

OAKLAND BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Oakland, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Oakland Board of Education
Oakland, New Jersey
For The Fiscal Year Ended June 30, 2021**

**Prepared by
Business Office**

**OAKLAND BOARD OF EDUCATION
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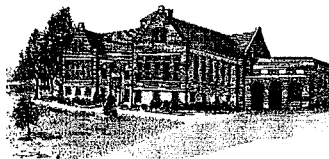
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INTRODUCTORY SECTION

THE OAKLAND PUBLIC SCHOOLS
ADMINISTRATIVE OFFICES
315 RAMAPO VALLEY ROAD
OAKLAND, NEW JERSEY 07436



OFFICE OF THE
BUSINESS ADMINISTRATOR
PHONE: (201) 337-6810 EXT 4013
FAX: (201) 651-0099

February 23, 2022

Honorable President and Members
of the Board of Education
Borough of Oakland School District
County of Bergen
Oakland, NJ 07436

RE: *Comprehensive Annual Financial Report – 2021*

Dear Board Members:

The comprehensive annual financial report of the Borough of Oakland School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The 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 basic financial statements and schedules, as well as the auditor's report thereon including the Management Discussion and Analysis. 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 Single Audit Act Amendments of 1996 and the United States Uniform Guidance, and the State Treasury Circular Letter 15-08 OMB, "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, are included in the single audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Oakland Board of Education's MD&A can be found immediately following the report of the independent auditors.

(1) REPORTING ENTITY AND ITS SERVICES: The Oakland School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Oakland 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 kindergarten through eighth grade. These include regular, as well as special education for impaired and disabled students. The District completed the 2020/2021 fiscal year with an average daily enrollment of 1,287 students, representing a decrease of 52 students from the previous year's enrollment.

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

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2020/21	1,287	(3.99%)
2019/20	1,339	(0.00%)
2018/19	1,337	(2.90%)
2017/18	1,377	(3.57%)
2016/17	1,428	(4.74%)
2015/16	1,499	(3.79%)
2014/15	1,558	(2.87%)
2013/14	1,604	(1.96%)
2012/13	1,636	(4.16%)
2011/12	1,707	0.89%
2010/11	1,692	(0.41%)

(2) ECONOMIC CONDITION AND OUTLOOK:

Oakland, a Bergen County suburban residential community situated on an 8.6 square mile land area in northwestern New Jersey, has a population of approximately 12,972 based upon population estimates as of May 2019. Adult residents are employed in various professions and diverse trades. The Borough's close proximity to New York City and its convenient access to major New Jersey highways enable most employed residents to easily work outside the Borough's borders.

The potential for continued growth in the town rests, in part, upon the proposed McCoy Farms project. This development could add 25 additional units to Borough housing. Another piece of land proposed for development is an 85 acre parcel owned by the Bi-County Development Corp. Estimates for this land show the potential for over 200 housing units. In August 2017 the Bi –County Development Corp project received initial approval to move forward. Both projects will continue to be monitored as they move through the approval process.

Continued support for the Borough's local schools was again evidenced by voter approval for the 2020/21 Budget.

(3) MAJOR INITIATIVES:

TECHNOLOGY

During the 2020/2021 fiscal year, the Oakland School District continued to expand its network capacities to meet the current and emerging learning needs of our students. To provide a suitable environment for academic learning and online assessments, and to act in accordance with the NJDOE Safe Return to School Plans and Emergency Virtual Instructional Plan as well as our district 3 Year District Technology Plan. Actions were taken in the following areas:

Wireless Upgrades – The District replaced ten wireless access points in Rooms 201-207 and Room 100 at Valley Middle School to improve network performance and better support Valley Middle School's 1:1 Learning Initiative. The replaced Valley Middle School access points were reallocated to the elementary schools. This allows for enhanced network performance in classrooms of the District's three elementary schools. This added WIFI supports the District's initiative of expanding the Chromebooks to second grade with improved performance of video streams.

Smartboard Devices were replaced with BOE District purchased Promethean Boards (27) The District replaced 3rd Generation Smartboards (Epson 460 and 580) as well as a few Generation Smart UF55.

- Purchased 1,020 Acer 781 Chromebooks in June, 2020 for Districts K-3 and 6-8
- Purchased new Chromebook Cases for all Middle School Students
- Purchased 28 New iPads, 7 iPads were assigned for each school's libraries

Teacher Laptops- The District along with the help of the OEA purchased additional 58 MacBook Air for staff laptop replacements. The remaining laptops are repaired on a case-by-case basis.

Technology Software – The technology department continues to support and monitor the various software programs that have been approved to support the rigorous curriculum.

Each year of middle school 1:1 deployment, our elementary schools received additional Chromebooks. Currently, all students in grades K, one, two, three, four, and five have access to a Chromebook cart and Google Apps for Education, as well as many of the online resources mentioned above. The student/device ratio suggests that there is one device for every student in Pre-K-8th grade. Every student has been offered and supplied a device for home along with their assigned device for in school for Pre-K-8th grade.

Continued to liquidate surplus via GovDeals.

Softphone licenses were removed.

It is our opinion that by providing students with access to technology and information anytime, anywhere, throughout the day, it will transform their learning experience and stimulate pedagogical change for teachers.

CURRICULUM

According to state standards and district goals, curricula was updated in the following areas:

- The District Professional Development Plan for Mathematics included a Goal for the 2020 - 2021 school year to build the capacity of all teachers to align instruction and assessment with the new “GO MATH!” elementary program. Due to the district closure in March of 2020, this goal was repeated for the 2020-21 school year. The curriculum is aligned with NJSL Math Standards and will prepare students for rigorous standardized tests. Analysis of previous district benchmark NJ State Assessment data designed to identify readiness for state assessments indicated a need for growth in math. Due to these results, a subscription to the online math practice website, IXL was purchased for specific subgroups including English Language Learners and Special Education students from grades K - 5.
- Social Studies for Grade 6 curriculum was enhanced by the Discovery Education online resource to support the New Jersey Student Learning Standards (NJSL). Because of the COVID-19, the hybrid teaching model including in person and livestream instruction. This resource was intended to support in person instruction and online instruction for students. Teachers were able to develop their proficiency with new platforms to effectively deliver hybrid instruction.
- Curriculum guides reflect the mandates of LGBTQ and Disabilities in grades 5-8, Amistad and Holocaust where appropriate as per New Jersey Legislative Statutes.
- Throughout the 2020-2021 school year, social emotional learning was integrated throughout the character education program into the school day. The focus was on including and respecting diverse cultures and differences based on race, religion, gender identity, gender expression, ethnicity, disability and socio-economic backgrounds.
- Because of the COVID-19 pandemic, health and wellness was encouraged through physical and mental well-being. Social Emotional Learning was promoted in the school community of acceptance and inclusion supporting mental and physical health, which provides an atmosphere for optimal learning.
- IXL for English Language Arts was purchased to support and enhance instruction in Grades 4-8. This online platform enabled teachers support in person instruction and online instruction for all students including subgroup populations. Teachers were able to develop their proficiency with new platforms to effectively deliver hybrid instruction.
- The Italian curriculum was enhanced by Cengage Learning as an online eBook to support the New Jersey Student Learning Standards (NJSL) in World Language. Because of the COVID-19, the hybrid teaching model including in person and livestream instruction. This resource was intended to support in person instruction and online instruction for students. Teachers were able to develop their proficiency with new platforms to effectively deliver hybrid instruction.

