	2023
Mary Beth Nappi	2023
Timothy O'Hare	2021
Domenica Sherry	2022

**Other Officials**

Paul D. Casarico, Ed. D., Superintendent of Schools

John Griffin, School Business Administrator/Board Secretary

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorney**

Anthony Sciarrillo, Esquire  
Sciarrillo Cornell Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, NJ 07090

**Official Depository**

Valley Bank  
67 Franklin Turnpike  
Waldwick, NJ 07463

**Architect**

Dicara/Rubino  
30 Galesi Drive, West Wing  
Wayne, NJ 07470

**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

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Waldwick Board of Education  
Waldwick, 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 Waldwick 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 Waldwick 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 Waldwick Board of Education's basic financial statements. The introductory section, combining 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 Waldwick Board of Education.

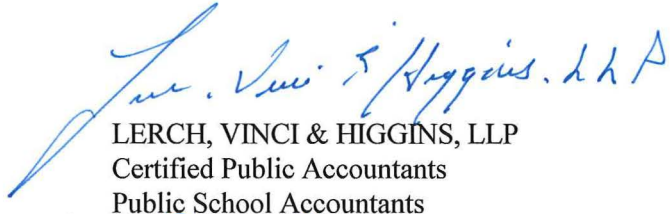
The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial 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 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.

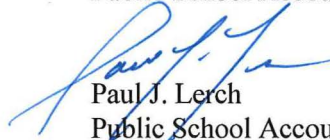


**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 8, 2021 on our consideration of the Waldwick 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 Waldwick 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 Waldwick Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
January 8, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

This discussion and analysis of the Waldwick School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2020. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- District-Wide - Overall revenues were \$41,276,351. General revenues accounted for \$31,368,334 or 76 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,908,017 or 24 percent of total revenues of \$41,276,351.
- District-Wide - The School District had \$38,010,038 in expenses; only \$9,908,017 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$31,368,334 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Waldwick Board of Education's governmental funds reported combined ending fund balances of \$7,423,404 an increase of \$2,540,795 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2020, the unassigned fund balance, on a GAAP basis, for the General Fund was \$261,852 a decrease of \$44,377 in comparison with the prior year.

## 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 district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Waldwick Board of Education’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Waldwick Board of Education, reporting the Waldwick Board of Education’s operation in more detail than the district-wide statements.
  - The governmental fund 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 fund statements offer short and long-term financial information about the activities the Waldwick Board of Education operates like a business.
  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Table A-1 summarizes the major features of the Waldwick Board of Education’s financial statements, including the portion of the Waldwick Board of Education’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.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

**Figure A-1** 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.	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 outflows/inflows 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 expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources 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 financial statements* are designed to provide readers with a broad overview of the Waldwick Board of Education’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Waldwick Board of Education’s assets, deferred outflows/inflows of resource and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing 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 the school buildings and other facilities.

The *statement of activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

## **District-wide Statements (Continued)**

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, maintenance and administration services. 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 the District's Food Service Fund.

## **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. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund 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 a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

## **Fund Financial Statements (Continued)**

**Proprietary Funds.** The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Scholarship Funds and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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

## **DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK 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.

Table A-2 provides a summary of the school district's net position for fiscal years 2020 and 2019. For 2020 and 2019 net position were \$17,128,521 and \$13,862,208, respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE (Continued)**

**Table A-2  
Statement of Net Position  
As of June 30, 2020 and 2019**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>						
Current and Other Assets	\$ 7,776,719	\$ 5,280,944	\$ 130,346	\$ 125,239	\$ 7,907,065	\$ 5,406,183
Capital Assets	<u>21,104,855</u>	<u>21,581,896</u>	<u>40,172</u>	<u>39,130</u>	<u>21,145,027</u>	<u>21,621,026</u>
<b>Total Assets</b>	<u>28,881,574</u>	<u>26,862,840</u>	<u>170,518</u>	<u>164,369</u>	<u>29,052,092</u>	<u>27,027,209</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	869,421	1,601,350			869,421	2,497,361
Deferred Amounts on Debt Refunding	<u>52,619</u>	<u>82,338</u>	<u>-</u>	<u>-</u>	<u>52,619</u>	<u>82,338</u>
<b>Total Deferred Outflows of Resources</b>	<u>922,040</u>	<u>1,683,688</u>	<u>-</u>	<u>-</u>	<u>922,040</u>	<u>2,579,699</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>29,803,614</u>	<u>28,546,528</u>	<u>170,518</u>	<u>164,369</u>	<u>29,974,132</u>	<u>29,606,908</u>
<b>Liabilities</b>						
Current Liabilities	379,440	433,673	2,659	12,826	382,099	238,570
Non-Current Liabilities	<u>9,599,999</u>	<u>11,336,670</u>	<u>-</u>	<u>-</u>	<u>9,599,999</u>	<u>11,336,670</u>
<b>Total Liabilities</b>	<u>9,979,439</u>	<u>11,770,343</u>	<u>2,659</u>	<u>12,826</u>	<u>9,982,098</u>	<u>11,575,240</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>2,863,513</u>	<u>3,065,520</u>	<u>-</u>	<u>-</u>	<u>2,863,513</u>	<u>3,065,520</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>12,842,952</u>	<u>14,835,863</u>	<u>2,659</u>	<u>12,826</u>	<u>12,845,611</u>	<u>14,640,760</u>
<b>Net Position</b>						
Net Investment in Capital Assets	18,406,134	17,868,898	40,172	39,130	18,446,306	17,908,028
Restricted	4,365,242	2,561,224			4,365,242	2,561,224
Unrestricted	<u>(5,810,714)</u>	<u>(6,719,457)</u>	<u>127,687</u>	<u>112,413</u>	<u>(5,683,027)</u>	<u>(6,607,044)</u>
<b>Total Net Position</b>	<u>\$ 16,960,662</u>	<u>\$ 13,710,665</u>	<u>\$ 167,859</u>	<u>\$ 151,543</u>	<u>\$ 17,128,521</u>	<u>\$ 13,862,208</u>



**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE (Continued)**

**Governmental activities.** Governmental activities for 2020 increased the District’s net position by \$3,249,997.

**Business-Type Activities.** The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$245,926. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position of \$16,316.

Key elements of these increases and decreases are as follows:

**Table A-3  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019**

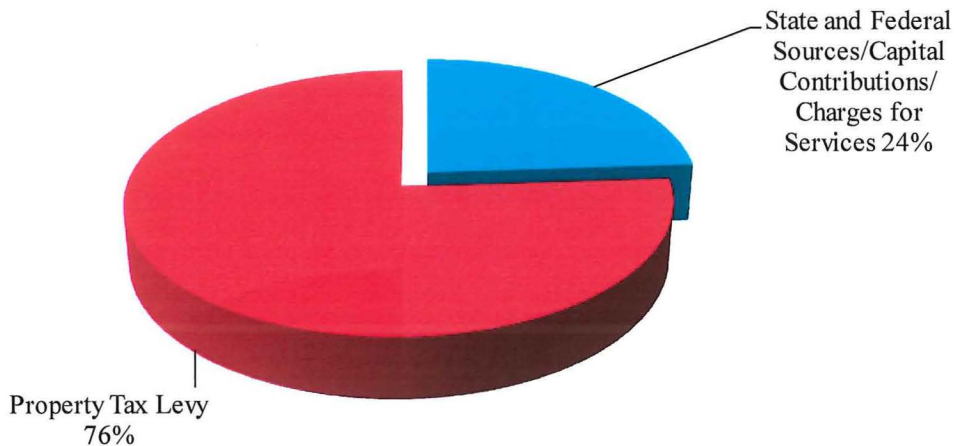
Revenues	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues						
Charges for Services	\$ 78,156	\$ 88,310	\$ 260,197	\$ 350,872	\$ 338,353	\$ 439,182
Operating Grants and Contributions	9,484,316	10,767,724			9,484,316	10,767,724
Capital Grants and Contributions	85,348	86,736			85,348	86,736
General Revenues						
Property Taxes	30,968,296	30,981,111			30,968,296	30,981,111
Other	397,993	285,586	2,045	-	400,038	285,586
<b>Total Revenues</b>	<b>41,014,109</b>	<b>42,209,467</b>	<b>262,242</b>	<b>350,872</b>	<b>41,276,351</b>	<b>42,560,339</b>
Expenses						
Instruction						
Regular	15,203,662	15,969,264			15,203,662	15,969,264
Special Education	8,542,619	8,658,956			8,542,619	8,658,956
Other Instruction	1,278,528	1,376,681			1,278,528	1,376,681
School Sponsored Activities and Ath.	1,072,484	1,097,167			1,072,484	1,097,167
Support Services						
Student and Instruction Related Serv.	3,588,964	3,783,047			3,588,964	3,783,047
Health Services	423,129	431,691			423,129	431,691
Educational Media/School Library	306,273	438,308			306,273	438,308
General Administrative Services	770,712	758,818			770,712	758,818
School Administrative Services	2,583,780	2,746,545			2,583,780	2,746,545
Plant Operations and Maintenance	2,247,044	2,346,799			2,247,044	2,346,799
Pupil Transportation	678,017	750,827			678,017	750,827
Central Services	948,010	954,389			948,010	954,389
Food Service			245,926	324,237	245,926	324,237
Interest on Long-Term Debt	120,890	150,866	-	-	120,890	150,866
<b>Total Expenses</b>	<b>37,764,112</b>	<b>39,463,358</b>	<b>245,926</b>	<b>324,237</b>	<b>38,010,038</b>	<b>39,787,595</b>
Change in Net Position	3,249,997	2,746,109	16,316	26,635	3,266,313	2,772,744
Net Position, Beginning of Year	13,710,665	10,964,556	151,543	124,908	13,862,208	11,089,464
Net Position, End of Year	\$ 16,960,662	\$ 13,710,665	\$ 167,859	\$ 151,543	\$ 17,128,521	\$ 13,862,208

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE (Continued)**

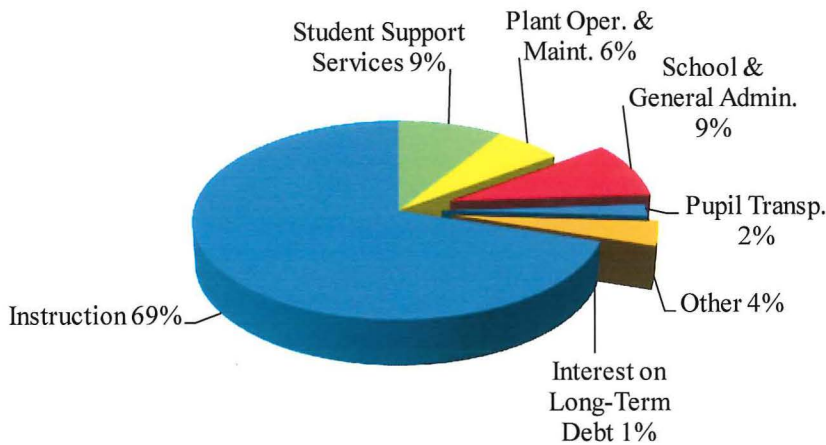
**Governmental activities.** The District’s total governmental revenues were \$41,014,109. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$31,366,289 or 76% of total revenues. Funding from state and federal sources capital grants/contributions and charges for services amounted to \$9,647,820 or 24%.

The District’s governmental expenses are predominantly related to instruction and support services. Instruction totaled \$26,097,293 (69%), student support services totaled \$11,545,929 (30%) and interest on long-term debt total \$120,890 (1%) of total expenditures. (See Table A-3.)

Revenues by Source- Governmental Activities  
For Fiscal Year 2020



Expenditures by Type- Governmental Activities  
For Fiscal Year 2020



**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE  
(Continued)**

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2020 and 2019**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Total Net Cost Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	15,203,662	15,969,264	\$ 11,643,438	\$ 11,766,621
Special Education	8,542,619	8,658,956	5,288,097	5,389,768
Other Instruction	1,278,528	1,376,681	829,043	806,157
School Sponsored Activities and Athletics	1,072,484	1,097,167	832,690	826,336
Support Services				
Student and Instruction Related Svcs.	3,588,964	3,783,047	2,717,342	2,741,122
Health Services	423,129	431,691	328,778	322,949
Educational Media/School Library	306,273	438,308	238,872	327,067
General Administrative Services	770,712	758,818	648,857	612,337
School Administrative Services	2,583,780	2,746,545	1,990,004	2,025,817
Plant Operations and Maintenance	2,247,044	2,346,799	2,067,854	2,104,223
Pupil Transportation	678,017	750,827	472,063	537,095
Central Services	948,010	954,389	938,364	910,230
Interest on Long-Term Debt	120,890	150,866	120,890	150,866
Total Governmental Activities	<u>\$ 37,764,112</u>	<u>\$ 39,463,358</u>	<u>\$ 28,116,292</u>	<u>\$ 28,520,588</u>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$7,423,404. In 2018-2019 the fund balance was \$4,882,609, therefore an increase of \$2,540,795 from the fiscal year ended June 30, 2019.

### The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$38,908,935 and expenditures were \$36,368,140.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2020 and 2019.

	<u>Year Ended</u> <u>June 30, 2020</u>	<u>Year Ended</u> <u>June 30, 2019</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources	\$ 31,273,230	\$ 31,294,809	\$ (21,579)	-0.07%
State Sources	7,103,769	6,703,398	400,371	5.97%
Federal Sources	<u>531,936</u>	<u>567,218</u>	<u>(35,282)</u>	-6.22%
Total Revenues	<u>\$ 38,908,935</u>	<u>\$ 38,565,425</u>	<u>\$ 343,510</u>	0.89%

## The District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2020 and 2019.

	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 23,986,438	\$ 23,858,706	\$ 127,732	0.54%
Undistributed	10,786,217	10,941,394	(155,177)	-1.42%
Capital Outlay	451,105	2,567,371	(2,116,266)	-82.43%
Debt Service				
Principal	1,007,180	975,088	32,092	3.29%
Interest	<u>137,200</u>	<u>168,193</u>	<u>(30,993)</u>	-18.43%
Total Expenditures	<u>\$ 36,368,140</u>	<u>\$ 38,510,752</u>	<u>\$ (2,142,612)</u>	-5.56%

### General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were related to:

- A decrease in out-of-district tuition costs.
- A decrease in energy costs partially due to adjustments in temperature settings and the continued installation of LED lights throughout District buildings.
- The deposit of \$950,000 into the district's Capital Reserve account.
- A deposit of \$350,000 into the District's Maintenance Reserve account.
- An increase in State Aid.
- An increase in Fund 12 construction services due to the complete renovation of three student bathrooms at Crescent Elementary School.

## General Fund Budgetary Highlights (Continued)

- An increase in maintenance and repair expenditures due to the age of the district's facilities.
- A decrease in transportation expenditures for out of district students.
- A decrease in workers' compensation expenditures due to a favorable history of usage.
- An increase in expenditures for architect's fees due to the state's software change to a new Long Range Facilities Plan system and the district's preparation for a referendum in the 2020-2021 school year.
- An increase in Fund 12 expenditures due to the installation of an irrigation system at the High School's Hopper Ave. athletic field.
- An increase in expenditures for Chromebooks to support remote learning due to the Covid-19 crises.
- An increase in expenditures for internet upgrades to support remote learning due to the Covid-19 crises.