BUILDINGS AND GROUNDS

The 2020/2021 School year saw a focus on healthy, well ventilated facilities and a continuation of the Oakland Board of Education's strong commitment to maintaining an educational environment conducive for teaching and learning for our staff and students.

Special projects included upgrades to nurse's offices at Dogwood Elementary School, Manito Elementary School and Valley Middle School, replacement of damper controls on univents in all school classrooms, replacement of controls on air handlers at all three elementary schools, uninvent replacement at Valley Middle School, and a handicap accessible restroom at Manito Elementary School.

LOOKING TO THE FUTURE

Due to COVID-19, the district engaged in hybrid learning for the majority of the 2020-21 school year. The district experienced significant cost savings due to reduced staffing needs and decreased expenditures associated with hybrid learning. The district also received several grants to offset COVID-19 costs. This resulted in a healthy surplus at June 30, 2021, which the board determined should be wisely invested. Since the 4% surplus bill (S2691/A4310) was signed by Governor Murphy the district was able to maintain 4% in unreserved fund balance. In addition, the district planned deposits into existing reserves for future needs while also protecting taxpayers from unexpected future tax increases. With aged schools, including increasing infrastructure needs, a deposit into the existing Capital Reserve Account would enable the Board to fund emergency building repairs and renovations. In addition, the Board planned a deposit into the district's Maintenance Reserve Account to fund required building maintenance and Emergency Reserve Account to fund security projects in future budgets.

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

As a recipient of federal and state financial assistance, the District also is responsible for making certain 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.

Strong fraud prevention procedures bolster the confidence board members, state regulators, audit committee members and the general public have in the integrity of our district's reports, which will help attract and retain good quality personnel and a strong bond rating as was evidenced by our Aa2 rating for our last two bond sales issued by Moody's Investors Service.

(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 municipality. Annual appropriated budgets are adopted for the general fund, the special revenues 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 for the fiscal year is reflected in the financial section.

Budget Analysis Reports are reviewed to determine any anticipated deficits to any line item accounts. Transfers are approved at monthly meetings to ensure that these accounts are not over-expended.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

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

(7) CASH MANAGEMENT: Bank balances are insured up to \$250,000 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Oakland Board of Education invests all surplus funds for appropriate periods of time as determined by the School Business Administrator.

The Oakland Board of Education maintains an online computerized accounting system to record all financial transactions. During the fiscal year, financial reports are prepared monthly and are distributed to the Board of Education members. The reports detail the monthly transactions and detail the appropriation balances.

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

In an effort to confirm competitive pricing and to insure that the Board's coverage's were the most comprehensive available we obtained quotations from the Northeast Bergen County School Board Insurance Group for the following lines of coverage:

- Commercial Property
- Commercial General Liability
- Educators Legal Liability
- Commercial Auto
- Commercial Umbrella Excess
- Student Accident
- Cyber Liability

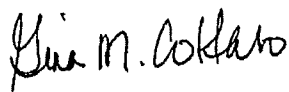
(9) OTHER INFORMATION:

- A) Independent Audit - State statutes require an annual audit be conducted by an independent certified public accountant. The accounting firm of Lerch, Vinci & Higgins, LLP was re-appointed at the Annual Reorganization Meeting as it pertains to the fiscal year 2020/2021 annual audit. In addition to meeting the requirements of the Single Audit Act and the U.S. Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

(10) ACKNOWLEDGMENTS:

We express our appreciation to the Members of the Oakland Board of Education who successfully balance the funding realities of public education with the need to provide Oakland's students with a world-class educational program. Our appreciation is also extended to the administrative team who is critical to the development and implementation of both the budget and the District's educational plan.

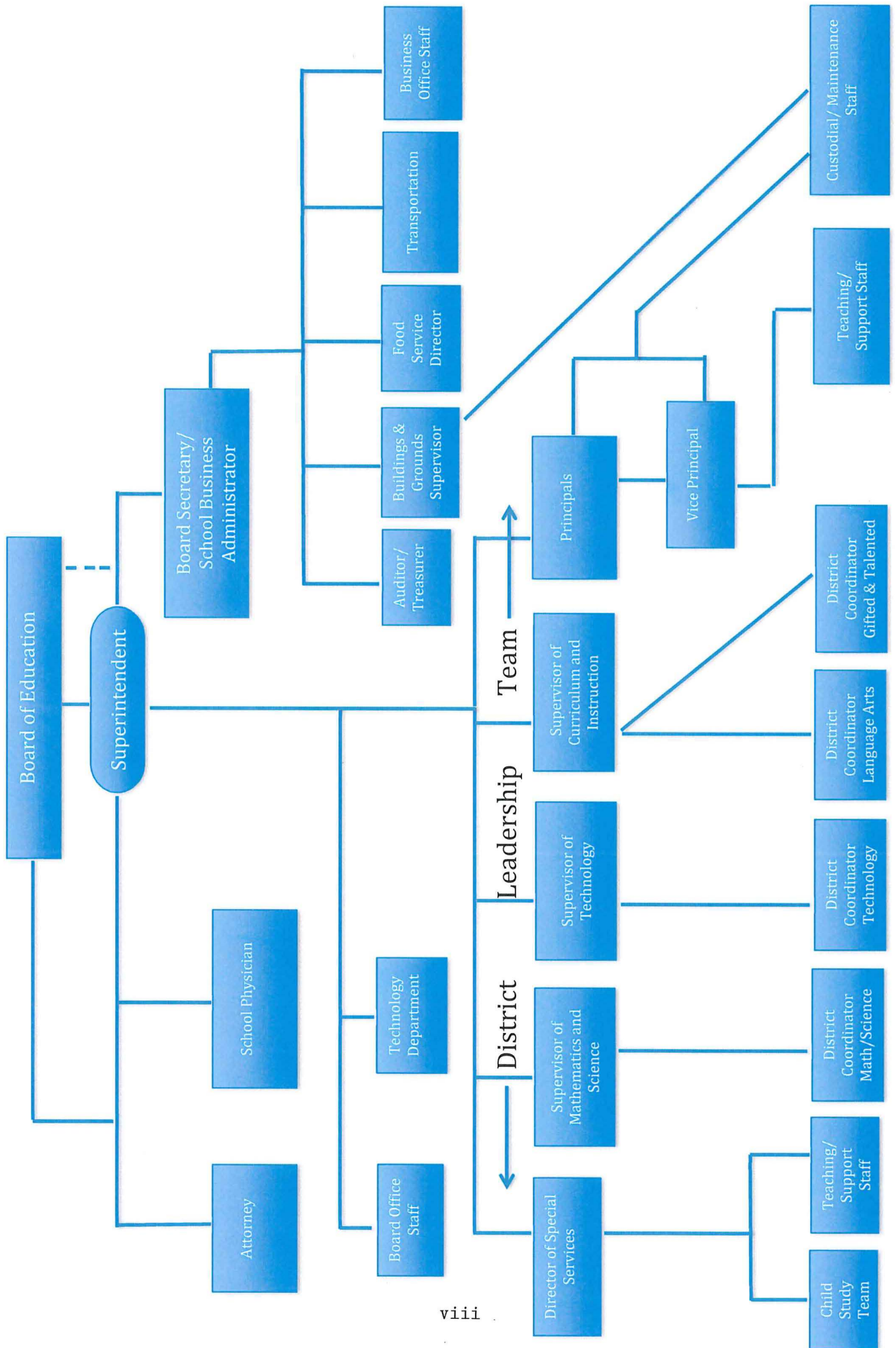
Respectfully submitted,



Dr. Gina M. Coffaro
Superintendent of Schools



Ms. Annette M. Wells
Business Administrator/Board Secretary



**BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOLS DISTRICT**

**Board of Education
OAKLAND PUBLIC SCHOOL DISTRICT**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ms. Carita Shelkin, President	2022
Mr. Peter Mazzilli, Vice President	2024
Ms. Lisa Cooper	2024
Mr. James Gaffney	2023
Mr. John Scerbo	2023

OTHER OFFICIALS

Dr. Gina M. Coffaro, Superintendent of Schools

Ms. Annette Wells, School Business Administrator/Board Secretary

Ms. Judy Favino, Treasurer of School Monies

BOARD OF EDUCATION
OAKLAND PUBLIC SCHOOL DISTRICT
ROSTER OF CONSULTANTS AND ADVISORS
JUNE 30, 2021

Architect

LAN ASSOCIATES
445 Godwin Avenue, Suite 9
Midland Park, NJ 07432

Attorney

FOGARTY & HARA
16-00 Route 208 South
Fair Lawn, NJ 07410

Auditor

LERCH, VINCI & HIGGINS, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Official Depositories

Lakeland Bank
652 Wyckoff Avenue
Wyckoff, NJ 07481

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Oakland Board of Education
Oakland, 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 Oakland Board of Education, as of and for the fiscal year ended June 30, 2021 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 Oakland Board of Education as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Oakland Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

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 Oakland Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Oakland Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2022 on our consideration of the Oakland 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 Oakland 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 Oakland 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
February 23, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

OAKLAND BOARD OF EDUCATION

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

This discussion and analysis of the Oakland School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2021. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- District-wide – The governmental activities had \$43,055,267 in revenues, general revenues for governmental activities accounted for \$31,303,437 or 72 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,751,830 or 28 percent of total revenues of \$43,055,267.
- District-wide - The governmental activities had \$40,934,920 in expenses; only \$11,751,830 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$31,303,437 were adequate to provide for these programs.
- Fund Financials - Among governmental funds, the General Fund had \$38,462,449 in revenues and \$36,721,213 in expenditures. At the close of the fiscal year the General Fund's fund balance is \$6,995,862 an increase of \$1,741,236 from June 30, 2020.
- Fund Financials - At the end of June 30, 2021, the District's unassigned fund balance for the General Fund was \$956,708 an increase of \$601,118 from June 30, 2020.

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 Oakland Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Oakland Board of Education, reporting the Oakland 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 Oakland Board of Education operates like a business.

Figure A-1 summarizes the major features of the Oakland Board of Education's financial statements, including the portion of the Oakland 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.

OAKLAND BOARD OF EDUCATION

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 Inflows/outflows of resources and liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets deferred inflows/outflows of resource and liabilities both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The District-wide financial statements are designed to provide readers with a broad overview of the Oakland 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 Oakland Board of Education’s assets, liabilities and deferred outflows or inflows of resources, 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.

OAKLAND BOARD OF EDUCATION

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 and Summer Programs 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 these Funds.

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 and Summer Programs 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.

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.

OAKLAND BOARD OF EDUCATION

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE OAKLAND 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-1 provides a summary of the school district’s net position as of June 30, 2021 and 2020.

Net Position. The District’s combined net position as of June 30, 2021 and 2020 were \$7,153,272 and \$4,996,641, as restated, respectively.

A significant 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.

**Table A-1
Statement of Net Position
As of June 30, 2021 and 2020**

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and Other Assets	\$ 7,288,307	\$ 5,420,301	\$ 99,968	\$ 62,284	\$ 7,388,275	\$ 5,482,585
Capital Assets	<u>8,631,220</u>	<u>8,952,432</u>	<u>19,960</u>	<u>16,816</u>	<u>8,651,180</u>	<u>8,969,248</u>
Total Assets	<u>15,919,527</u>	<u>14,372,733</u>	<u>119,928</u>	<u>79,100</u>	<u>16,039,455</u>	<u>14,451,833</u>
Deferred Outflows of Resources	<u>649,034</u>	<u>1,045,758</u>	<u>-</u>	<u>-</u>	<u>649,034</u>	<u>1,045,758</u>
Total Assets and Deferred Outflows	<u>16,568,561</u>	<u>15,418,491</u>	<u>119,928</u>	<u>79,100</u>	<u>16,688,489</u>	<u>15,497,591</u>
Liabilities						
Current Liabilities	258,623	139,654	44,249	38,325	302,872	177,979
Noncurrent Liabilities	<u>6,679,989</u>	<u>7,850,116</u>	<u>-</u>	<u>-</u>	<u>6,679,989</u>	<u>7,850,116</u>
Total Liabilities	<u>6,938,612</u>	<u>7,989,770</u>	<u>44,249</u>	<u>38,325</u>	<u>6,982,861</u>	<u>8,028,095</u>
Deferred Inflows of Resources	<u>2,550,855</u>	<u>2,469,974</u>	<u>1,501</u>	<u>2,881</u>	<u>2,552,356</u>	<u>2,472,855</u>
Total Liabilities and Deferred Inflows	<u>9,489,467</u>	<u>10,459,744</u>	<u>45,750</u>	<u>41,206</u>	<u>9,535,217</u>	<u>10,500,950</u>
Net Position						
Net Investment in Capital Assets	7,961,493	7,882,133	19,960	16,816	7,981,453	7,898,949
Restricted	3,344,057	2,897,784			3,344,057	2,897,784
Unrestricted	<u>(4,226,456)</u>	<u>(5,821,170)</u>	<u>54,218</u>	<u>21,078</u>	<u>(4,172,238)</u>	<u>(5,800,092)</u>
Total Net Position	<u>\$ 7,079,094</u>	<u>\$ 4,958,747</u>	<u>\$ 74,178</u>	<u>\$ 37,894</u>	<u>\$ 7,153,272</u>	<u>\$ 4,996,641</u>