**Capital Assets.** The Waldwick Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2020 amounts to \$21,145,027 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-5**  
**Capital Assets**  
**(net of accumulated depreciation) at June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Construction in Progress		\$ 189,978				\$ 189,978
Land Improvements	\$ 1,925,535	1,901,735			\$ 1,925,535	1,901,735
Buildings and Building Improvements	31,375,653	30,917,497			31,375,653	30,917,497
Machinery and Equipment	<u>3,696,073</u>	<u>3,535,539</u>	<u>\$ 76,978</u>	<u>\$ 86,503</u>	<u>3,773,051</u>	<u>3,622,042</u>
 Total	 36,997,261	 36,544,749	 76,978	 86,503	 37,074,239	 36,631,252
 Less: Accumulated Depreciation	 <u>15,892,406</u>	 <u>14,962,853</u>	 <u>36,806</u>	 <u>47,373</u>	 <u>15,929,212</u>	 <u>15,010,226</u>
 Total	 <u>\$ 21,104,855</u>	 <u>\$ 21,581,896</u>	 <u>\$ 40,172</u>	 <u>\$ 39,130</u>	 <u>\$ 21,145,027</u>	 <u>\$ 21,621,026</u>

Additional information on Waldwick Board of Education's capital assets can be found in Note 3 of this report.

**Debt Administration.** As of June 30, 2020 the school district had long-term debt and outstanding long-term liabilities in the amount of \$9,599,999 as stated in Table A-6.

**Long-Term Liabilities**

**Table A-6  
Long-Term Debt  
Outstanding Long-Term Liabilities**

	<b>Balance <u>June 30, 2020</u></b>	<b>Balance <u>June 30, 2019</u></b>
Serial Bonds (Including Original Issue Premium)	\$ 1,935,183	\$ 2,581,999
Capital Lease	816,157	1,213,337
Compensated Absences Payable	593,092	550,261
Net Pension Liability	<u>6,255,567</u>	<u>6,991,073</u>
 Total	 <u>\$ 9,599,999</u>	 <u>\$ 11,336,670</u>

Additional information on Waldwick Board of Education’s long-term debt can be found in Note 3 of this report.

Moody’s Investors Service has assigned an Aa2 enhanced rating to the Waldwick Board of Education’s \$5,170,000 million General Obligation School Bonds. These bonds are secured by New Jersey’s Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72’s highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody’s anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

**CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE’S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS**

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey’s larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

## **FOR THE FUTURE**

Currently, the District is in good financial condition. Everyone associated with the Waldwick School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of declining flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Waldwick School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional information, contact the School Business Administrator at the Waldwick Board of Education, 155 Summit Avenue, Waldwick, NJ 07643.



## **BASIC FINANCIAL STATEMENTS**

**WALDWICK BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,679,176	\$ 120,089	\$ 7,799,265
Receivables, net	97,543		97,543
Inventory		10,257	10,257
Capital Assets, net Being Depreciated	<u>21,104,855</u>	<u>40,172</u>	<u>21,145,027</u>
Total Assets	<u>28,881,574</u>	<u>170,518</u>	<u>29,052,092</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	869,421		869,421
Deferred Amounts on Refunding of Debt	<u>52,619</u>	-	<u>52,619</u>
Total Deferred Outflows of Resources	<u>922,040</u>	<u>-</u>	<u>922,040</u>
Total Assets and Deferred Outflows of Resources	<u>29,803,614</u>	<u>170,518</u>	<u>29,974,132</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	255,274	2,659	257,933
Payable to Other Governments	40,590		40,590
Unearned Revenue	57,451		57,451
Accrued Interest Payable	26,125		26,125
Noncurrent Liabilities			
Due Within One Year	1,024,402		1,024,402
Due Beyond One Year	<u>8,575,597</u>	-	<u>8,575,597</u>
Total Liabilities	<u>9,979,439</u>	<u>2,659</u>	<u>9,982,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>2,863,513</u>	-	<u>2,863,513</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,842,952</u>	<u>2,659</u>	<u>12,845,611</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,406,134	40,172	18,446,306
Restricted for			
Capital Projects	3,615,242		3,615,242
Other Purposes	750,000		750,000
Unrestricted	<u>(5,810,714)</u>	<u>127,687</u>	<u>(5,683,027)</u>
Total Net Position	<u>\$ 16,960,662</u>	<u>\$ 167,859</u>	<u>\$ 17,128,521</u>

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

**WALDWICK 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	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 15,203,662	\$ 39,441	3,435,435	\$ 85,348	\$ (11,643,438)		\$ (11,643,438)
Special Education	8,542,619		3,254,522		(5,288,097)		(5,288,097)
Other Instruction	1,278,528		449,485		(829,043)		(829,043)
School Sponsored Activities and Athletics	1,072,484		239,794		(832,690)		(832,690)
Support Services			-				
Student and Instruction Related Services	3,588,964		871,622		(2,717,342)		(2,717,342)
Health Services	423,129		94,351		(328,778)		(328,778)
Educational Media/School Library	306,273		67,401		(238,872)		(238,872)
General Administrative Services	770,712		121,855		(648,857)		(648,857)
School Administrative Services	2,583,780		593,776		(1,990,004)		(1,990,004)
Plant Operations and Maintenance	2,247,044	38,715	140,475		(2,067,854)		(2,067,854)
Pupil Transportation	678,017		205,954		(472,063)		(472,063)
Central Services	948,010		9,646		(938,364)		(938,364)
Interest on Long-Term Debt	120,890	-	-	-	(120,890)	-	(120,890)
Total Governmental Activities	<u>37,764,112</u>	<u>78,156</u>	<u>9,484,316</u>	<u>85,348</u>	<u>(28,116,292)</u>	<u>-</u>	<u>(28,116,292)</u>
<b>Business-Type Activities</b>							
Food Service	245,926	260,197	-	-	-	\$ 14,271	14,271
Total Business-Type Activities	<u>245,926</u>	<u>260,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,271</u>	<u>14,271</u>
Total Primary Government	<u>\$ 38,010,038</u>	<u>\$ 338,353</u>	<u>\$ 9,484,316</u>	<u>\$ 85,348</u>	<u>(28,116,292)</u>	<u>14,271</u>	<u>(28,102,021)</u>
<b>General Revenues and Other Items</b>							
Taxes:							
Property Taxes, Levied for General Purposes, Net					30,271,296		30,271,296
Taxes Levied for Debt Service					697,000		697,000
Unrestricted State Aid					190,282		190,282
Loss on Disposal of Capital Asset					(19,067)		(19,067)
Miscellaneous Income					226,778	2,045	228,823
Total General Revenues and Other Items					<u>31,366,289</u>	<u>2,045</u>	<u>31,368,334</u>
Change in Net Position					3,249,997	16,316	3,266,313
Net Position, Beginning of Year					<u>13,710,665</u>	<u>151,543</u>	<u>13,862,208</u>
Net Position, End of Year					<u>\$ 16,960,662</u>	<u>\$ 167,859</u>	<u>\$ 17,128,521</u>

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

**FUND FINANCIAL STATEMENTS**

WALDWICK 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>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,591,533	\$ 87,643			\$ 7,679,176
Due from Other Funds	500	-			500
Receivables from Other Governments	<u>55,445</u>	<u>41,598</u>	<u>-</u>	<u>-</u>	<u>97,043</u>
Total Assets	<u>\$ 7,647,478</u>	<u>\$ 129,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,776,719</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 220,696	\$ 33,600			\$ 254,296
Deposits Payable	978				978
Payable to State Government		40,590			40,590
Unearned Revenue	<u>2,400</u>	<u>55,051</u>	<u>-</u>	<u>-</u>	<u>57,451</u>
Total Liabilities	<u>224,074</u>	<u>129,241</u>	<u>-</u>	<u>-</u>	<u>353,315</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures	1,070,417				1,070,417
Excess Surplus	1,346,582				1,346,582
Capital Reserve	3,615,242				3,615,242
Maintenance Reserve	750,000				750,000
Assigned Fund Balance					
Year-End Encumbrances	193,160				193,160
Designated for Subsequent Year's Expenditures	186,151				186,151
Unassigned Fund Balance					
General Fund	<u>261,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,852</u>
Total Fund Balances	<u>7,423,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,423,404</u>
Total Liabilities and Fund Balances	<u>\$ 7,647,478</u>	<u>\$ 129,241</u>	<u>\$ -</u>	<u>\$ -</u>	

WALDWICK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020

**Total Governmental Fund Balances (Exhibit B-1)** \$ 7,423,404

*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 capital assets is \$36,997,261 and the accumulated depreciation is \$15,892,406.

21,104,855

The District has financial capital assets through the issuance of serial bonds. The interest accrual at year end is:

(26,125)

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	\$ 869,421
Deferred Inflows of Resources	<u>(2,863,513)</u>

(1,994,092)

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

Bonds Payable, Including Premium	(1,935,183)
Deferred Outflows of Resources- Deferred Amounts on Refunding of Debt	52,619
Capital Leases	(816,157)
Compensated Absences	(593,092)
Net Pension Liability	<u>(6,255,567)</u>

(9,547,380)

**Total Net Position of Governmental Activities (Exhibit A-1)** \$ 16,960,662

**WALDWICK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED 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>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 30,271,296			\$ 697,000	\$ 30,968,296
Miscellaneous	304,934	-	-	-	304,934
Total - Local Sources	30,576,230	-	-	697,000	31,273,230
State Sources	6,886,384	\$ 217,385			7,103,769
Federal Sources	26,819	505,117	-	-	531,936
Total Revenues	37,489,433	722,502	-	697,000	38,908,935
<b>EXPENDITURES</b>					
Current					
Regular Instruction	13,806,451	12,810			13,819,261
Special Education Instruction	7,649,825	358,807			8,008,632
Other Instruction	969,608	213,446			1,183,054
School-Sponsored Activities and Athletics	975,491				975,491
Support Services					
Student and Instruction Related Services	3,168,157	114,606			3,282,763
Health Services	384,966				384,966
Educational Media/School Library	279,010				279,010
General Administrative Services	721,423				721,423
School Administrative Services	2,343,607				2,343,607
Plant Operations and Maintenance	2,190,572				2,190,572
Pupil Transportation	671,196				671,196
Central Services	912,680				912,680
Debt Service					
Principal	397,180			610,000	1,007,180
Interest and Other Charges	50,200			87,000	137,200
Capital Outlay	396,050	22,833	\$ 32,222	-	451,105
Total Expenditures	34,916,416	722,502	32,222	697,000	36,368,140
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	2,573,017	-	(32,222)	-	2,540,795
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	64,123		-		64,123
Transfers Out	-	-	(64,123)	-	(64,123)
Total Other Financing Sources and Uses	64,123	-	(64,123)	-	-
Net Change in Fund Balances	2,637,140	-	(96,345)	-	2,540,795
Fund Balance, Beginning of Year	4,786,264	-	96,345	-	4,882,609
Fund Balance, End of Year	\$ 7,423,404	\$ -	\$ -	\$ -	\$ 7,423,404

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

**WALDWICK BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 2,540,795**

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

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

Capital Outlay	\$ 451,105	
Depreciation Expense	<u>(971,594)</u>	(520,489)

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

Donated Assets	62,515	
Loss on Disposal of Capital Assets	<u>(19,067)</u>	43,448

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

Amortization of Bond Premium	36,816	
Amortization of Deferred Amounts on Refunding	(29,719)	
Principal Repayments		
Bond Principal	610,000	
Lease Principal	<u>397,180</u>	1,014,277

In the statement of activities, certain operating expenses - compensated absences net pension liability and claims and judgments for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Net Pension Liability	205,584	
Increase Compensated Absences	<u>(42,831)</u>	162,753

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

Decrease in Accrued Interest		<u>9,213</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 3,249,997**

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



**WALDWICK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 120,089
Inventories	<u>10,257</u>
Total Current Assets	<u>130,346</u>
Capital Assets	
Equipment	76,978
Less: Accumulated Depreciation	<u>(36,806)</u>
Total Capital Assets, Net	<u>40,172</u>
Total Assets	<u>170,518</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	<u>2,659</u>
Total Current Liabilities	<u>2,659</u>
Total Liabilities	<u>2,659</u>
<b>NET POSITION</b>	
Investment in Capital Assets	40,172
Unrestricted	<u>127,687</u>
Total Net Position	<u><u>\$ 167,859</u></u>

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

**WALDWICK BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 260,197
Total Operating Revenues	<u>260,197</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	121,036
Salaries and Employee Benefits	101,198
Purchase Professional Services	18,937
Supplies and Materials	1,382
Depreciation	<u>3,373</u>
Total Operating Expenses	<u>245,926</u>
Operating Income	<u>14,271</u>
<b>NONOPERATING REVENUES</b>	
Local Sources	
Interest Earned	<u>2,045</u>
Total Nonoperating Revenues	<u>2,045</u>
Change in Net Position	16,316
Total Net Position, Beginning of Year	<u>151,543</u>
Total Net Position, End of Year	<u><u>\$ 167,859</u></u>

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

**WALDWICK BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 260,197
Cash Payments for Employees' Salaries and Benefits	(101,198)
Cash Payments to Suppliers for Goods and Services	<u>(159,065)</u>
Net Cash (Used) by Operating Activities	<u>(66)</u>
<b>Cash Flows from Financing Activities</b>	
Acquisition of Capital Assets	<u>(4,415)</u>
Net Cash (Used) by Financing Activities	<u>(4,415)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Deposits	<u>2,045</u>
Net Cash Provided by Investing Activities	<u>2,045</u>
Net (Decrease) in Cash and Cash Equivalents	(2,436)
Cash and Cash Equivalents, Beginning of Year	<u>122,525</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 120,089</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income	\$ <u>14,271</u>
Adjustments to Reconcile Operating Income to Net Cash (Used) by Operating Activities	
Depreciation	3,373
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(10,167)
(Increase)/Decrease in Inventory	<u>(7,543)</u>
Total Adjustments	<u>(14,337)</u>
Net Cash (Used) by Operating Activities	<u><u>\$ (66)</u></u>

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

**WALDWICK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose Trust Funds</b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 472,335	\$ 25,565	\$ 28,928
Total Assets	<u>\$ 472,335</u>	<u>\$ 25,565</u>	<u>\$ 28,928</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings			\$ 11,469
Flex Spending Benefits			3,163
Due to Other Funds			500
Due to Student Groups	-		13,796
Due to State of New Jersey	31,183	-	-
Total Liabilities	<u>31,183</u>	<u>-</u>	<u>\$ 28,928</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 441,152</u>	<u>\$ 25,565</u>	

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

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

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose <u>Trust Funds</u></b>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 56,763	
Donations		\$ 600
Investment Earnings		
Interest	-	508
	<hr/>	<hr/>
Total Additions	56,763	1,108
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Scholarships Awarded		8,600
Unemployment Claims and Contributions	54,192	-
	<hr/>	<hr/>
Total Deductions	54,192	8,600
	<hr/>	<hr/>
Change in Net Position	2,571	(7,492)
Net Position, Beginning of Year	438,581	33,057
	<hr/>	<hr/>
Net Position, End of Year	\$ 441,152	\$ 25,565
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**WALDWICK 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 Waldwick 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 is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The 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 Waldwick Board of Education this includes general operations, food service 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.

**WALDWICK 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. 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.
- 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 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 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.



**WALDWICK 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**

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.

**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 and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

**WALDWICK 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 *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.

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

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

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.

**WALDWICK 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**

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.

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.

**WALDWICK 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)**

**3. Inventories**

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

**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 and Building Improvements	20-50
Machinery - Equipment	5-20

**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 period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from 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.

**WALDWICK 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)**

***5. Deferred Outflows/Inflows of Resources (Continued)***

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

***6. Compensated Absences***

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

***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.

WALDWICK 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 Expenditures* - 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 2020/2021 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 2).

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

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

**WALDWICK 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 government 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 government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> 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.

**WALDWICK 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.

*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 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 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. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 23, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.



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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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 budget by \$236,520. The increase was funded by the reappropriation of prior year general fund 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.

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

**NOTE 2 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		\$ 2,064,879
Increased by:		
Deposits Approved in District Budget	\$ 536,240	
Deposits Approved by Board Resolution	950,000	
Deposits Approved by Transfers In	<u>64,123</u>	
Total Increases		<u>1,550,363</u>
Balance, June 30, 2020		<u>\$ 3,615,242</u>

The June 30, 2020 LRFPS balance of local support costs of uncompleted capital projects is \$11,005,620. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan.

**C. Maintenance Reserve**

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

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

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

Balance, July 1, 2019	\$ 400,000
Increased by:	
Deposits Approved by Board Resolution	<u>350,000</u>
Balance, June 30, 2020	<u>\$ 750,000</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,359,261. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$2,416,999. Of this amount, \$1,070,417 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$1,346,582 will be appropriated in the 2021/2022 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for 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 \$8,326,093 and bank and brokerage firm balances of the Board's deposits amounted to \$8,788,142. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>8,788,142</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.

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**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.

**B. Receivables**

Receivables as of June 30, 2020 for the district’s individual major funds are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal		\$ 18,070	\$ 18,070
State	\$ 55,445	23,528	78,973
	<u>55,445</u>	<u>41,598</u>	<u>97,043</u>
Net Total Receivables	<u>\$ 55,445</u>	<u>\$ 41,598</u>	<u>\$ 97,043</u>

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**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:

	<u>Total</u>
General Fund	
Preschool Tuition	\$ 2,400
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>55,051</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 57,451</u>

**D. Capital Assets**

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

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>Balance, June 30, 2020</u>
<b>Governmental activities:</b>					
Capital Assets, Not Being Depreciated					
Construction In Progress	\$ 189,978	-	-	\$ (189,978)	-
Total Capital Assets, Not Being Depreciated	<u>189,978</u>	<u>-</u>	<u>-</u>	<u>(189,978)</u>	<u>-</u>
Capital Assets, Being Depreciated:					
Land Improvements	1,901,735	\$ 23,800			\$ 1,925,535
Buildings and Building Improvements	30,917,497	280,678	\$ (12,500)	189,978	31,375,653
Machinery and Equipment	3,535,539	209,142	(48,608)	-	3,696,073
Total Capital Assets Being Depreciated	<u>36,354,771</u>	<u>513,620</u>	<u>(61,108)</u>	<u>189,978</u>	<u>36,997,261</u>
Less Accumulated Depreciation for:					
Land Improvements	(1,287,176)	(51,941)			(1,339,117)
Buildings and Building Improvements	(11,230,452)	(759,973)	500		(11,989,925)
Machinery and Equipment	(2,445,225)	(159,680)	41,541	-	(2,563,364)
Total Accumulated Depreciation	<u>(14,962,853)</u>	<u>(971,594)</u>	<u>42,041</u>	<u>-</u>	<u>(15,892,406)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,391,918</u>	<u>(457,974)</u>	<u>(19,067)</u>	<u>189,978</u>	<u>21,104,855</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,581,896</u>	<u>\$ (457,974)</u>	<u>\$ (19,067)</u>	<u>\$ -</u>	<u>\$ 21,104,855</u>

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

**NOTE 3 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>
<b>Business-Type activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 86,503	\$ 4,415	\$ (13,940)	\$ 76,978
Total Capital Assets Being Depreciated	<u>86,503</u>	<u>4,415</u>	<u>(13,940)</u>	<u>76,978</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(47,373)</u>	<u>(3,373)</u>	<u>13,940</u>	<u>(36,806)</u>
Total Accumulated Depreciation	<u>(47,373)</u>	<u>(3,373)</u>	<u>13,940</u>	<u>(36,806)</u>
Total Capital Assets, Being Depreciated, Net	<u>39,130</u>	<u>1,042</u>	<u>-</u>	<u>40,172</u>
Business-Type Activities Capital Assets, Net	<u>\$ 39,130</u>	<u>\$ 1,042</u>	<u>\$ -</u>	<u>\$ 40,172</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 442,234
Special	170,577
Other Instruction	30,498
School-Sponsored/Activities & Athletics	<u>30,984</u>
Total Instruction	<u>674,293</u>
Support Services	
Student and Instruction Related Services	97,813
Health Services	12,191
Educational Media/School Library	8,709
School Administration Services	15,745
General Administration Services	76,721
Plant Operations and Maintenance	49,314
Pupil Transportation	5,956
Central Services	<u>30,852</u>
Total Support Services	<u>297,301</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 971,594</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 3,373</u>

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**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	Agency Fund	\$ 500
		<u>\$ 500</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.

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

**Interfund transfers**

	<u>Transfer In:</u>
	<u>General Fund</u>
Transfer Out:	
Capital Projects	\$ 64,123
Total Transfers Out	<u>\$ 64,123</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.

**F. Leases**

**Capital Leases**

The District has entered into a capital lease for the financing of the new Traphagon Building #11 in the amount of \$2,000,000. The lease term is for 5 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>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 417,352
2022	<u>417,353</u>
Total Lease Payments	834,705
Less: Amount Representing Interest	<u>(18,548)</u>
Present Value of Remaining Lease Payments	<u>\$ 816,157</u>

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt**

**General Obligation Bonds**

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

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

\$5,170,000, Refunding School Bonds, due in annual installments of \$620,000 to \$625,000 through September 15, 2022, interest at 4.00%	<u>\$ 1,870,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2021	\$ 620,000	\$ 62,400	\$ 682,400
2022	625,000	37,500	662,500
2023	<u>625,000</u>	<u>12,500</u>	<u>637,500</u>
	<u>\$ 1,870,000</u>	<u>\$ 112,400</u>	<u>\$ 1,982,400</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:

4% of Equalized Valuation Basis (Municipal)	\$ 66,166,829
Less: Net Debt	<u>1,870,000</u>
Remaining Borrowing Power	<u>\$ 64,296,829</u>



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

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

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

	Balance, July 1, 2019	<u>Increased</u>	<u>Decreased</u>	Balance, June 30, 2020	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 2,480,000		\$ 610,000	\$ 1,870,000	\$ 620,000
Add: Original Issue Premium	<u>101,999</u>	-	<u>36,816</u>	<u>65,183</u>	-
Total Bonds Payable	2,581,999	-	646,816	1,935,183	620,000
Capital Lease	\$ 1,213,337		397,180	816,157	404,402
Net Pension Liability	6,991,073		735,506	6,255,567	
Compensated Absences	<u>550,261</u>	<u>\$ 42,831</u>	<u>-</u>	<u>593,092</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 11,336,670</u>	<u>\$ 42,831</u>	<u>\$ 1,779,502</u>	<u>\$ 9,599,999</u>	<u>\$ 1,024,402</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained 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 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 Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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:

<u>Fiscal Year Ended</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 56,763	\$ 54,192	\$ 441,152
2019	46,291	56,113	438,581
2018	46,619	37,899	448,403

**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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**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](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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](http://www.state.nj.us/treasury/pensions).

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Other Pension Funds**

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

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

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

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

**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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Investment Valuation**

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2018 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 2020.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 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 the 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 nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

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

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 337,699	\$ 2,786,462	\$ 16,641
2019	353,176	2,520,798	14,344
2018	353,844	1,901,460	10,767

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,031, \$1,086 and \$4,027, respectively for PERS and the State contributed \$1,914, \$2,157 and \$2,332, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$996,119 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 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 \$6,255,567 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 ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .03472 percent, which was a decrease of .00079 percent from its proportionate share measured as of June 30, 2018 of .03551 percent.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$132,115 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 112,279	\$ 27,634
Changes of Assumptions	624,641	2,171,287
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		98,747
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>132,501</u>	<u>565,845</u>
Total	<u>\$ 869,421</u>	<u>\$ 2,863,513</u>



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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (294,760)
2022	(687,455)
2023	(647,644)
2024	(332,350)
2025	(31,883)
Thereafter	<u>-</u>
	<u>\$ (1,994,092)</u>

***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.

<b><u>PERS</u></b>	
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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 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>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%



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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 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 \$4,544,407 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 \$77,046,469. 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 .12554 percent, which was a decrease of .00052 percent from its proportionate share measured as of June 30, 2018 of .12606 percent.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 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.

	<b><u>TPAF</u></b>
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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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%



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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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

***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](http://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.



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

**NOTE 4 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](http://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>
<b>Total</b>	<b><u>364,943</u></b>

**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.

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

**NOTE 4 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 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 \$1,033,726, \$1,143,430 and \$1,228,112, 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 \$1,337,507. 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 \$49,560,811. 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 .12 percent, which was no change from its proportionate share measured as of June 30, 2018 of .12 percent.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**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%.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**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:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**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:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>54,452,829</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,965,009
Interest on the Total OPEB Liability	2,155,076
Differences Between Expected and Actual Experience	(8,274,788)
Changes of Assumptions	738,956
Gross Benefit Payments	(1,521,369)
Contributions from the Member	45,098
<b>Net Changes</b>	<u>\$ (4,892,018)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>49,560,811</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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, 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:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 58,550,903	\$ 49,560,811	\$ 42,419,575

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 40,835,899	\$ 49,560,811	\$ 61,110,803

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.

**NOTE 5 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.

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

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)**

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**

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 30,271,296		\$ 30,271,296	\$ 30,271,296	
Tuition - Preschool	24,000		24,000	39,441	\$ 15,441
Miscellaneous	144,553	-	144,553	265,493	120,940
<b>Total Revenues- Local Sources</b>	<b>30,439,849</b>	<b>-</b>	<b>30,439,849</b>	<b>30,576,230</b>	<b>136,381</b>
State Sources					
Categorical Transportation Aid	199,527		199,527	199,527	
Categorical Special Education Aid	1,090,126		1,090,126	1,090,126	
Equalization Aid	196,883		196,883	196,883	
Categorical Security Aid	125,909		125,909	125,909	
Extraordinary Aid	251,938		251,938	443,124	191,186
Nonpublic Transportation Aid				5,655	5,655
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				2,737,397	2,737,397
NCGI Premium				49,065	49,065
Post-Retirement Medical Contribution				1,033,726	1,033,726
Long-Term Disability				1,914	1,914
On-behalf TPAF Soc. Sec. (Non-Budgeted)	-	-	-	996,119	996,119
<b>Total State Sources</b>	<b>1,864,383</b>	<b>-</b>	<b>1,864,383</b>	<b>6,879,445</b>	<b>5,015,062</b>
Federal Sources					
Medicaid Reimbursements	19,985	-	19,985	26,819	6,834
<b>Total Federal Sources</b>	<b>19,985</b>	<b>-</b>	<b>19,985</b>	<b>26,819</b>	<b>6,834</b>
<b>Total Revenues</b>	<b>32,324,217</b>	<b>-</b>	<b>32,324,217</b>	<b>37,482,494</b>	<b>5,158,277</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	500,383	-	500,383	493,885	6,498
Grades 1-5	2,977,005	\$ (56,485)	2,920,520	2,847,106	73,414
Grades 6-8	2,172,324	(16,401)	2,155,923	2,129,788	26,135
Grades 9-12	3,002,048	(111,554)	2,890,494	2,886,289	4,205
Regular Programs - Home Instruction					
Salaries of Teachers	12,000	(6,600)	5,400	963	4,437
Purchased Professional-Educational Services	8,000	(400)	7,600	4,383	3,217
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	44,000	1,128	45,128	36,895	8,233
Purchased Technical Services	3,000	(3,000)	-	(1,501)	1,501
Other Purchased Services	61,751	(9,859)	51,892	49,030	2,862
General Supplies	416,950	(1,054)	415,896	284,684	131,212
Textbooks	5,250	3,325	8,575	4,422	4,153
Other Objects	6,000	(176)	5,824	3,363	2,461
<b>Total Regular Programs</b>	<b>9,208,711</b>	<b>(201,076)</b>	<b>9,007,635</b>	<b>8,739,307</b>	<b>268,328</b>
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	345,790	62,124	407,914	404,194	3,720
Other Salaries for Instruction	387,560	(15,857)	371,703	325,286	46,417
Purchased Professional - Educational Services	3,000	-	3,000	-	3,000
General Supplies	10,500	-	10,500	3,037	7,463
Other Objects	1,500	-	1,500	200	1,300
<b>Total Learning and/or Language Disabilities</b>	<b>748,350</b>	<b>46,267</b>	<b>794,617</b>	<b>732,717</b>	<b>61,900</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Resource Room					
Salaries of Teachers	\$ 1,662,207	\$ 89,492	\$ 1,751,699	\$ 1,704,184	\$ 47,515
Other Salaries for Instruction	541,761	-	541,761	495,104	46,657
General Supplies	5,726	-	5,726	1,262	4,464
Other Objects	1,000	-	1,000	-	1,000
Total Resource Room	<u>2,210,694</u>	<u>89,492</u>	<u>2,300,186</u>	<u>2,200,550</u>	<u>99,636</u>
Home Instruction					
Salaries of Teachers	10,000	-	10,000	5,295	4,705
Purchased Professional-Educational Services	4,000	3,000	7,000	4,173	2,827
Total Home Instruction	<u>14,000</u>	<u>3,000</u>	<u>17,000</u>	<u>9,468</u>	<u>7,532</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	133,935	-	133,935	133,935	-
Other Salaries for Instruction	74,515	-	74,515	67,996	6,519
General Supplies	900	-	900	145	755
Total Preschool Disabilities - Part - Time	<u>209,350</u>	<u>-</u>	<u>209,350</u>	<u>202,076</u>	<u>7,274</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	73,755	-	73,755	67,980	5,775
Other Salaries for Instruction	-	19,857	19,857	19,857	-
Total Preschool Disabilities - Full - Time	<u>73,755</u>	<u>19,857</u>	<u>93,612</u>	<u>87,837</u>	<u>5,775</u>
Total Special Education - Instruction	<u>3,256,149</u>	<u>158,616</u>	<u>3,414,765</u>	<u>3,232,648</u>	<u>182,117</u>
Basic Skills/Remedial					
Salaries of Teachers	394,409	(15,746)	378,663	378,663	-
General Supplies	1,074	-	1,074	348	726
Total Basic Skills/Remedial	<u>395,483</u>	<u>(15,746)</u>	<u>379,737</u>	<u>379,011</u>	<u>726</u>
Bilingual Education					
Salaries of Teachers	154,035	23,848	177,883	177,883	-
Other Salaries for Instruction	33,697	-	33,697	19,857	13,840
General Supplies	400	-	400	163	237
Total Bilingual Education	<u>188,132</u>	<u>23,848</u>	<u>211,980</u>	<u>197,903</u>	<u>14,077</u>
School Sponsored Co-Curricular Activities					
Salaries	157,299	-	157,299	152,666	4,633
Purchased Services	3,000	1,650	4,650	4,650	-
Supplies and Materials	4,500	-	4,500	2,144	2,356
Other Objects	3,400	440	3,840	3,290	550
Total School Sponsored Co-Curricular Activities	<u>168,199</u>	<u>2,090</u>	<u>170,289</u>	<u>162,750</u>	<u>7,539</u>
School Sponsored Athletics - Instruction					
Salaries	374,222	27,053	401,275	381,171	20,104
Purchased Services	65,700	2,245	67,945	44,195	23,750
Supplies and Materials	42,000	1,515	43,515	37,849	5,666
Other Objects	7,000	-	7,000	4,387	2,613
Total School Sponsored Athletics - Instruction	<u>488,922</u>	<u>30,813</u>	<u>519,735</u>	<u>467,602</u>	<u>52,133</u>
Summer School - Instruction					
Salaries	21,700	6,159	27,859	27,859	-
Other Salaries for Instruction	18,600	(4,218)	14,382	14,382	-
Total Summer School - Instruction	<u>40,300</u>	<u>1,941</u>	<u>42,241</u>	<u>42,241</u>	<u>-</u>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Summer School - Support Services					
Salaries	\$ 7,750	\$ 1,750	\$ 9,500	\$ 9,500	-
Total Summer School - Support Services	7,750	1,750	9,500	9,500	-
Total - Instruction	13,753,646	2,236	13,755,882	13,230,962	\$ 524,920
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	1,000,000	-	1,000,000	778,790	221,210
Tuition to County Vocational School District-Reg.	134,406	-	134,406	123,228	11,178
Tuition to County Vocational School District-Special	-	54,000	54,000	54,000	-
Tuition to CSSD & Regional Day Schools	950,000	(70,033)	879,967	719,920	160,047
Tuition to Private Schools - Disabled - State	1,471,756	(224,435)	1,247,321	888,273	359,048
Tuition - Other	40,000	29,244	69,244	69,244	-
Total Undistributed Expenditures - Instruction	3,596,162	(211,224)	3,384,938	2,633,455	751,483
Attendance and Social Work					
Salaries	67,890	-	67,890	67,890	-
Total Attendance and Social Work	67,890	-	67,890	67,890	-
Health Services					
Salaries	232,805	(2,400)	230,405	230,405	-
Purchased Professional and Technical Services	15,645	2,827	18,472	15,421	3,051
Supplies and Materials	2,750	795	3,545	3,340	205
Other Objects	2,000	(900)	1,100	-	1,100
Total Health Services	253,200	322	253,522	249,166	4,356
Speech, OT, PT & Related Svcs					
Salaries	363,448	-	363,448	292,944	70,504
Purchased Professional -Educational Services	175,000	20,000	195,000	147,679	47,321
Travel	-	225	225	88	137
Supplies and Materials	250	888	1,138	1,138	-
Total Speech, OT, PT & Related Svcs	538,698	21,113	559,811	441,849	117,962
Guidance					
Salaries of Other Professional Staff	424,056	(182)	423,874	418,762	5,112
Salaries of Secretarial and Clerical Assistants	119,822	182	120,004	120,004	-
Other Purchased Professional -Technical Services	25,000	350	25,350	23,548	1,802
Other Purchased Services	-	280	280	280	-
Supplies and Materials	7,900	(380)	7,520	3,153	4,367
Other Objects	-	30	30	30	-
Total Guidance	576,778	280	577,058	565,777	11,281
Child Study Teams					
Salaries of Other Professional Staff	574,633	2,475	577,108	577,108	-
Salaries of Secretarial and Clerical Assistants	94,193	-	94,193	94,192	1
Purchased Professional-Educational Services	19,791	-	19,791	19,180	611
Other Purchased Professional -Technical Services	16,000	-	16,000	14,980	1,020
Miscellaneous Purchased Services	3,100	1,751	4,851	4,214	637
Supplies and Materials	5,000	1,782	6,782	4,812	1,970
Other Objects	1,200	-	1,200	1,095	105
Total Child Study Teams	713,917	6,008	719,925	715,581	4,344