OAKLAND BOARD OF EDUCATION

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

Governmental activities. Governmental activities net position increased by \$2,120,347. The increase in the net position is evident of the District's sound financial management and improved financial position. Key elements of this increase are as follows:

**Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 35,988	\$ 39,218	\$ 4,716	\$ 286,857	\$ 40,704	\$ 326,075
Operating Grants and Contributions	11,713,137	8,256,837	327,253	69,404	12,040,390	8,326,241
Capital Grants and Contributions	2,705	23,084			2,705	23,084
General Revenues						
Property Taxes	30,875,180	29,985,583			30,875,180	29,985,583
State Aid	118,397	117,603			118,397	117,603
Federal Aid	25,000				25,000	-
Other	284,860	147,982	-	-	284,860	147,982
Total Revenues	<u>43,055,267</u>	<u>38,570,307</u>	<u>331,969</u>	<u>356,261</u>	<u>43,387,236</u>	<u>38,926,568</u>
Expenses						
Instruction						
Regular	18,004,740	17,005,899			18,004,740	17,005,899
Special	6,669,663	5,826,547			6,669,663	5,826,547
Other Instruction	1,442,141	1,392,768			1,442,141	1,392,768
School Sponsored Activities and Ath.	55,944	61,187			55,944	61,187
Support Services						
Student and Instruction Related Serv.	6,686,255	6,259,653			6,686,255	6,259,653
School Administrative Services	932,183	829,229			932,183	829,229
General Administrative Services	2,759,462	2,594,188			2,759,462	2,594,188
Plant Operations and Maintenance	2,746,044	2,637,266			2,746,044	2,637,266
Pupil Transportation	993,018	1,114,453			993,018	1,114,453
Central Services	613,845	474,518			613,845	474,518
Food Service			295,685	376,664	295,685	376,664
Other				23,459	-	23,459
Interest and Other Chgs. on Long-Term Debt	31,625	38,636	-	-	31,625	38,636
Total Expenses	<u>40,934,920</u>	<u>38,234,344</u>	<u>295,685</u>	<u>400,123</u>	<u>41,230,605</u>	<u>38,634,467</u>
Change in Net Position Before Transfers	2,120,347	335,963	36,284	(43,862)	2,156,631	292,101
Transfers		(15,609)		15,609	-	-
Net Position, Beginning of Year	4,958,747	4,554,645	37,894	66,147	4,996,641	4,620,792
Prior Period Adjustment	-	83,748	-	-	-	83,748
Net Position, Beginning of Year, as Restated	<u>4,958,747</u>	<u>4,638,393</u>	<u>37,894</u>	<u>66,147</u>	<u>4,996,641</u>	<u>4,704,540</u>
Net Position, End of Year	<u>\$ 7,079,094</u>	<u>\$ 4,958,747</u>	<u>\$ 74,178</u>	<u>\$ 37,894</u>	<u>\$ 7,153,272</u>	<u>\$ 4,996,641</u>

OAKLAND BOARD OF EDUCATION

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

Governmental activities. The District's total governmental revenues were \$43,055,267. The local share of the revenues, that included property taxes, interest, unrestricted State aid and State aid restricted for debt service and miscellaneous revenue, amounted to \$31,303,437 or 73% of total revenues. Funding from state and federal sources and capital grants and contributions amounted to \$11,715,842 or 27%. Charges for services amounted to \$35,988 or less than 1%.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$26,172,488 (64%) support services totaled \$14,730,807 (36%) and interest and charges on long-term debt total \$31,625 (less than 1%) of total expenditures. (See Table A-3.)

Total Cost and Net Cost of Governmental Activities. The District's total cost of services was \$40,934,920. After applying program revenues, derived from operating and capital grants and contributions of \$11,715,842 and charges for services of \$35,988, the net cost of services of the District is \$29,183,090 for the fiscal year ended June 30, 2021.

Table A-3
Cost of Services and Net Cost of Services - Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 18,004,740	\$ 17,005,899	\$ 12,761,639	\$ 13,395,937
Special Education	6,669,663	5,826,547	3,796,740	3,607,482
Other Instruction	1,442,141	1,392,768	1,021,863	1,091,512
School Sponsored Activities and Athletics	55,944	61,187	22,084	50,711
Support Services				
Student and Instruction Related Svcs.	6,686,255	6,259,653	5,011,647	5,064,081
School Administrative Services	932,183	829,229	732,415	687,246
General Administrative Services	2,759,462	2,594,188	1,972,490	2,044,515
Plant Operations and Maintenance	2,746,044	2,637,266	2,546,671	2,597,711
Pupil Transportation	993,018	1,114,453	717,218	860,221
Central Services	613,845	474,518	568,698	477,153
Interest and Other Chgs.on Long-Term Debt	31,625	38,636	31,625	38,636
Total Governmental Activities	\$ 40,934,920	\$ 38,234,344	\$ 29,183,090	\$ 29,915,205

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$295,685. These costs were funded by operating grants and charges for services (Detailed on Table A-2). The operations resulted in an increase in net position of \$36,284.

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 \$7,034,788. At the end of the 2019-2020 fiscal year, the fund balance as restated, was \$5,289,049, an increase of \$1,745,739.

OAKLAND BOARD OF EDUCATION

The District's Funds

All governmental funds (i.e., general fund, special revenue 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 \$39,514,935 and expenditures were \$37,769,196.