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Improvement of Instruction Services/					
Salaries of Supervisor of Instruction	\$ 273,136	\$ 4,669	\$ 277,805	\$ 277,730	\$ 75
Travel	500	(500)	-	-	-
Other Objects	2,200	-	2,200	2,190	10
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<b>275,836</b>	<b>4,169</b>	<b>280,005</b>	<b>279,920</b>	<b>85</b>
Educational Media Services/School Library					
Salaries	170,639	(71,016)	99,623	98,601	1,022
Salaries of Technology Coordinators	65,990	-	65,990	65,990	-
Purchased Professional and Technical Services	2,550	-	2,550	-	2,550
Supplies and Materials	19,500	1,203	20,703	17,409	3,294
<b>Total Educational Media Services/School Library</b>	<b>258,679</b>	<b>(69,813)</b>	<b>188,866</b>	<b>182,000</b>	<b>6,866</b>
Instructional Staff Training Services					
Purchased Professional-Educational Services	-	3,300	3,300	3,300	-
Travel	24,500	(6,669)	17,831	344	17,487
<b>Total Instructional Staff Training Services</b>	<b>24,500</b>	<b>(3,369)</b>	<b>21,131</b>	<b>3,644</b>	<b>17,487</b>
Support Services General Administration					
Salaries	277,287	20,283	297,570	297,570	-
Legal Services	90,000	(55,677)	34,323	23,430	10,893
Audit Fees	37,000	48,628	85,628	33,556	52,072
Architectural/Engineering Services	26,000	84,599	110,599	49,659	60,940
Other Purchased Professional Services	5,540	-	5,540	4,813	727
Purchased Technical Services	22,408	-	22,408	12,188	10,220
Communications/Telephone	61,500	(12,615)	48,885	45,522	3,363
Travel	2,310	-	2,310	2,125	185
BOE Other Purchased Prof. Svc.	3,300	-	3,300	2,680	620
Miscellaneous Purchased Services	63,552	(945)	62,607	57,241	5,366
General Supplies	8,500	(4,457)	4,043	817	3,226
Miscellaneous Expenditures	5,000	-	5,000	4,447	553
BOE Membership Dues and Fees	12,250	-	12,250	11,988	262
<b>Total Support Services General Administration</b>	<b>614,647</b>	<b>79,816</b>	<b>694,463</b>	<b>546,036</b>	<b>148,427</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,203,969	13,678	1,217,647	1,144,385	73,262
Salaries of Secretarial and Clerical Assistants	311,736	(2,100)	309,636	305,611	4,025
Unused Vacation Payment to Terminated/Retired Staff	-	5,151	5,151	5,151	-
Purchased Professional and Technical Services	900	500	1,400	304	1,096
Other Purchased Services	2,000	920	2,920	2,720	200
Travel	7,000	(3,000)	4,000	3,000	1,000
Supplies and Materials	16,000	4,694	20,694	15,680	5,014
Other Objects	6,600	2,872	9,472	9,058	414
<b>Total Support Services School Administration</b>	<b>1,548,205</b>	<b>22,715</b>	<b>1,570,920</b>	<b>1,485,909</b>	<b>85,011</b>
Central Services					
Salaries	472,518	17,285	489,803	481,036	8,767
Unused Vacation Payment to Terminated/Retired Staff	-	2,696	2,696	2,696	-
Purchased Professional Services	2,500	1,500	4,000	2,500	1,500
Purchased Technical Services	39,266	(1,200)	38,066	37,795	271
Misc. Purchased Services	5,800	419	6,219	6,219	-
Travel	1,854	-	1,854	1,316	538
Supplies and Materials	8,933	(2,210)	6,723	6,479	244
Interest on Capital Lease Agreement	20,173	-	20,173	20,172	1
Other Objects	2,136	(650)	1,486	1,240	246
<b>Total Central Services</b>	<b>553,180</b>	<b>17,840</b>	<b>571,020</b>	<b>559,453</b>	<b>11,567</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Admin. Info. Tech					
Salaries	\$ 101,949	\$ 98	\$ 102,047	\$ 102,047	
Purchased Professional Services	3,000	-	3,000	-	\$ 3,000
Other Purchased Services	85,000	6,498	91,498	91,498	-
Travel	1,250	30	1,280	1,280	-
Supplies and Materials	9,250	(30)	9,220	3,362	5,858
<b>Total Admin. Info. Tech</b>	<b>200,449</b>	<b>6,596</b>	<b>207,045</b>	<b>198,187</b>	<b>8,858</b>
Required Maintenance for School Facilities					
Salaries	136,633	2,726	139,359	139,212	147
Cleaning, Repair and Maintenance	187,000	63,501	250,501	240,983	9,518
General Supplies	51,000	14,484	65,484	62,918	2,566
<b>Total Required Maintenance for School Facilities</b>	<b>374,633</b>	<b>80,711</b>	<b>455,344</b>	<b>443,113</b>	<b>12,231</b>
Custodial Services					
Salaries	847,480	(48,963)	798,517	792,805	5,712
Unused Vacation Payment to Terminated/Retired Staff	-	4,422	4,422	3,402	1,020
Purchased Professional & Technical Svcs.	26,000	3,842	29,842	29,758	84
Cleaning, Repair and Maintenance	-	7,577	7,577	1,421	6,156
Other Purchased Property Services	30,000	(4,502)	25,498	18,630	6,868
Insurance	182,826	2,880	185,706	185,706	-
Travel	1,500	103	1,603	950	653
Miscellaneous Purchased Services	-	-	-	-	-
General Supplies	61,000	24,862	85,862	75,683	10,179
Energy (Natural Gas)	150,000	(45,693)	104,307	82,157	22,150
Energy (Electricity)	286,000	(48,837)	237,163	171,171	65,992
Energy (Gasoline)	2,000	-	2,000	1,325	675
Other Objects	1,248	(41)	1,207	505	702
<b>Total Custodial Services</b>	<b>1,588,054</b>	<b>(104,350)</b>	<b>1,483,704</b>	<b>1,363,513</b>	<b>120,191</b>
Care and Upkeep of Grounds					
Cleaning, Repair & Maintenance	60,727	10,229	70,956	69,900	1,056
General Supplies	20,120	645	20,765	20,765	-
<b>Total Care and Upkeep of Grounds</b>	<b>80,847</b>	<b>10,874</b>	<b>91,721</b>	<b>90,665</b>	<b>1,056</b>
Security					
Purchased Professional & Technical Svcs.	-	125	125	125	
General Supplies	25,000	(2,475)	22,525	13,092	9,433
<b>Total Security</b>	<b>25,000</b>	<b>(2,350)</b>	<b>22,650</b>	<b>13,217</b>	<b>9,433</b>
<b>Total Oper &amp; Maint of Plant Services</b>	<b>2,068,534</b>	<b>(15,115)</b>	<b>2,053,419</b>	<b>1,910,508</b>	<b>142,911</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries of Non-Instructional Aides		\$ 1,350	\$ 1,350	\$ 515	\$ 835
Salaries for Pupil Transportation (Between Home and School) - Regular	\$ 24,120	(791)	23,329	23,204	125
Salaries for Pupil Transportation (Between Home and School) - Spec. Ed.	30,300	11,702	42,002	37,892	4,110
Salaries for Pupil Transportation (Other than Between Home and School)	75,300	(12,411)	62,889	50,959	11,930
Cleaning, Repair and Maintenance Services	9,000	16,050	25,050	18,939	6,111
Contracted Services (Other Than Between Home and School) - Vendors	6,200	-	6,200	-	6,200
Contracted Services (Regular Students)- ESCs & CTSA's	86,618	-	86,618	79,430	7,188
Contracted Services (Spl. Ed. Students)- ESCs & CTSA's	491,804	(39,806)	451,998	392,111	59,887
Contracted Services-Aid in Lieu of Payments-Nonpublic	46,000	(1,550)	44,450	25,652	18,798
Travel - Workshops		1,254	1,254	1,254	-
Transportation Supplies	14,400	(3,500)	10,900	7,162	3,738
Other Objects	1,413	(500)	913	252	661
<b>Total Student Transportation Services</b>	<b>785,155</b>	<b>(28,202)</b>	<b>756,953</b>	<b>637,370</b>	<b>119,583</b>
Unallocated Benefits					
Group Insurance	2,000	-	2,000	1,417	583
Social Security Contributions	356,816	-	356,816	323,688	33,128
Other Retirement Contributions - PERS	403,859	(37,250)	366,609	338,730	27,879
Other Retirement Contributions - DCRP	17,811	-	17,811	16,641	1,170
Unemployment Compensation	-	-	-	-	-
Workers Comp	106,870	(11,804)	95,066	86,445	8,621
Health Benefits	5,231,990	-	5,231,990	4,660,778	571,212
Tuition Reimbursement	50,000	5,234	55,234	32,740	22,494
Other Employee Benefits	96,234	-	96,234	85,114	11,120
Unused Sick Payment to Terminated/Retired Staff	30,000	(5,151)	24,849	21,677	3,172
<b>Total Unallocated Benefits</b>	<b>6,295,580</b>	<b>(48,971)</b>	<b>6,246,609</b>	<b>5,567,230</b>	<b>679,379</b>
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				2,737,397	(2,737,397)
NCGI Premium				49,065	(49,065)
Post Retirement Medical Contributions				1,033,726	(1,033,726)
Long-Term Disability				1,914	(1,914)
On-behalf TPAF Soc. Sec. Contr. (Non-Budgeted)	-	-	-	996,119	(996,119)
<b>Total On-Behalf TPAF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,818,221</b>	<b>(4,818,221)</b>
<b>Total Undistributed Expenditures</b>	<b>18,371,410</b>	<b>(217,835)</b>	<b>18,153,575</b>	<b>20,862,196</b>	<b>(2,708,621)</b>
<b>Total Expenditures - Current Expense</b>	<b>32,125,056</b>	<b>(215,599)</b>	<b>31,909,457</b>	<b>34,093,158</b>	<b>(2,183,701)</b>

**WALDWICK BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>CAPITAL OUTLAY</b>					
Instruction					
Equipment					
Grades 1-5		\$ 26,037	\$ 26,037	\$ 26,037	
Grades 6-8		5,477	5,477	5,477	
Grades 9-12		14,066	14,066	14,066	
Athletic Equipment		27,499	27,499	27,499	
Undistributed					
Undist. Expend. - Admin Information Technology		29,869	29,869	29,869	
Undist. Expend. - Care and Upkeep of Grounds		20,460	20,460	20,460	
Undist. Expend. - Custodial Service		6,629	6,629	6,629	
Undist. Expend. - Req. Maint. School Facilities	\$ 50,000	(43,505)	6,495	6,495	-
Total Equipment	50,000	86,532	136,532	136,532	-
Facilities Acquisition and Construction Services					
Construction Services	60,000	199,518	259,518	259,518	-
Lease Purchase Agreements	397,181	-	397,181	397,180	\$ 1
Assessment for Debt Service on SDA Funding	30,028	-	30,028	30,028	-
Total Facilities Acquisition and Construction Services	487,209	199,518	686,727	686,726	1
Increase Capital Reserve	536,240	-	536,240	-	536,240
Total Capital Outlay	1,073,449	286,050	1,359,499	823,258	536,241
Total Expenditures	33,198,505	70,451	33,268,956	34,916,416	(1,647,460)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(874,288)	(70,451)	(944,739)	2,566,078	3,510,817
Other Financing Sources/(Uses)					
Transfer In- Capital Projects Fund	-	-	-	64,123	64,123
Total Other Financing Sources/(Uses)	-	-	-	64,123	64,123
Excess (Deficiency) of Revenues and other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(874,288)	(70,451)	(944,739)	2,630,201	3,574,940
Fund Balances, Beginning of Year	5,330,156	-	5,330,156	5,330,156	-
Fund Balances, End of Year	\$ 4,455,868	\$ (70,451)	\$ 4,385,417	\$ 7,960,357	\$ 3,574,940
<b>Recapitulation</b>					
<b>Restricted Fund Balance:</b>					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,070,417	
Reserve for Excess Surplus				1,346,582	
Capital Reserve				3,615,242	
Maintenance Reserve				750,000	
<b>Assigned Fund Balance:</b>					
Year-End Encumbrances				193,160	
Designated for Subsequent Year's Expenditures				186,151	
<b>Unassigned Fund Balance</b>				798,805	
Budgetary Fund Balance				7,960,357	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
Less: 2019/2020 State Aid Payment Not Recognized on a GAAP Basis				93,829	
Less: 2019/2020 Extraordinary Aid Payments Not Recognized on a GAAP Basis				443,124	
Fund Balances per Governmental Funds (GAAP)				\$ 7,423,404	



**WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
<b>REVENUES</b>					
Intergovernmental					
State	\$ 147,783	\$ 114,192	\$ 261,975	\$ 217,385	\$ (44,590)
Federal	498,310	51,877	550,187	505,117	(45,070)
Total Revenues	<u>646,093</u>	<u>166,069</u>	<u>812,162</u>	<u>722,502</u>	<u>(89,660)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries	23,697	3,312	27,009	22,147	4,862
Purchased Professional & Technical Services	95,014	90,478	185,492	153,050	32,442
Tuition	328,244	30,563	358,807	358,807	-
General Supplies	12,207	759	12,966	12,810	156
Textbooks	80,907	(28,294)	52,613	38,249	14,364
Total Instruction	<u>540,069</u>	<u>96,818</u>	<u>636,887</u>	<u>585,063</u>	<u>51,824</u>
Support Services					
Salaries	-	713	713	713	-
Purchased Professional/Educational Services	35,239	12,057	47,296	36,375	10,921
Purchased Professional/Technical Services	31,949	(6,632)	25,317	25,317	-
Other Purchased Services	20,813	36,348	57,161	45,527	11,634
General Supplies	18,023	3,801	21,824	6,674	15,150
Total Support Services	<u>106,024</u>	<u>46,287</u>	<u>152,311</u>	<u>114,606</u>	<u>37,705</u>
Facilities Acquisition and Constructions Services					
Non-Instructional Equipment	-	22,964	22,964	22,833	131
Total Facilities & Acq. Services	<u>-</u>	<u>22,964</u>	<u>22,964</u>	<u>22,833</u>	<u>131</u>
Total Expenditures	<u>646,093</u>	<u>166,069</u>	<u>812,162</u>	<u>722,502</u>	<u>89,660</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**WALDWICK BOARD OF EDUCATION  
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 as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-2)	(C-1) \$ 37,482,494	(C-2) \$ 722,502
State Aid payments and Extraordinary Aid (2018/2019) recognized for GAAP purposes, not recognized for budgetary statements.	543,892	
State Aid payments and Extraordinary Aid (2019/2020) not recognized for GAAP purposes, recognized for budgetary statements.	<u>(536,953)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>37,489,433</u>	(B-2) \$ <u>722,502</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ <u>34,916,416</u>	(C-2) \$ <u>722,502</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>34,916,416</u>	(B-2) \$ <u>722,502</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION AND POST-EMPLOYMENT BENEFITS INFORMATION**

**WALDWICK 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)	0.03472 %	0.03551 %	0.03702 %	0.03736 %	0.03608 %	0.04300 %	0.03836 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,255,567	\$ 6,991,073	\$ 8,617,972	\$ 11,064,930	\$ 8,098,239	\$ 8,050,372	\$ 7,330,857
District's Covered-Employee Payroll	\$ 2,457,873	\$ 2,468,372	\$ 2,434,435	\$ 2,489,123	\$ 2,446,301	\$ 2,588,920	\$ 2,844,778
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	255 %	283 %	354 %	444 %	331 %	310 %	258 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.11%	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.

**WALDWICK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT 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	\$ 337,699	\$ 353,176	\$ 353,844	\$ 340,437	\$ 310,153	\$ 354,468	\$ 297,337
Contributions in Relation to the Contractually Required Contribution	<u>337,699</u>	<u>353,176</u>	<u>353,844</u>	<u>340,437</u>	<u>310,153</u>	<u>354,468</u>	<u>297,337</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,473,153	\$ 2,457,873	\$ 2,468,372	\$ 2,434,435	\$ 2,489,123	\$ 2,446,301	\$ 2,588,920
Contributions as a Percentage of Covered-Employee Payroll	13.65 %	14.37 %	14.34 %	13.98 %	12.46 %	14.49 %	11.48 %

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.

**WALDWICK 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)	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
Total	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
District's Covered-Employee Payroll	\$ 13,844,809	\$ 13,526,956	\$ 12,982,675	\$ 13,078,937	\$ 12,992,364	\$ 12,145,441	\$ 12,331,615
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.

**WALDWICK 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 statutory required employer contribution are presented in Note 4.



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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Three Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 1,965,009	\$ 2,217,096	\$ 2,676,238
Interest on Total OPEB Liability	2,155,076	2,267,074	1,955,616
Changes of Benefit Terms			
Differences Between Expected and Actual Experience	(8,274,788)	(4,182,552)	
Changes of Assumptions	738,956	(6,248,735)	(8,073,783)
Gross Benefit Payments	(1,521,369)	(1,456,049)	(1,431,551)
Contributions from the Member	<u>45,098</u>	<u>50,323</u>	<u>52,713</u>
<b>Net Change in Total OPEB Liability</b>	(4,892,018)	(7,352,843)	(4,820,767)
<b>Total OPEB Liability - Beginning</b>	<u>54,452,829</u>	<u>61,805,672</u>	<u>66,626,439</u>
<b>Total OPEB Liability - Ending</b>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
Total OPEB Liability - Ending	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
District's Covered-Employee Payroll	<u>\$ 16,302,682</u>	<u>\$ 15,995,328</u>	<u>\$ 15,417,110</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 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.

**WALDWICK 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**

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

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Chapter 192 Auxiliary			Chapter 193 Handicapped			Total Exhibit E-1a	Total Exhibit E-1b	Total 2019
	Nonpublic Compensatory Education	Nonpublic ESL	Home Instruction	Nonpublic Suppl. Inst.	Nonpublic Exam. and Class.	Nonpublic Speech Corr.			
REVENUES									
Intergovernmental									
State	\$ 58,568	\$ 15,634	\$ 5,526	\$ 14,648	\$ 21,927	\$ 32,172	\$ 68,910		\$ 217,385
Federal	-	-	-	-	-	-	-	\$ 505,117	505,117
Total Revenues	<u>\$ 58,568</u>	<u>\$ 15,634</u>	<u>\$ 5,526</u>	<u>\$ 14,648</u>	<u>\$ 21,927</u>	<u>\$ 32,172</u>	<u>\$ 68,910</u>	<u>\$ 505,117</u>	<u>\$ 722,502</u>
EXPENDITURES									
Instruction									
Salaries								\$ 22,147	\$ 22,147
Purchased Professional & Technical Svcs.	\$ 58,568	\$ 15,634	\$ 5,526	\$ 14,648	\$ 21,927	\$ 32,172		4,575	153,050
Tuition								358,807	358,807
Textbooks							\$ 12,810	-	12,810
General Supplies	-	-	-	-	-	-	1,276	36,973	38,249
Total Instruction	<u>58,568</u>	<u>15,634</u>	<u>5,526</u>	<u>14,648</u>	<u>21,927</u>	<u>32,172</u>	<u>14,086</u>	<u>422,502</u>	<u>585,063</u>
Support Services									
Salaries								713	713
Purchased Professional Educational Svcs.								36,375	36,375
Purchase Professional & Technical Svcs							25,317	-	25,317
Other Purchased Services								45,527	45,527
General Supplies	-	-	-	-	-	-	6,674	-	6,674
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,991</u>	<u>82,615</u>	<u>114,606</u>
Facilities Acquisition and Constructions Services									
Non-Instructional Equipment	-	-	-	-	-	-	22,833	-	22,833
Total Facilities & Acq. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,833</u>	<u>-</u>	<u>22,833</u>
Total Expenditures	<u>\$ 58,568</u>	<u>\$ 15,634</u>	<u>\$ 5,526</u>	<u>\$ 14,648</u>	<u>\$ 21,927</u>	<u>\$ 32,172</u>	<u>\$ 68,910</u>	<u>\$ 505,117</u>	<u>\$ 722,502</u>

WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Non-Public Nursing Services</u>	<u>Non-Public Textbooks</u>	<u>Non-Public Technology</u>	<u>Non-Public Security</u>	<u>Total Exhibit E-1a</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 25,317	\$ 12,810	\$ 6,915	\$ 23,868	\$ 68,910
Federal	-	-	-	-	-
<b>Total Revenues</b>	<u>\$ 25,317</u>	<u>\$ 12,810</u>	<u>\$ 6,915</u>	<u>\$ 23,868</u>	<u>\$ 68,910</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries					
Purchased Professional & Technical Svcs.					
Tuition					
Textbooks		\$ 12,810			\$ 12,810
General Supplies	-	-	\$ 1,276	-	1,276
<b>Total Instruction</b>	<u>-</u>	<u>12,810</u>	<u>1,276</u>	<u>-</u>	<u>14,086</u>
Support Services					
Salaries					
Purchased Professional Educational Svcs.					
Purchase Professional & Technical Svcs	\$ 25,317				25,317
Other Purchased Services					
General Supplies	-	-	-	\$ 6,674	6,674
<b>Total Support Services</b>	<u>25,317</u>	<u>-</u>	<u>-</u>	<u>6,674</u>	<u>31,991</u>
Facilities Acquisition and Constructions Services					
Non-Instructional Equipment	-	-	5,639	17,194	22,833
<b>Total Facilities &amp; Acq. Services</b>	<u>-</u>	<u>-</u>	<u>5,639</u>	<u>17,194</u>	<u>22,833</u>
<b>Total Expenditures</b>	<u>\$ 25,317</u>	<u>\$ 12,810</u>	<u>\$ 6,915</u>	<u>\$ 23,868</u>	<u>\$ 68,910</u>

**WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>IDEA</u> <u>Part B- Basic</u> <u>Reg. Prog.</u>	<u>IDEA</u> <u>Part B-Basic</u> <u>Preschool</u>	<u>NCLB</u> <u>Title I</u>	<u>NCLB</u> <u>Title II</u>	<u>NCLB</u> <u>Title III</u> <u>Immigrant</u>	<u>NCLB</u> <u>Title IV</u>	<u>Total</u> <u>Exhibit</u> <u>E-1b</u>
<b>REVENUES</b>							
Intergovernmental							
State							
Federal	\$ 369,589	\$ 15,143	\$ 97,358	\$ 17,963	\$ 295	\$ 4,769	\$ 505,117
Total Revenues	<u>\$ 369,589</u>	<u>\$ 15,143</u>	<u>\$ 97,358</u>	<u>\$ 17,963</u>	<u>\$ 295</u>	<u>\$ 4,769</u>	<u>\$ 505,117</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries			\$ 22,147				\$ 22,147
Purchased Professional & Technical Svcs.						\$ 4,575	4,575
Tuition	\$ 343,664	\$ 15,143					358,807
Textbooks							-
General Supplies	-	-	36,484	-	\$ 295	194	36,973
Total Instruction	<u>343,664</u>	<u>15,143</u>	<u>58,631</u>	<u>-</u>	<u>295</u>	<u>4,769</u>	<u>422,502</u>
Support Services							
Salaries			713				713
Purchased Professional Educational Svcs.	25,925		10,450				36,375
Purchase Professional & Technical Svcs							-
Other Purchased Services			27,564	\$ 17,963			45,527
General Supplies	-	-	-	-	-	-	-
Total Support Services	<u>25,925</u>	<u>-</u>	<u>38,727</u>	<u>17,963</u>	<u>-</u>	<u>-</u>	<u>82,615</u>
Facilities Acquisition and Constructions Services							
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Facilities & Acq. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 369,589</u>	<u>\$ 15,143</u>	<u>\$ 97,358</u>	<u>\$ 17,963</u>	<u>\$ 295</u>	<u>\$ 4,769</u>	<u>\$ 505,117</u>

**WALDWICK BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE



**CAPITAL PROJECTS FUND**

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfer Out</u>	<u>Unexpended Balance, June 30, 2020</u>
		<u>Prior Periods</u>	<u>Current Year</u>		
2017-18 New Building #11 at Traphagen School	\$ 4,381,722 *	\$ 4,285,377	\$ 32,222	\$ 64,123	\$ -
	<u>\$ 4,381,722</u>	<u>\$ 4,285,377</u>	<u>\$ 32,222</u>	<u>\$ 64,123</u>	<u>\$ -</u>
Project Balance					<u>\$ -</u>
Fund Balance - Budgetary Basis, June 30, 2020					<u>\$ -</u>
<u>Reconciliation to GAAP</u>					
Restricted for Capital Projects:					
Reserve for Encumbrances					\$ -
Available for Capital Projects					<u>-</u>
Total Fund Balance - Restricted for Capital Projects - GAAP Basis - June 30, 2020					<u>\$ -</u>

\*- Modified for Interest Earnings

**WALDWICK 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**

<b>Expenditures and Other</b>	
<b>Financing Uses</b>	
Facilities Acquisition and Construction Services	\$ 32,222
Transfer Out	64,123
	96,345
Total Expenditures and Other Financing Uses	96,345
Excess (Deficit) of Revenues over (under) Expenditures	(96,345)
Fund Balance- Beginning	96,345
Fund Balance- Ending	\$ -
Reconciliation to GAAP:	
Project Fund Balances- Budgetary	\$ -
GAAP Fund Balance- Ending	\$ -

**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
NEW BUILDING #11 AT TRAPHAGEN SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve/Capital Outlay	\$ 2,368,180	-	\$ 2,368,180	\$ 2,368,180
Lease Proceeds	2,000,000		2,000,000	2,000,000
Interest Earnings	13,542	-	13,542	13,542
	<u>4,381,722</u>	<u>-</u>	<u>4,381,722</u>	<u>4,381,722</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	4,186,733	\$ 32,222	4,218,955	4,138,216
Purchased Professional Services	86,614		86,614	90,000
Supplies and Equipment				138,506
Other Objects	12,030		12,030	15,000
Transfer Out	-	64,123	64,123	-
	<u>4,285,377</u>	<u>96,345</u>	<u>4,381,722</u>	<u>4,381,722</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 96,345</u>	<u>\$ (96,345)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 4,368,180
Additional Authorized Cost	13,542
Revised Authorized Cost	\$ 4,381,722

## Percentage Increase(Decrease) Over Original

Authorized Cost	1.00%
Percentage Completion	100%
Original Target Completion Date	Dec-18
Revised Target Completion Date	Dec-18