General Fund

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 general fund revenues for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase (Decrease)	Percent Change
Local Sources	\$ 30,966,398	\$ 29,944,498	\$ 1,021,900	3.41%
Federal Sources	25,000		25,000	100.00%
State Sources	<u>7,471,051</u>	<u>6,152,786</u>	<u>1,318,265</u>	<u>21.43%</u>
Total	<u>\$ 38,462,449</u>	<u>\$ 36,097,284</u>	<u>\$ 2,365,165</u>	6.55%

The following schedule represents a summary of general fund expenditures for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase (Decrease)	Percent Change
Current Expenditures				
Instruction	\$ 22,734,667	\$ 22,105,503	\$ 629,164	2.85%
Support Services	13,313,573	13,069,476	244,097	1.87%
Capital Outlay	548,610	1,156,330	(607,720)	-52.56%
Debt Service-				
Principal	114,105	32,843	81,262	247.43%
Interest	<u>10,258</u>	<u>7,027</u>	<u>3,231</u>	45.98%
Total	<u>\$ 36,721,213</u>	<u>\$ 36,371,179</u>	<u>\$ 350,034</u>	0.96%

OAKLAND BOARD OF EDUCATION

Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of receipts, disbursements and encumbrances. The primary fund is the General Fund.

The Oakland School District, like many other Bergen County districts continues to provide a comprehensive educational program amidst the continuous budgetary constraints from the State of New Jersey with regard to State Aid. The funding formulas for State Aid have significantly shifted the burden of revenue funding to local property taxpayers as State Aid continues to remain inadequate against the backdrop of increased State and Federal mandates such as Special Education programs and services, Facility requirements and Long Range Planning, and now new Safety and Security requirements.

Special Education remains a significant expense. Many mandated services and requirements such as OT/PT (Occupation and Physical Therapy), speech, resource room, evaluations, one-on-one aides and other related services continue to be in demand as well as Special Education tuition and transportation to out-of-district schools. The District is also experiencing an increase in students requiring ESL services.

In the COVID-19 environment, the district received several grants to offset the costs of technology, cleaning supplies, and other supplies in order to open schools safely. While these grants will help the district in the short-term, the Board of Education and Administration continue to explore cost saving initiatives designed to offset rising fixed costs associated with the general fund such as salaries, insurance, tuition, transportation and energy costs for long-term sustainability.

Major initiatives in the 2020/21 year included:

- Renewed membership through various consortia and shared services designed to promote cost savings in areas such as energy, technology, transportation, special education services and general supplies. These activities include: ACES "Alliance for Competitive Energy Savings" and the "Educational Services Commission of New Jersey". The district is also a member of ACT, "Alliance for Competitive Telecommunication". In addition, the District participates in joint transportation agreements and shared services with 15 Bergen County districts, and continues participation in collective bids for savings in general supplies through Educational Data Services. In addition, membership in various technology purchasing consortia such as PEPPM, Keystone Purchasing Network and the Western States Contracting Alliance (WSCA) has been initiated.
- Expanded shared services with the Borough of Oakland receiving additional support for site conditions at all school properties, the mutual support of various social & sports programs for Oakland residents, and the continued exploration of possible cost saving initiatives in operational areas.
- Projects focused on improved air quality and safety in the COVID-19 environment. They included: upgrades to nurse's offices at Dogwood Elementary School, Manito Elementary School and Valley Middle School, replacement of damper controls on unit ventilators in all school classrooms, replacement of controls on air handlers at all three elementary schools, unit ventilator replacement at Valley Middle School, and completion of a handicap accessible restroom at Manito Elementary School.
- With the hybrid learning environment due to COVID-19, the district experienced significant savings in the areas of transportation, overtime, co-curriculars, extra-curriculars, lunch aides and general supplies. These savings allowed the district to retain a 4% undesignated fund balance and make deposits into Capital Reserve, Maintenance Reserve and Emergency Reserve Accounts for future projects.

OAKLAND BOARD OF EDUCATION

Capital Assets and Debt Administration. The Oakland Board of Education’s investment in capital assets for its governmental and business type activities as of June 30, 2021 and 2020 amounts to \$8,651,180 and \$8,969,248 (net of accumulated depreciation), respectively. This investment in capital assets includes land, construction in progress, buildings and building improvements, land improvements, machinery, equipment and vehicles.

Table A-4
Capital Assets as of June 30, 2021 and 2020
(Net of Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 131,987	\$ 131,987			\$ 131,987	\$ 131,987
Construction In Progress	-	296,601			-	296,601
Land Improvements	1,887,239	1,887,239			1,887,239	1,887,239
Buildings and Building Improvements	18,280,642	17,619,168			18,280,642	17,619,168
Machinery and Equipment	<u>2,507,658</u>	<u>2,762,796</u>	<u>\$ 255,422</u>	<u>\$ 255,340</u>	<u>2,763,080</u>	<u>3,018,136</u>
Total	22,807,526	22,697,791	255,422	255,340	23,062,948	22,953,131
Less: Accumulated Depreciation	<u>14,176,306</u>	<u>13,745,359</u>	<u>235,462</u>	<u>238,524</u>	<u>14,411,768</u>	<u>13,983,883</u>
Total	<u>\$ 8,631,220</u>	<u>\$ 8,952,432</u>	<u>\$ 19,960</u>	<u>\$ 16,816</u>	<u>\$ 8,651,180</u>	<u>\$ 8,969,248</u>

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

Debt Administration. As of June 30, 2021 and 2020 the school district had long-term debt and outstanding long-term liabilities in the amount of \$6,679,989 and \$7,850,116, respectively, as stated in Table A-5.

Table A-5
Long-Term Debt
Outstanding Long-Term Liabilities
as of June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Bonds Payable	\$ 432,000	\$ 762,000
Capital Leases	242,015	319,225
Compensated Absences Payable	288,168	391,491
Net Pension Liability	<u>5,717,806</u>	<u>6,377,400</u>
Total	<u>\$ 6,679,989</u>	<u>\$ 7,850,116</u>

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

OAKLAND BOARD OF EDUCATION

For the Future

Although the district remains in good financial condition, the constraints of state budget “caps” and limited state aid have a material impact on the budget and the District’s ability to deliver the quality of services that it has in the past. Everyone associated with the Oakland School District is grateful for the continued community support of the schools.

Districts throughout the state find it increasingly difficult to fund capital expenditure debt within tightened operating budgets and limited state aid. Having recognized this need in the wake of deteriorating buildings and inefficient mechanical/operating systems resulting from continuously deferred capital projects, in the fall of 2017 the District successfully updated a comprehensive five-year facilities capital improvement plan to identify critical building issues. Items included: replacements of roofs, boilers, unit ventilation equipment, windows, exterior doors, and electrical upgrades at all schools. The district will continue to explore funding for these projects.