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**WALDWICK BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**WALDWICK BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds 2020</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,796	\$ 15,132	\$ 28,928
Total Assets	<u>\$ 13,796</u>	<u>\$ 15,132</u>	<u>\$ 28,928</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 11,469	\$ 11,469
Flex Spending Benefits		3,163	3,163
Due to General Fund		500	500
Due to Student Groups	<u>\$ 13,796</u>	<u>-</u>	<u>13,796</u>
Total Liabilities	<u>\$ 13,796</u>	<u>\$ 15,132</u>	<u>\$ 28,928</u>

**COMBINING SCHEDULE OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8



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

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
Middle School Activities	\$ 3,053	\$ 22,223	\$ 17,952	\$ 7,324
High School Activities	745	35,854	30,127	6,472
Athletic Account	<u>-</u>	<u>58,553</u>	<u>58,553</u>	<u>-</u>
 Total All Schools	 <u>\$ 3,798</u>	 <u>\$ 116,630</u>	 <u>\$ 106,632</u>	 <u>\$ 13,796</u>

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

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
Payroll Deductions and Withholdings	\$ 11,326	\$ 8,832,255	\$ 8,832,112	\$ 11,469
Accrued Salaries and Wages	-	10,996,958	10,996,958	-
Flex Spending Benefits	2,663	8,192	7,692	3,163
Due to Other Funds	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
 Total	 <u>\$ 14,489</u>	 <u>\$ 19,837,405</u>	 <u>\$ 19,836,762</u>	 <u>\$ 15,132</u>

WALDWICK BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Matured</u>	<u>Balance, June 30, 2020</u>
Refunding School Bonds	12/6/2011	\$ 5,170,000	9/15/2020	\$ 620,000	4.00 %			
			9/15/2021	625,000	4.00			
			9/15/2022	625,000	4.00			
						\$ 2,480,000	\$ 610,000	\$ 1,870,000
						<u>\$ 2,480,000</u>	<u>\$ 610,000</u>	<u>\$ 1,870,000</u>
							Paid By Budget Appropriation	<u>\$ 610,000</u>

WALDWICK BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2020</u>
<b><u>Capital Leases</u></b>						
Traphagen Building #11	\$ 2,000,000	1.81%	\$ 1,213,337	\$ -	\$ 397,180	\$ 816,157
Total			<u>\$ 1,213,337</u>	<u>\$ -</u>	<u>\$ 397,180</u>	<u>\$ 816,157</u>

**LONG-TERM DEBT**

**WALDWICK 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 With Final Budget</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 697,000	-	\$ 697,000	\$ 697,000	-
 Total Revenues	<u>697,000</u>	<u>-</u>	<u>697,000</u>	<u>697,000</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	610,000		610,000	610,000	
Interest	87,000	-	87,000	87,000	-
 Total Expenditures	<u>697,000</u>	<u>-</u>	<u>697,000</u>	<u>697,000</u>	<u>-</u>
 Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	-	
 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>

## STATISTICAL SECTION

This part of the Waldwick 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.

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

	2011	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 9,554,683	\$10,331,874	\$12,009,130	\$ 12,509,265	\$ 13,234,026	\$ 13,514,313	\$ 13,888,639	\$ 16,853,079	\$ 17,868,898	\$ 18,406,134
Restricted	820,776	1,146,499	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,365,242
Unrestricted	1,345,873	1,848,115	1,622,051	(5,870,944)	(6,146,959)	(6,042,517)	(6,646,260)	(8,629,162)	(6,719,457)	(5,810,714)
<b>Total Governmental Activities Net Position</b>	<b>\$ 11,721,332</b>	<b>\$13,326,488</b>	<b>\$14,142,400</b>	<b>\$ 7,253,481</b>	<b>\$ 8,227,227</b>	<b>\$ 9,571,956</b>	<b>\$ 10,072,539</b>	<b>\$ 10,964,556</b>	<b>\$ 13,710,665</b>	<b>\$ 16,960,662</b>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 2,904	\$ 11,957	\$ 10,562	\$ 9,167	\$ 13,873	\$ 19,924	\$ 33,703	\$ 35,137	\$ 39,130	\$ 40,172
Unrestricted	28,135	30,087	40,101	56,424	62,032	72,227	50,954	89,771	112,413	127,687
<b>Total Business-Type Activities Net Position</b>	<b>\$ 31,039</b>	<b>\$ 42,044</b>	<b>\$ 50,663</b>	<b>\$ 65,591</b>	<b>\$ 75,905</b>	<b>\$ 92,151</b>	<b>\$ 84,657</b>	<b>\$ 124,908</b>	<b>\$ 151,543</b>	<b>\$ 167,859</b>
<b>District-Wide</b>										
Investment in Capital Assets	\$ 9,557,587	\$10,343,831	\$12,019,692	\$ 12,518,432	\$ 13,247,899	\$ 13,534,237	\$ 13,922,342	\$ 16,888,216	\$ 17,908,028	\$ 18,446,306
Restricted	820,776	1,146,499	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,365,242
Unrestricted	1,374,008	1,878,202	1,662,152	(5,814,520)	(6,084,927)	(5,970,290)	(6,595,306)	(8,539,391)	(6,607,044)	(5,683,027)
<b>Total District Net Position</b>	<b>\$ 11,752,371</b>	<b>\$13,368,532</b>	<b>\$14,193,063</b>	<b>\$ 7,319,072</b>	<b>\$ 8,303,132</b>	<b>\$ 9,664,107</b>	<b>\$ 10,157,196</b>	<b>\$ 11,089,464</b>	<b>\$ 13,862,208</b>	<b>\$ 17,128,521</b>

Source: District's Financial Records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 10,956,348	\$ 11,187,989	\$ 11,801,806	\$ 12,138,523	\$ 14,109,146	\$ 14,895,765	\$ 16,752,442	\$ 17,096,355	\$ 15,969,264	\$ 15,203,662
Special education	5,164,887	5,422,297	6,138,484	6,420,299	7,175,056	7,120,068	7,751,562	8,650,460	8,658,956	8,542,619
Other instruction	870,210	931,835	1,218,791	1,089,432	1,317,451	1,327,565	1,390,437	1,495,761	1,376,681	1,278,528
School Sponsored Activities and Athletics	764,823	803,976	853,495	778,886	897,075	961,012	1,100,894	1,131,571	1,097,167	1,072,484
Support Services:										
Student & instruction related services	2,778,321	2,801,208	2,805,182	2,876,680	3,313,052	3,844,404	4,330,412	4,716,081	3,783,047	3,588,964
Health Services	340,639	354,429	384,669	391,801	465,745	477,590	472,088	463,463	431,691	423,129
Educational Media/School Library	201,284	223,583	231,339	238,956	272,378	291,442	321,174	325,459	438,308	306,273
General administration	715,377	655,836	749,144	756,375	632,699	724,919	817,703	767,480	758,818	770,712
School Administrative services	1,347,638	1,405,377	1,654,444	1,610,925	1,971,077	2,089,066	2,359,692	2,636,863	2,746,545	2,583,780
Plant operations and maintenance	2,263,510	2,185,014	2,135,670	2,140,290	2,198,405	2,153,455	2,449,697	2,268,926	2,346,799	2,247,044
Pupil transportation	561,135	662,474	649,994	697,149	600,407	974,052	1,032,221	739,605	954,389	678,017
Central Services	757,003	798,542	775,651	777,340	883,974	507,806	564,502	1,048,027	750,827	948,010
Other support services										
Interest on long-term debt	312,549	328,639	180,582	228,193	208,039	188,767	168,553	176,810	150,866	120,890
Total governmental activities expenses	27,033,724	27,761,199	29,579,251	30,144,849	34,044,504	35,555,911	39,511,377	41,516,861	39,463,358	37,764,112
Business-type activities:										
Food service	235,271	214,037	211,302	232,605	232,419	234,946	273,127	288,188	324,237	245,926
Total business-type activities expense	235,271	214,037	211,302	232,605	232,419	234,946	273,127	288,188	324,237	245,926
Total district expenses	\$ 27,268,995	\$ 27,975,236	\$ 29,790,553	\$ 30,377,454	\$ 34,276,923	\$ 35,790,857	\$ 39,784,504	\$ 41,805,049	\$ 39,787,595	\$ 38,010,038
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 35,720		\$ 16,500	\$ 34,656	\$ 64,323	\$ 35,814	\$ 91,180	\$ 61,934	\$ 88,310	\$ 78,156
Operating grants and contributions	3,074,029	3,885,402	4,495,468	4,043,880	7,244,511	8,680,425	11,018,331	12,595,207	10,767,724	9,484,316
Capital grants and contributions	3,167	53,644	4,675	83,225	49,817	-	34,721	16,580	86,736	85,348
Total governmental activities program revenues	3,112,916	3,939,046	4,516,643	4,161,761	7,358,651	8,716,239	11,144,232	12,673,721	10,942,770	9,647,820
Business-type activities:										
Charges for services										
Food service	\$ 240,223	\$ 223,507	\$ 218,593	\$ 246,244	\$ 242,463	\$ 250,898	\$ 265,403	\$ 328,439	\$ 350,872	\$ 260,197
Operating grants and contributions	1,516	1,535	1,328	985	-	-	-	-	-	-
Total business type activities program revenues	241,739	225,042	219,921	247,229	242,463	250,898	265,403	328,439	350,872	260,197
Total district program revenues	\$ 3,354,655	\$ 4,164,088	\$ 4,736,564	\$ 4,408,990	\$ 7,601,114	\$ 8,967,137	\$ 11,409,635	\$ 13,002,160	\$ 11,293,642	\$ 9,908,017
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (23,920,808)	\$ (23,822,153)	\$ (25,062,608)	\$ (25,983,088)	\$ (26,685,853)	\$ (26,839,672)	\$ (28,367,145)	\$ (28,843,140)	\$ (28,520,588)	\$ (28,116,292)
Business-type activities	6,468	11,005	8,619	14,624	10,044	15,952	(7,724)	40,251	26,635	14,271
Total district-wide net expense	\$ (23,914,340)	\$ (23,811,148)	\$ (25,053,989)	\$ (25,968,464)	\$ (26,675,809)	\$ (26,823,720)	\$ (28,374,869)	\$ (28,802,889)	\$ (28,493,953)	\$ (28,102,021)



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied	\$ 24,134,786	\$ 24,617,482	\$ 25,109,832	\$ 25,642,924	\$ 26,771,760	\$ 27,307,195	\$ 27,994,354	\$ 28,773,818	\$ 30,285,211	\$ 30,271,296
Taxes Levied for Debt Service	686,002	690,440	637,814	665,947	687,000	691,900	695,800	693,800	695,900	697,000
Unrestricted state aid	5,538		16,341	6,051	37,173	37,244	53,778	135,145	91,417	190,282
Miscellaneous income	127,496	123,866	114,533	110,104	163,666	148,062	123,796	132,394	194,169	207,711
<b>Total governmental activities</b>	<b>24,953,822</b>	<b>25,427,309</b>	<b>25,878,520</b>	<b>26,425,026</b>	<b>27,659,599</b>	<b>28,184,401</b>	<b>28,867,728</b>	<b>29,735,157</b>	<b>31,266,697</b>	<b>31,366,289</b>
Business-type activities:										
Investment earnings	-	-	-	-	270	294	230	-	-	2,045
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>294</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>2,045</b>
<b>Total district-wide</b>	<b>\$ 24,953,822</b>	<b>\$ 25,427,309</b>	<b>\$ 25,878,520</b>	<b>\$ 26,425,026</b>	<b>\$ 27,659,869</b>	<b>\$ 28,184,695</b>	<b>\$ 28,867,958</b>	<b>\$ 29,735,157</b>	<b>\$ 31,266,697</b>	<b>\$ 31,368,334</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 1,033,014	\$ 1,605,156	\$ 815,912	\$ 441,938	\$ 973,746	\$ 1,344,729	\$ 500,583	\$ 892,017	\$ 2,746,109	\$ 3,249,997
Business-type activities	6,468	11,005	8,619	14,624	10,314	16,246	(7,494)	40,251	26,635	16,316
<b>Total district</b>	<b>\$ 1,039,482</b>	<b>\$ 1,616,161</b>	<b>\$ 824,531</b>	<b>\$ 456,562</b>	<b>\$ 984,060</b>	<b>\$ 1,360,975</b>	<b>\$ 493,089</b>	<b>\$ 932,268</b>	<b>\$ 2,772,744</b>	<b>\$ 3,266,313</b>

Source: District's Financial Records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 1,739,919	\$ 2,397,640	\$ 2,008,989	\$ 2,072,349	\$ 2,616,070	\$ 3,817,767	\$ 4,639,759	\$ 3,167,789	\$ 4,333,340	\$ 6,782,241
Committed	113,763									
Assigned	267,098	660,734	269,549	155,407	133,779	196,430	148,641	89,196	146,695	379,311
Unassigned	241,204	239,407	294,120	283,149	282,092	254,394	288,458	357,672	306,229	261,852
<b>Total General Fund</b>	<b>\$ 2,361,984</b>	<b>\$ 3,297,781</b>	<b>\$ 2,572,658</b>	<b>\$ 2,510,905</b>	<b>\$ 3,031,941</b>	<b>\$ 4,268,591</b>	<b>\$ 5,076,858</b>	<b>\$ 3,614,657</b>	<b>\$ 4,786,264</b>	<b>\$ 7,423,404</b>
All Other Governmental Funds										
Reserved			\$ 11,218							
Restricted	\$ 220,775	\$ 146,498						\$ 1,213,279	\$ 96,345	-
<b>Total All Other Governmental Funds</b>	<b>\$ 220,775</b>	<b>\$ 146,498</b>	<b>\$ 11,218</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,213,279</b>	<b>\$ 96,345</b>	<b>\$ -</b>

Source: District's Financial Records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax levy	\$ 24,820,788	\$ 25,307,922	\$ 25,747,646	\$ 26,308,871	\$ 27,458,760	\$ 27,999,095	\$ 28,690,154	\$ 29,467,618	\$ 30,981,111	\$ 30,968,296
Miscellaneous	163,216	126,811	133,990	149,201	228,223	183,876	214,976	219,098	313,698	304,934
State sources	2,587,418	3,434,551	4,083,158	3,677,026	4,032,040	4,449,799	4,873,739	5,567,530	6,703,398	7,103,769
Federal sources	495,316	447,906	425,694	430,698	437,384	486,632	431,496	549,898	567,218	531,936
<b>Total revenue</b>	<b>28,066,738</b>	<b>29,317,190</b>	<b>30,390,488</b>	<b>30,565,796</b>	<b>32,156,407</b>	<b>33,119,402</b>	<b>34,210,365</b>	<b>35,804,144</b>	<b>38,565,425</b>	<b>38,908,935</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	10,647,351	10,879,131	11,440,644	11,792,455	12,115,170	12,475,446	13,052,352	13,351,377	13,810,530	13,819,261
Special education instruction	5,065,878	5,314,161	6,011,836	6,296,702	6,455,732	6,257,011	6,493,856	7,354,435	7,864,579	8,008,632
Other instruction	848,231	909,021	1,186,415	1,062,104	1,149,281	1,117,307	1,084,211	1,198,973	1,230,329	1,183,054
School sponsored activities and athletics	744,182	783,056	829,047	757,850	779,676	813,284	870,288	898,665	953,268	975,491
<b>Support Services:</b>										
Student & inst. related services	2,708,101	2,728,319	2,719,697	2,793,031	2,864,302	3,234,619	3,378,476	3,672,120	3,302,343	3,282,763
Health Services	330,875	344,484	372,862	380,383	400,954	398,562	365,950	362,296	373,913	384,966
Educational Media/School Library	195,871	218,098	224,792	232,415	236,278	246,668	252,635	256,367	379,202	279,010
General administration	702,458	642,650	733,752	741,375	1,683,247	1,734,799	690,382	645,429	680,989	721,423
School administrative services	1,307,330	1,364,441	1,601,268	1,562,060	565,741	640,250	1,818,715	2,045,912	2,363,603	2,343,607
Central services	739,993	781,411	750,441	752,934	2,125,194	2,087,945	2,358,016	919,706	881,402	912,680
Plant operations and maintenance	2,218,712	2,140,968	2,084,824	2,092,988	591,339	499,940	554,307	2,072,455	2,225,274	2,190,572
Pupil transportation	556,122	657,008	643,767	691,428	842,724	932,133	969,191	717,574	734,668	671,196
Capital outlay	907,960	1,035,289	1,943,704	772,379	1,108,705	722,860	787,891	3,416,576	2,567,371	451,105
<b>Debt Service</b>										
Principal	405,000	425,000	445,000	465,000	490,000	515,000	540,000	956,575	975,088	1,007,180
Interest and other charges	313,586	752,091	262,842	245,663	227,028	206,928	185,828	184,606	168,193	137,200
<b>Total expenditures</b>	<b>27,691,650</b>	<b>28,975,128</b>	<b>31,250,891</b>	<b>30,638,767</b>	<b>31,635,371</b>	<b>31,882,752</b>	<b>33,402,098</b>	<b>38,053,066</b>	<b>38,510,752</b>	<b>36,368,140</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>375,088</b>	<b>342,062</b>	<b>(860,403)</b>	<b>(72,971)</b>	<b>521,036</b>	<b>1,236,650</b>	<b>808,267</b>	<b>(2,248,922)</b>	<b>54,673</b>	<b>2,540,795</b>
<b>Other Financing sources (uses)</b>										
Premium on Bonds		530,458								
Refunding Bond Proceeds		5,170,000								
Payment to Refunded Bond Escrow Agent		(5,181,000)								
Capital Leases (Non-Budget)								2,000,000		
Transfers in	504,962	756,516	1,723,092	666,785	161			2,018,180	350,000	64,123
Transfers out	(504,962)	(756,516)	(1,723,092)	(666,785)	(161)			(2,018,180)	(350,000)	(64,123)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>519,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 375,088</b>	<b>\$ 861,520</b>	<b>\$ (860,403)</b>	<b>\$ (72,971)</b>	<b>\$ 521,036</b>	<b>\$ 1,236,650</b>	<b>\$ 808,267</b>	<b>\$ (248,922)</b>	<b>\$ 54,673</b>	<b>\$ 2,540,795</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.68%</b>	<b>4.21%</b>	<b>2.42%</b>	<b>2.38%</b>	<b>2.35%</b>	<b>2.32%</b>	<b>2.23%</b>	<b>3.29%</b>	<b>3.18%</b>	<b>3.19%</b>

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>NJ Clean Energy Audit</u>	<u>E-Rate</u>	<u>Technology Fees</u>	<u>Facility Rental</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2011	\$ 35,720	\$ 35,719								\$ 4,473	\$ 82,406	\$ 158,318
2012	7,657	15,644		\$ 15,886		\$ 20,999				3,591	58,776	122,553
2013	16,500	16,555	\$ 18,393	14,485						3,614	56,719	126,266
2014	34,656	14,268	8,757		\$ 9,642					4,647	75,370	147,340
2015	64,324	10,220	3,393	9,097			\$ 16,137		\$ 43,985	5,307	75,365	227,828
2016	35,814	12,903			12,480		17,125		17,440	11,006	77,108	183,876
2017	91,180	17,936			6,781		13,316	\$ 14,395	11,782	4,923	54,663	214,976
2018	14,000	28,907		21,235	26,023	7,750	10,210	21,487	47,934	3,981	24,029	205,556
2019	39,900	62,107	3,172	12,348	6,548	5,320	15,237	37,785	48,410	4,166	49,471	284,464
2020	39,441	141,554	-	8,875	500	4,500	24,003	18,640	38,715	14,201	14,505	304,934

Source: District records (GAAP Basis)

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2011	\$ 17,652,000	\$ 1,385,932,300	N/A	N/A	\$ 125,571,700	\$ 28,810,500	N/A	\$ 1,557,966,500	\$ 1,190,616	\$ 1,559,157,116	\$ 1,626,620,445	\$ 1.608
2012	17,061,700	1,385,802,700	N/A	N/A	125,243,200	28,810,500	N/A	1,556,918,100	1,234,107	1,558,152,207	1,568,251,207	1.639
2013	15,742,200	1,387,823,400	N/A	N/A	124,881,800	28,570,600	N/A	1,557,018,000	100,000	1,557,118,000	1,501,747,889	1.673
2014	15,172,800	1,388,543,300	N/A	N/A	125,681,800	28,570,600	N/A	1,557,968,500	100,000	1,558,068,500	1,502,749,915	1.726
2015	8,237,600	1,399,054,600	N/A	N/A	125,861,800	28,570,600	N/A	1,561,724,600	100,000	1,561,824,600	1,539,999,306	1.776
2016	8,428,600	1,408,833,800	N/A	N/A	128,126,700	28,570,600	N/A	1,573,959,700	100,000	1,573,959,700	1,543,242,913	1.801
2017	11,496,900	1,410,802,300	N/A	N/A	125,968,400	28,720,600	N/A	1,576,988,200	100,000	1,577,088,200	1,579,923,809	1.845
2018	8,547,400	1,414,823,500	N/A	N/A	125,912,300	28,720,600	\$ 19,600,000	1,597,603,800	100,000	1,597,703,800	1,631,626,486	1.873
2019	8,741,400	1,416,214,300	N/A	N/A	127,880,600	28,493,100	\$ 19,600,000	1,600,929,400	100,000	1,601,029,400	1,668,827,336	1.955
2020	9,523,000	1,421,148,400	N/A	N/A	128,905,600	28,493,100	\$ 19,600,000	1,607,670,100	100,000	1,607,770,100	1,703,927,975	1.948

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2011	\$ 2.381	\$ 1.608	\$ 0.556	\$ 0.217
2012	2.420	1.639	0.560	0.221
2013	2.454	1.673	0.559	0.222
2014	2.510	1.726	0.558	0.226
2015	2.572	1.776	0.559	0.237
2016	2.602	1.801	0.559	0.242
2017	2.656	1.845	0.554	0.257
2018	2.679	1.873	0.556	0.250
2019	2.766	1.955	0.556	0.255
2020	2.767	1.948	0.556	0.263

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Source: Tax Duplicate, Borough of Waldwick

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

Taxpayer	2020	
	Taxable Assessed Value	% of Total District Net Assessed Value
D&R Waldwick LLC	\$ 19,600,000	1.22%
HFZ Waldwick LLC	10,900,000	0.68%
LKD Realty Inc.	7,367,800	0.46%
Public Service Electric & Gas	5,214,700	0.32%
Hamilton-Franklin Assoc.	5,177,300	0.32%
168 Franklin Concepts Corp	4,102,100	0.26%
Med-Tech PTNRS LLC	3,766,600	0.23%
UB Waldwick LLC	3,473,400	0.22%
Lesterick Corp. Inc.	3,375,000	0.21%
Wyckoff Ave Assoc. LLC	3,341,700	0.21%
	<u>\$ 66,318,600</u>	<u>4.12%</u>

	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value
Waldwick Splash Park LLC	\$ 10,900,000	0.70%
LKD Realty Inc.	7,367,800	0.47%
Public Service Electric & Gas	5,214,700	0.33%
Hamilton Properties	5,177,300	0.33%
Med Tech Partners LLC	4,302,100	0.28%
Waldwick North LLC	3,766,600	0.24%
Waldwick Shopping Center	3,600,000	0.23%
Lesterick Corp. Inc.	3,473,400	0.22%
Wyckoff Ave Assoc. LLC	3,503,100	0.22%
Urstadt Biddle Property	3,341,700	0.21%
	<u>\$ 50,646,700</u>	<u>3.23%</u>

Source: Municipal Tax Assessor

**WALDWICK 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	\$ 24,820,788	\$ 24,820,788	100.00%	-
2012	25,307,922	25,307,922	100.00%	-
2013	25,747,646	25,747,646	100.00%	-
2014	26,308,871	26,308,871	100.00%	-
2015	27,458,760	27,458,760	100.00%	-
2016	27,999,095	27,999,095	100.00%	-
2017	28,690,154	28,690,154	100.00%	-
2018	29,467,618	29,467,618	100.00%	-
2019	30,981,111	30,981,111	100.00%	-
2020	30,968,296	30,968,296	100.00%	-

Source: District Records



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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2011	\$ 6,516,000		\$ 6,516,000	9,654	\$ 675
2012	6,080,000		6,080,000	9,712	626
2013	5,635,000		5,635,000	9,757	578
2014	5,170,000		5,170,000	9,790	528
2015	4,680,000		4,680,000	9,898	473
2016	4,165,000		4,165,000	9,882	421
2017	3,625,000		3,625,000	9,895	366
2018	3,065,000	\$ 1,603,425	4,668,425	10,157	460
2019	2,480,000	1,213,337	3,693,337	10,108	365
2020	1,870,000	816,157	2,686,157	10,108 *	266

Source: District records

\* - Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 6,516,000	-	\$ 6,516,000	0.42%	\$ 675
2012	6,080,000	-	6,080,000	0.39%	626
2013	5,635,000	-	5,635,000	0.36%	578
2014	5,170,000		5,170,000	0.33%	528
2015	4,680,000		4,680,000	0.30%	473
2016	4,165,000		4,165,000	0.26%	421
2017	3,625,000		3,625,000	0.23%	366
2018	3,065,000		3,065,000	0.19%	302
2019	2,480,000		2,480,000	0.15%	245
2020	1,870,000		1,870,000	0.12%	185

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALDWICK BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2019  
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
School District	\$ 1,870,000
Borough of Waldwick	<u>8,534,396</u>
 Total Direct Debt	 10,404,396
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	13,037,380
Northwest Bergen Regional Sewerage Authority (B)	<u>2,297,461</u>
	 <u>15,334,841</u>
 Total Direct and Overlapping Debt	 <u>\$ 25,739,237</u>

- (A) The debt for this entity was apportioned to the Borough of Waldwick by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

## Sources:

- (a) Borough of Waldwick 2019 Annual Debt Statement

**WALDWICK BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2020**

	Equalized valuation basis
	2019 \$ 1,693,388,407
	2018 1,661,920,108
	2017 <u>1,607,203,628</u>
	<u>\$ 4,962,512,143</u>
Average equalized valuation of taxable property	\$ 1,654,170,714
Debt limit (4 % of average equalization value)	66,166,829 <sup>a</sup>
Total Net Debt Applicable to Limit	<u>1,870,000</u>
Legal debt margin	<u>\$ 64,296,829</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>
Debt limit	\$ 67,769,723	\$ 64,975,524	\$ 62,427,934	\$ 60,805,459	\$ 6,038,682	\$ 60,785,634	\$ 61,788,334	\$ 62,779,981	\$ 64,568,152	\$ 66,166,829
Total net debt applicable to limit	<u>6,516,000</u>	<u>6,080,000</u>	<u>5,635,000</u>	<u>5,170,000</u>	<u>4,680,000</u>	<u>4,165,000</u>	<u>3,625,000</u>	<u>3,065,000</u>	<u>2,480,000</u>	<u>1,870,000</u>
Legal debt margin	<u>\$ 61,253,723</u>	<u>\$ 58,895,524</u>	<u>\$ 56,792,934</u>	<u>\$ 55,635,459</u>	<u>\$ 1,358,682</u>	<u>\$ 56,620,634</u>	<u>\$ 58,163,334</u>	<u>\$ 59,714,981</u>	<u>\$ 62,088,152</u>	<u>\$ 64,296,829</u>
Total net debt applicable to the limit as a percentage of debt limit	9.61%	9.36%	9.03%	8.50%	77.50%	6.85%	5.87%	4.88%	3.84%	2.83%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<b><u>Year Ended December 31,</u></b>	<b><u>Unemployment Rate</u></b>	<b><u>Per Capita Income(1)</u></b>	<b><u>Population</u></b>
2010	4.4%	\$ 66,064	9,587
2011	4.3%	69,053	9,654
2012	4.4%	72,152	9,712
2013	7.9%	71,679	9,757
2014	4.5%	74,452	9,790
2015	3.7%	77,666	9,898
2016	3.8%	79,145	9,882
2017	3.5%	81,483	9,895
2018	3.2%	85,951	10,157
2019	2.6%	85,951 *	10,108

\* - Estimated

(1) County of Bergen

Source: United States Bureau of Census  
U.S. Dept. of Commerce

**WALDWICK BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

**NOT AVAILABLE**

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

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Instruction										
Regular	104	111	111	112	117	109	113	112	112	119
Special education	31	34	35	35	36	36	34	36	36	31
Other special education	25	30	34	36	32	31	29	28	29	32
Support Services:										
Student & Instruction related services	29	31	34	34	33	32	34	32	31	30
General administration	3	3	3	3	3	3	3	2	2	2
School administrative services	10	11	11	11	12	12	11	13	14	14
Central services	5	5	7	7	8	8	7	7	6	6
Plant operations and maintenance	20	20	19	19	19	18	17	17	16	15
Pupil transportation	2	2	2	2	3	2	2	2	3	3
Total	<u>229</u>	<u>247</u>	<u>256</u>	<u>259</u>	<u>263</u>	<u>251</u>	<u>250</u>	<u>249</u>	<u>249</u>	<u>252</u>

**Source:** District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	1,605	\$ 26,065,104	\$ 16,240	-1.02%	139	1:12	1:10	1:10	1,593	1,521	0.70%	95.48%
2012	1,611	26,762,748	16,613	2.29%	145	1:12	1:10	1:10	1,593	1,527	0.00%	95.86%
2013	1,631	28,599,345	17,535	5.55%	146	1:13	1:14	1:12	1,618	1,542	1.57%	95.30%
2014	1,616	29,155,725	18,042	2.89%	147	1:13	1:14	1:12	1,596	1,526	-1.36%	95.61%
2015	1,605	29,809,638	18,573	2.94%	153	1:11	1:13	1:11	1,577	1,507	-1.19%	95.56%
2016	1,576	30,437,964	19,313	3.99%	145	1:11	1:12	1:11	1,584	1,517	0.44%	95.77%
2017	1,592	31,888,379	20,030	3.71%	147	1:10	1:12	1:09	1,585	1,509	0.06%	95.21%
2018	1,614	33,495,309	20,753	3.61%	148	1:10	1:10	1:09	1,586	1,514	0.06%	95.46%
2019	1,619	34,800,100	21,495	3.57%	148	1:11	1:09	1:09	1,597	1,521	0.69%	95.24%
2020	1,635	34,772,655	21,268	-1.06%	150	1:11	1:08	1:09	1,613	1,546	1.00%	95.85%