Through direct team member involvement and initiatives, much of the costs associated with maintenance projects have been minimized as a result of in-house labor and expertise in areas such as cabling for security camera installations, demolition, clean up and removal of debris associated with remodeling, electrical, plumbing, landscape design, and painting. Larger projects have slowly been accomplished in the budget process utilizing Capital Reserve funds. Unfortunately, the district’s needs are greater than the amount eligible in reserve accounts.

In addition to the potential Facilities concern, the district will continue to face budgetary obstacles in the ensuing years resulting from increased special education needs. The district continues to experience unanticipated mid-year relocation into the community of those special education students who receive high-cost private school services as well as an increase of district students requiring out of district placements. Since school districts cannot operate at a deficit, the only choice available to meet federal and state requirements and fixed costs (such as special education) would be to cut other areas, such as regular education programming or maintenance.

Despite these conditions, the Oakland School District remains committed to financial excellence. Its system for financial planning, budgeted, 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

This financial report is designed to provide a general overview of the Oakland Board of Education’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Gina M. Coffaro, Ed. D
Superintendent of Schools

At the:

Oakland Board of Education, 315 Ramapo Valley Road, Oakland, NJ 07436.

BASIC FINANCIAL STATEMENTS

OAKLAND BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,183,639	\$ 4,640	\$ 7,188,279
Receivables, net	104,668	85,706	190,374
Inventory		6,752	6,752
Prepaid Items		2,870	2,870
Capital Assets, net			
Being Depreciated	8,499,233	19,960	8,519,193
Not Being Depreciated	<u>131,987</u>	<u>-</u>	<u>131,987</u>
 Total Assets	 <u>15,919,527</u>	 <u>119,928</u>	 <u>16,039,455</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	4,288		4,288
Deferred Amounts on Net Pension Liability	<u>644,746</u>	<u>-</u>	<u>644,746</u>
 Total Deferred Outflows of Resources	 <u>649,034</u>	 <u>-</u>	 <u>649,034</u>
 Total Assets and Deferred Outflows of Resources	 <u>16,568,561</u>	 <u>119,928</u>	 <u>16,688,489</u>
LIABILITIES			
Accounts Payable	55,551	16,236	71,787
Payable to Other Governments	89,493		89,493
Accrued Interest Payable	5,104		5,104
Unearned Revenue	108,475	28,013	136,488
Noncurrent Liabilities			
Due Within One Year	495,431		495,431
Due Beyond One Year	<u>6,184,558</u>	<u>-</u>	<u>6,184,558</u>
 Total Liabilities	 <u>6,938,612</u>	 <u>44,249</u>	 <u>6,982,861</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,501	1,501
Deferred Amounts on Net Pension Liability	<u>2,550,855</u>	<u>-</u>	<u>2,550,855</u>
 Total Deferred Inflows of Resources	 <u>2,550,855</u>	 <u>1,501</u>	 <u>2,552,356</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>9,489,467</u>	 <u>45,750</u>	 <u>9,535,217</u>
NET POSITION			
Net Investment in Capital Assets	7,961,493	19,960	7,981,453
Restricted for			
Capital Projects	1,966,655		1,966,655
Other Purposes	1,377,402		1,377,402
Unrestricted	<u>(4,226,456)</u>	<u>54,218</u>	<u>(4,172,238)</u>
 Total Net Position	 <u>\$ 7,079,094</u>	 <u>\$ 74,178</u>	 <u>\$ 7,153,272</u>

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

**OAKLAND BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 18,004,740		\$ 5,240,396	\$ 2,705	\$ (12,761,639)		\$ (12,761,639)
Special Education	6,669,663		2,872,923		(3,796,740)		(3,796,740)
Other Instruction	1,442,141		420,278		(1,021,863)		(1,021,863)
School Sponsored Activities and Athletics	55,944		33,860		(22,084)		(22,084)
Support Services							
Student and Instruction Related Services	6,686,255		1,674,608		(5,011,647)		(5,011,647)
General Administrative Services	932,183		199,768		(732,415)		(732,415)
School Administrative Services	2,759,462		786,972		(1,972,490)		(1,972,490)
Plant Operations and Maintenance	2,746,044		199,373		(2,546,671)		(2,546,671)
Pupil Transportation	993,018	\$ 35,988	239,812		(717,218)		(717,218)
Central Services	613,845		45,147		(568,698)		(568,698)
Interest and Other Charges on Long-Term Debt	31,625	-	-	-	(31,625)	-	(31,625)
Total Governmental Activities	40,934,920	35,988	11,713,137	2,705	(29,183,090)	-	(29,183,090)
Business-Type Activities							
Food Service	\$ 295,685	\$ 4,716	\$ 327,253	-	-	\$ 36,284	\$ 36,284
Total Business-Type Activities	295,685	4,716	327,253	-	-	36,284	36,284
Total Primary Government	\$ 41,230,605	\$ 40,704	\$ 12,040,390	\$ 2,705	(29,183,090)	36,284	(29,146,806)
General Revenues and Transfers							
Property Taxes, Levied for General Purposes					30,645,550		30,645,550
Property Taxes, Levied for Debt Service					229,630		229,630
State Aid Restricted for Debt Service					118,397		118,397
Miscellaneous Income					284,860	-	284,860
Federal Aid					25,000	-	25,000
Total General Revenues					31,303,437	-	31,303,437
Change in Net Position					2,120,347	36,284	2,156,631
Net Position, Beginning of Year, as Restated					4,958,747	37,894	4,996,641
Net Position, End of Year					\$ 7,079,094	\$ 74,178	\$ 7,153,272

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FUND FINANCIAL STATEMENTS

**OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 7,031,516	\$ 152,123	-	\$ 7,183,639
Receivables from Other Governments	<u>55,516</u>	<u>49,152</u>	<u>-</u>	<u>104,668</u>
Total Assets	<u>\$ 7,087,032</u>	<u>\$ 201,275</u>	<u>\$ -</u>	<u>\$ 7,288,307</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Other Liabilities	\$ 55,551			\$ 55,551
Payable to State Government	18,956	\$ 70,537		89,493
Unearned Revenue	<u>16,663</u>	<u>91,812</u>	<u>-</u>	<u>108,475</u>
Total Liabilities	<u>91,170</u>	<u>162,349</u>	<u>-</u>	<u>253,519</u>
Fund Balances				
Restricted				
Excess Surplus	760,000			760,000
Excess Surplus - Designated for Subsequent Year's Expenditures	760,000			760,000
Capital Reserve	1,966,655			1,966,655
Capital Reserve - Designated for Subsequent Year's Expenditures	419,000			419,000
Emergency Reserve	299,278			299,278
Emergency Reserve - Designated for Subsequent Year's Expenditures	135,000			135,000
Maintenance Reserve	1,007,002			1,007,002
Maintenance Reserve - Designated for Subsequent Year's Expenditures	370,400			370,400
Unemployment Compensation Reserve	321,819			
Student Activities		38,926		38,926
Unassigned	<u>956,708</u>	<u>-</u>	<u>-</u>	<u>956,708</u>
Total Fund Balances	<u>6,995,862</u>	<u>38,926</u>	<u>-</u>	<u>7,034,788</u>
Total Liabilities and Fund Balances	<u>\$ 7,087,032</u>	<u>\$ 201,275</u>	<u>\$ -</u>	<u>\$ 7,288,307</u>

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

**OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

Total Fund Balance - Governmental Funds (Exhibit B-1) \$ 7,034,788

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,807,526 and the accumulated depreciation is \$14,176,306.