Sources: District records

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



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<u>Elementary</u>										
<b>Crescent</b>										
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)										
Enrollment	346	345	356	326	330	340	346	353	349	366
<b>Traphagen</b>										
Square Feet	33,300	33,300	33,300	36,400	36,400	36,400	36,400	36,400	48,304	45,244
Capacity (students)										
Enrollment	417	413	430	437	443	408	417	419	442	424
<u>Middle School</u>										
Square Feet										
Capacity (students)										
Enrollment	377	379	366	366	345	364	362	367	364	376
<u>High School</u>										
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)										
Enrollment	446	453	456	459	465	456	449	440	441	452

Number of Schools at June 30, 2019

- Elementary = 2
- Middle School = 1
- Senior High School = 1

Source: District Records

**WALDWICK BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**LAST TEN YEARS**  
**(Unaudited)**

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

		<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>
<b>School Facilities</b>	<b>Project #(s)</b>										
Crescent E.S.	N/A	\$ 39,626	\$ 39,080	\$ 40,277	\$ 35,754	\$ 38,664	\$ 48,661	\$ 91,560	\$ 51,686	\$ 54,559	\$ 64,332
Traphagen E.S.	N/A	38,248	37,720	38,876	37,723	40,793	51,341	96,803	54,532	76,388	84,366
Waldwick Jr/Sr High School	N/A	<u>181,349</u>	<u>178,848</u>	<u>184,327</u>	<u>163,629</u>	<u>176,945</u>	<u>222,695</u>	<u>419,428</u>	<u>236,541</u>	<u>274,776</u>	<u>294,415</u>
Grand Total		<u>\$ 259,223</u>	<u>\$ 255,648</u>	<u>\$ 263,480</u>	<u>\$ 237,106</u>	<u>\$ 256,402</u>	<u>\$ 322,697</u>	<u>\$ 607,791</u>	<u>\$ 342,759</u>	<u>\$ 405,723</u>	<u>\$ 443,113</u>

Source: School District's Financial Statements

**WALDWICK BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**June 30, 2020**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
Great American		
Package Policy		
Property- Blanket Building and Contents*	\$ 65,262,469	\$ 5,000
Earthquake/Flood (Outside Zones A&V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Builder's Risk	5,000,000	5,000
Automobile*	1,000,000	1,000
Comprehensive General Liability*	1,000,000	
Selective Insurance		
Crime	100,000 per employee 400,000 Excess	5,000
Forgery & Alterations	50,000	1,000
Boiler and Machinery*	Included in Property Coverage	1,000
Chubb		
Environmental	2,000,000 per occurrence/ 4,000,000 aggregate 20,000,000 group aggregate	15,000
XL		
Educator's Legal Liability	1,000,000	25,000
Employment Practices	1,000,000	35,000
Great American		
Commercial Umbrella*	9,000,000	10,000
Fireman's Fund		
Excess Umbrella	50,000,000 group aggregate	
XL		
Cyber Liability	1,000,000 per occurrence 1st party 2,000,000 per occurrence 3rd party 6,000,000 group aggregate (subject to sublimits)	15,000
Starstone National/Markel American		
Excess Umbrella	15,000,000	
Unshared	15,000,000	

Source: School District's records

\*Pool coverage for the Northeast Bergen County School Board Insurance Group.

**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  
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

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Waldwick Board of Education  
Waldwick, 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 Waldwick 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 Waldwick Board of Education's basic financial statements and have issued our report thereon dated January 8, 2021.

**Internal Control Over Financial Reporting**

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

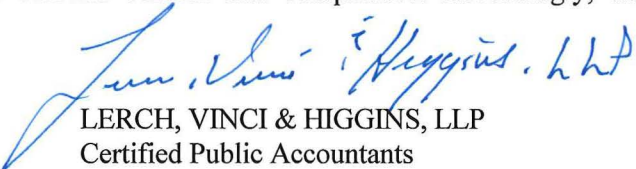
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Waldwick 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 Waldwick 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 Waldwick Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James Vincent Higgins, LLPA  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS0118

Fair Lawn, New Jersey  
January 8, 2021



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

**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 Trustees or Board  
Waldwick Board of Education  
Waldwick, New Jersey

**Report on Compliance for Each Major State Program**

We have audited the Waldwick 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 Waldwick Board of Education's major state programs for the fiscal year ended June 30, 2020. The Waldwick 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 Waldwick 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; 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 Waldwick 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 Waldwick Board of Education's compliance.

### ***Opinion on Each Major State Program***

In our opinion, the Waldwick 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 Waldwick 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 Waldwick 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 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 Waldwick 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.

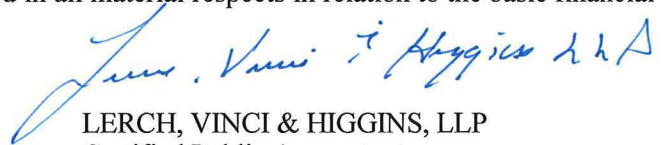
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

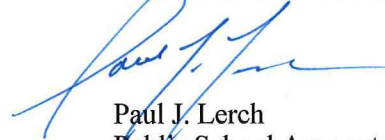


**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the Waldwick 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 8, 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



Paul J. Lerch  
Public School Accountant  
PSA Number CS0118

Fair Lawn, New Jersey  
January 8, 2021

**WALDWICK 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	Grant Project Number	Federal Fain Number	Grant Period	Award Amount	Balance July 1, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2020			GAAP Receivable
											(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>														
<b>General Fund</b>														
Medicaid Assistance program (SEMI)	93.778	N/A	2005NJ5MAP	7/1/19-6/30/20	\$ 26,819	-	-	\$ 26,819	\$ 26,819	-	-	-	-	-
<i>Total U.S. Department of Education- General Fund</i>					<u>26,819</u>	<u>-</u>	<u>-</u>	<u>26,819</u>	<u>26,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Education</b>														
<b>Passed-through State Department of Education</b>														
<b>Special Revenue Fund</b>														
I.D.E.A. Part B, Basic	84.027	IDEA219020	H027A190100	7/1/19-6/30/20	\$ 372,706			370,739	369,589		\$ (1,967)	\$ 3,117		
I.D.E.A. Part B, Basic, Carryover	84.027	IDEA219019	H027A180100	7/1/18-6/30/19	367,116	\$ (15,873)		15,873						
I.D.E.A. Part B, Basic, Carryover	85.027	IDEA219017	H027A160101	7/1/16-6/30/17	359,476							33,288		
I.D.E.A. Part B, Preschool	83.173	IDEA219020	H173A190114	7/1/19-6/30/20	15,143			15,143	15,143					
I.D.E.A. Part B, Preschool	84.173	IDEA219016	H173A160114	7/1/15-6/30/16	14,338	(245)					(245)		\$ (245)	
<i>Total I.D.E.A. Cluster</i>									<u>384,732</u>					
Title I	84.010A	7/1/19-6/30/20	80,110	7/1/19-6/30/20	123,914	-		80,110	97,358	\$ 97	(43,804)	26,653		(17,151)
Title I, Carryover	84.010A	7/1/19-6/30/20	19,060	7/1/18-6/30/19	131,367	(19,060)		19,060						
Title I, Carryover	84.010A	7/1/19-6/30/20		7/1/16-6/30/17	47,945	16						16		
<i>Total Title I</i>									<u>97,358</u>					
Title II A	84.367A	NCLB219020	S367A190029	7/1/19-6/30/20	25,586			17,963	17,963	85	(7,623)	7,708		
Title II A, Carryover	84.367A	7/1/19-6/30/20	S367A180029	7/1/18-6/30/19	30,041	(2,348)		2,049			(511)	212		(299)
Title II A, Carryover	84.367A	NCLB219017	S367A160029	7/1/16-6/30/17	38,517	14,813					(2,328)	17,141		
<i>Total Title II Cluster</i>									<u>17,963</u>					
Title III, Carryover	84.365A	NCLB219019	S365A180030	7/1/18-6/30/19	7,247	567		109			(4,665)	5,341		
Title III, Immigrant	84-365A	NCLB219020	S365A190030	7/1/19-6/30/20	2,584		-	295	295	-	(2,289)	2,289	-	
<i>Total Title III Cluster</i>									<u>295</u>					
Title IV	84.424	N/A	S424A190031	7/1/19-6/30/20	10,000			4,394	4,769		(5,606)	5,231		(375)
Title IV, Carryover	84.424	N/A	S424A180031	7/1/18-6/30/19	10,000	(3,297)		3,297		857	(108)	965		-
<i>Total Special Revenue Fund</i>					<u>7,861</u>	<u>-</u>	<u>529,032</u>	<u>505,117</u>	<u>1,039</u>	<u>(69,146)</u>	<u>101,961</u>	<u>-</u>	<u>(18,070)</u>	
<i>Total Federal Financial Assistance</i>					<u>\$ 7,861</u>	<u>\$ -</u>	<u>\$ 555,851</u>	<u>\$ 531,936</u>	<u>\$ 1,039</u>	<u>\$ (69,146)</u>	<u>\$ 101,961</u>	<u>\$ -</u>	<u>\$ (18,070)</u>	

Note: This schedule is not subject to a single audit in accordance with the U.S. Uniform Guidance.

WALDWICK 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 Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustments	Balance, June 30, 2020			GAAP Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor		
<b>State Department of Education</b>															
<b>General Fund</b>															
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,090,126				\$ 1,026,691	\$ 1,090,126			\$ (63,435)			\$ 1,090,126	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,090,126	\$ (59,075)			59,075								
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	196,883				185,426	196,883			(11,457)			196,883	
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	90,244	(4,856)			4,856								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	125,909				118,582	125,909			(7,327)			125,909	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	125,909	(6,474)			6,474								
<b>Total State Aid Public- Cluster</b>								<b>1,412,918</b>							
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	199,527				187,917	199,527			(11,610)			199,527	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	199,527	(10,520)			10,520								
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	443,124					443,124			(443,124)			443,124	
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	464,250	(462,967)			462,967								
NonPublic Transportation	20-495-034-5120-014	7/1/19-6/30/20	5,655					5,655			(5,655)		\$ (5,655)	5,655	
NonPublic Transportation	19-495-034-5120-014	7/1/18-6/30/19	13,340	(13,340)			13,340								
<b>On-Behalf TPAF Pension and Annuity Aid</b>															
TPAF - Normal Costs	20-495-034-5094-002	7/1/19-6/30/20	2,737,397				2,737,397	2,737,397						2,737,397	
TPAF-NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	49,065				49,065	49,065						49,065	
Post Retirement Medical Costs	20-495-034-5094-001	7/1/19-6/30/20	1,033,726				1,033,726	1,033,726						1,033,726	
Long-Term Disability	20-495-034-5094-004	7/1/19-6/30/20	1,914				1,914	1,914						1,914	
<b>Total On-Behalf TPAF Pension Contributions</b>								<b>3,822,102</b>							
On-Behalf TPAF Social Security Aid	20-495-034-5094-003	7/1/19-6/30/20	996,119				946,329	996,119			(49,790)		(49,790)	996,119	
On-Behalf TPAF Social Security Aid	19-495-034-5094-003	7/1/18-6/30/19	974,194	(48,279)	-	-	48,279	-	-	-	-	-	-	-	
<b>Total General Fund</b>				<b>(605,511)</b>	<b>-</b>	<b>-</b>	<b>6,892,558</b>	<b>6,879,445</b>	<b>-</b>	<b>-</b>	<b>(592,398)</b>	<b>-</b>	<b>-</b>	<b>(55,445)</b>	<b>6,879,445</b>
<b>Special Revenue Fund</b>															
<b>New Jersey Nonpublic Aid</b>															
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	12,966				\$ 12,966	\$ 12,810				\$ 156		12,810	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	13,564			\$ 477			\$ 477						
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	25,317				25,317	25,317						25,317	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	25,899			363			363						
Security	20-100-034-5120-509	7/1/19-6/30/20	39,150				39,150	23,868				15,282		23,868	
Security	19-100-034-5120-509	7/1/18-6/30/19	40,050												
Technology	20-100-034-5120-373	7/1/19-6/30/20	8,856				8,856	6,915				1,941		6,915	
Technology	19-100-034-5120-373	7/1/18-6/30/19	9,144			23			23						
<b>Auxiliary Services</b>															
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	66,680				57,715	58,568			(8,965)		8,112	(8,965) 58,568	
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	87,733			5,671			5,671						
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	17,868				17,868	15,634					2,234	15,634	
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	16,565			3,278			3,278						
Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	5,526					5,526			(5,526)		(5,526)	5,526	
<b>Total Auxiliary Services (Chapter 192) Cluster</b>								<b>74,202</b>							
<b>Handicapped Services</b>															
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	26,943				26,943	21,927					5,016	21,927	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	27,843			3,274			3,274						
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	35,727				26,690	32,172			(9,037)		3,555	(9,037) 32,172	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	30,266			4,286			4,286						
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	18,942				18,942	14,648					4,294	14,648	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	21,172			4,170			4,170						
<b>Total Handicapped Services (Chapter 193) Cluster</b>								<b>68,747</b>							
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>-</b>	<b>21,542</b>	<b>234,447</b>	<b>217,385</b>	<b>21,542</b>	<b>-</b>	<b>(23,528)</b>	<b>-</b>	<b>40,590</b>	<b>(23,528)</b>	<b>217,385</b>
<b>Total State Financial Assistance- Determination for Single Audit</b>				<b>\$ (605,511)</b>	<b>\$ -</b>	<b>\$ 21,542</b>	<b>\$ 7,127,005</b>	<b>7,096,830</b>	<b>\$ 21,542</b>	<b>\$ -</b>	<b>\$ (615,926)</b>	<b>\$ -</b>	<b>\$ 40,590</b>	<b>\$ (78,973)</b>	<b>\$ 7,096,830</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>															
<b>On-Behalf-TPAF Pension and Annuity Aid</b>															
TPAF - Normal Costs	20-495-034-5094-002							2,737,397							
TPAF-NCGI Premium	20-495-034-5094-004							49,065							
Post Retirement Medical Costs	20-495-034-5094-001							1,033,726							
Long-Term Disability	20-495-034-5094-004							1,914							
<b>Amount Utilized to Determine Type A/B Programs</b>								<b>\$ 3,274,728</b>							

**WALDWICK 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 Waldwick 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 with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and 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 an increase of \$6,939 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 26,819	\$ 6,886,384	\$ 6,913,203
Special Revenue Fund	<u>505,117</u>	<u>217,385</u>	<u>722,502</u>
Total Financial Assistance	<u>\$ 531,936</u>	<u>\$ 7,103,769</u>	<u>\$ 7,635,705</u>

**WALDWICK 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 \$996,119 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 \$2,786,462, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,033,726 and TPAF Long-Term Disability Insurance in the amount of \$1,914 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.

**WALDWICK 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 auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u>  X  </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u>  X  </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards Section**

**NOT APPLICABLE**

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

*Part I – Summary of Auditor’s Results*

**State Awards Section**

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

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?   yes  X  none

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>Special Education Aid</u>	<u>495-034-5120-089</u>
<u>Equalization Aid</u>	<u>495-034-5120-078</u>
<u>Security Aid</u>	<u>495-034-5120-084</u>
<u>TPAF Reimbursable Social Security</u>	<u>495-034-5094-003</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

***Part 2 – Schedule of Financial Statement Findings***

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

There are none.



**WALDWICK BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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.

**WALDWICK BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.