8,631,220

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

4,288

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

(5,104)

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

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 644,746
(2,550,855)

(1,906,109)

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 (432,000)
Capital Leases (242,015)
Compensated Absences (288,168)
Net Pension Liability (5,717,806)

(6,679,989)

Net position of governmental activities (Exhibit A-1) **\$ 7,079,094**

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

**OAKLAND BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Tax				
Property Levy	\$ 30,645,550		\$ 229,630	\$ 30,875,180
Transportation	35,988			35,988
Miscellaneous	<u>284,860</u>	<u>\$ 23,574</u>	<u>-</u>	<u>308,434</u>
Total - Local Sources	<u>30,966,398</u>	<u>23,574</u>	<u>229,630</u>	<u>31,219,602</u>
State Sources	7,471,051	121,929	118,397	7,711,377
Federal Sources	<u>25,000</u>	<u>558,956</u>	<u>-</u>	<u>583,956</u>
Total Revenues	<u>38,462,449</u>	<u>704,459</u>	<u>348,027</u>	<u>39,514,935</u>
EXPENDITURES				
Current				
Regular Instruction	15,671,567	205,626		15,877,193
Special Education Instruction	5,762,874	395,254		6,158,128
Other Instruction	1,267,624			1,267,624
School-Sponsored Activities and Athletics	32,602	19,071		51,673
Support Services				
Student and Instruction Related Services	5,945,684	77,300		6,022,984
General Administrative Services	849,231			849,231
School Administrative Services	2,432,677			2,432,677
Plant Operations and Maintenance	2,559,228			2,559,228
Pupil Transportation	969,889			969,889
Central Services	556,864			556,864
Debt Service				
Principal	114,105		330,000	444,105
Interest and Other Charges	10,258		18,027	28,285
Capital Outlay	<u>548,610</u>	<u>2,705</u>	<u>-</u>	<u>551,315</u>
Total Expenditures	<u>36,721,213</u>	<u>699,956</u>	<u>348,027</u>	<u>37,769,196</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>1,741,236</u>	<u>4,503</u>	<u>-</u>	<u>1,745,739</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,741,236	4,503	-	1,745,739
Fund Balance, Beginning of Year, as Restated	<u>5,254,626</u>	<u>34,423</u>	<u>-</u>	<u>5,289,049</u>
Fund Balance, End of Year	<u>\$ 6,995,862</u>	<u>\$ 38,926</u>	<u>\$ -</u>	<u>\$ 7,034,788</u>

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

**OAKLAND 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, 2021**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,745,739

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	\$ 551,315	
Depreciation Expense	<u>(872,527)</u>	
		(321,212)

In the statement of activities, certain operating expenses, e.g., compensated absences and net pension liability are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned or incurred amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Net Decrease in Compensated Absences	103,322	
Decrease in PERS Pension Expense	<u>188,627</u>	
		291,949

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 the issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Deferred Amounts on Refunding	(6,638)	
Principal Repayments		
Bond Principal	330,000	
Capital Lease Principal	<u>114,105</u>	
		437,467

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities. (36,895)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. The details are as follows:

Decrease in Accrued Interest		<u>3,299</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 2,120,347

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

ASSETS	Business-Type Activities		Total
	Non-Major Enterprise Fund	Food Service	
Current Assets			
Cash and Cash Equivalents	\$ 1,930	\$ 2,710	\$ 4,640
Prepaid Items	2,870		2,870
Intergovernmental Receivable			
Federal		82,950	82,950
State		2,756	2,756
Inventory	-	6,752	6,752
Total Current Assets	4,800	95,168	99,968
Non-Current Assets			
Equipment		255,422	255,422
Less: Accumulated Depreciation	-	(235,462)	(235,462)
Total Non-Current Assets	-	19,960	19,960
Total Assets	4,800	115,128	119,928
LIABILITIES			
Current Liabilities			
Accounts Payable		16,236	16,236
Unearned Revenue	4,800	23,213	28,013
Total Liabilities	4,800	39,449	44,249
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	-	1,501	1,501
Total Deferred Inflows of Resources	-	1,501	1,501
NET POSITION			
Investment in Capital Assets		19,960	19,960
Unrestricted	-	54,218	54,218
Total Net Position	\$ -	\$ 74,178	\$ 74,178

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities		Total
	Non-Major Enterprise Fund	Food Service	
OPERATING REVENUES			
Charges for Services			
Daily Sales- Non-Reimbursable Programs	\$ -	\$ 4,716	4,716
Total Operating Revenues	-	4,716	4,716
OPERATING EXPENSES			
Cost of Sales-Reimbursable Programs		129,121	129,121
Salaries and Employee Benefits		116,407	116,407
Purchased Services		29,128	29,128
Supplies and Materials		13,891	13,891
Depreciation Expense	-	7,138	7,138
Total Operating Expenses	-	295,685	295,685
Operating (Loss)	-	(290,969)	(290,969)
NONOPERATING REVENUES			
Federal Sources			
National School Lunch Program		290,105	290,105
NSLP Equipment Assistance		10,282	10,282
Food Distribution Program		11,694	11,694
State Sources			
School Lunch Program		15,080	15,080
Interest and Investment Revenue	-	92	92
Total Nonoperating Revenues	-	327,253	327,253
Change in Net Position	-	36,284	36,284
Net Position, Beginning of Year	-	37,894	37,894
Net Position, End of Year	\$ -	\$ 74,178	\$ 74,178

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

**OAKLAND BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activities</u>		<u>Total</u>
	<u>Non-Major Enterprise Fund</u>	<u>Food Service</u>	
Cash Flows From Operating Activities			
Receipts from Customers	\$ 4,400	\$ 387	\$ 4,787
Refunds to Customers			-
Payments for Employees' Salaries and Benefits		(116,407)	(116,407)
Payments to Suppliers for Goods and Services	(2,870)	(153,448)	(156,318)
Net Cash Provided/(Used) By Operating Activities	<u>1,530</u>	<u>(269,468)</u>	<u>(267,938)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	-	230,981	230,981
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>230,981</u>	<u>230,981</u>
Cash Flows from Capital and Related Financing Activities			
Interest Earned		92	92
Purchase of Capital Assets	-	(10,282)	(10,282)
Net Cash (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(10,190)</u>	<u>(10,190)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,530	(48,677)	(47,147)
Cash and Cash Equivalents, Beginning of Year	400	51,387	51,787
Cash and Cash Equivalents, End of Year	<u>\$ 1,930</u>	<u>\$ 2,710</u>	<u>\$ 4,640</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities:			
Operating (Loss)	\$ -	\$ (290,969)	\$ (290,969)
Adjustments to Reconcile Operating Loss to Net Cash Provided/ (Used) By Operating Activities			
Depreciation		7,138	7,138
Non-cash Assistance-Food Distribution Program		11,694	11,694
Change in Assets and Liabilities			
(Increase)/ Decrease in Prepaid Expense	(2,870)		(2,870)
(Increase)/ Decrease in Inventory		2,525	2,525
Increase/ (Decrease) in Accounts Payable		5,853	5,853
Increase/ (Decrease) in Unearned Revenue	4,400	(4,329)	71
Increase/ (Decrease) in Deferred Commodities	-	(1,380)	(1,380)
Total Adjustments	<u>1,530</u>	<u>21,501</u>	<u>23,031</u>
Net Cash Provided/(Used) By Operating Activities	<u>\$ 1,530</u>	<u>\$ (269,468)</u>	<u>\$ (267,938)</u>
Non Cash Non Capital Financing Activities			
Value Received - Food Distribution Program		<u>\$ 10,314</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Oakland 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 five 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 eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, 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 Oakland Board of Education this includes general operations, food service, summer program and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. 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. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB 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 fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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. Currently, the District does not have any fiduciary funds.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, student activity funds derived from activities of pupil organizations.

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.

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

The *summer program fund* accounts for the activities of the District's enrichment, threshold and safety town program which provides cultural, education and safety program to the participating students.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Capital Assets*

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	40
Machinery and Equipment	5-10

6. *Deferred Outflows/Inflows of Resources*

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. The one item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. Compensated Absences

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

8. Pensions

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

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

9. Long-Term Obligations

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

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations (Continued)*

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.

10. *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, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 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, 2020 audited excess surplus that was appropriated in the 2021/2022 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 2B).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 2D).

Emergency Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4a).

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

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

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

11. *Fund Balance Policies*

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the 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.

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies (Continued)*

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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. The annual budget is voted upon at the annual school election on the third Tuesday in April.

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 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$1,009,809. The increase was funded by the additional appropriation of capital reserve, maintenance reserve, grant awards, student activity revenues, scholarship donations and 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.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,965,145
Increased by:		
Interest Earnings	\$ 1,068	
Deposit Approved by Board Resolution	659,776	
Unexpended Project Balance Appropriated in the 2019-20 Budget	<u>25,866</u>	
Total Increases		<u>686,710</u>
		2,651,855
Decreased by:		
Withdrawals Approved in District Budget		<u>266,200</u>
Balance, June 30, 2021		<u>\$ 2,385,655</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$419,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

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.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 651,735
Increased by:		
Interest Earnings	\$ 212	
Deposit Approved by Board Resolution	1,000,000	
Unexpended Project Balance Appropriated in the 2019-20 Budget	<u>39,555</u>	
		<u>1,039,767</u>
		1,691,502
Withdrawals:		
Approved by Board Resolution	252,000	
Approved in District's Budget	<u>62,100</u>	
		<u>314,100</u>
Balance, June 30, 2021		<u>\$ 1,377,402</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,387,815. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$370,400 of the maintenance reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

D. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 417,389
Increased by:		
Interest Earnings	\$ 121	
Deposit Approved by Board Resolution	<u>242,000</u>	
		<u>242,121</u>
		659,510
Withdrawals:		
Approved by Board Resolution	112,982	
Approved in District's Budget	<u>112,250</u>	
		<u>225,232</u>
Balance, June 30, 2021		<u>\$ 434,278</u>

\$135,000 of the emergency reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

E. Transfers to Capital Outlay

During the 2020/2021 school year, the district transferred \$266,200 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

F. 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 4% 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, 2021 is \$1,520,000. Of this amount, \$760,000 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$760,000 will be appropriated in the 2022/2023 original budget certified for taxes.

OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021, the book value of the Board's deposits were \$7,188,279 and bank and brokerage firm balances of the Board's deposits amounted to \$8,058,360. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>8,058,360</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, 2021 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2021, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds.

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal		\$ 49,152	\$ 82,950	\$ 132,102
State	\$ 55,516	-	2,756	58,272
Net Total Receivables	<u>\$ 55,516</u>	<u>\$ 49,152</u>	<u>\$ 85,706</u>	<u>\$ 190,374</u>

C. Unearned Revenue

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

General Fund	
21-22 Subscription Busing	\$ 16,663
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>91,812</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 108,475</u>

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, July 1, 2020	Increases	Adjustments	Decreases	Balance, June 30, 2021
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 131,987				\$ 131,987
Construction In Progress	296,601	-	\$ (296,601)	-	-
Total Capital Assets, Not Being Depreciated	428,588	-	(296,601)	-	131,987
Capital Assets, Being Depreciated:					
Land Improvements	1,887,239				1,887,239
Buildings and Building Improvements	17,619,168	\$ 364,873	296,601		18,280,642
Machinery and Equipment	2,762,796	186,442	-	\$ (441,580)	2,507,658
Total Capital Assets Being Depreciated	22,269,203	551,315	296,601	(441,580)	22,675,539
Less Accumulated Depreciation for:					
Land Improvements	(632,770)	(110,212)			(742,982)
Buildings and Building Improvements	(10,882,183)	(610,480)		441,580	(11,051,083)
Machinery and Equipment	(2,230,406)	(151,835)	-	-	(2,382,241)
Total Accumulated Depreciation	(13,745,359)	(872,527)	-	441,580	(14,176,306)
Total Capital Assets, Being Depreciated, Net	8,523,844	(321,212)	296,601	-	8,499,233
Governmental Activities Capital Assets, Net	<u>\$ 8,952,432</u>	<u>\$ (321,212)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,631,220</u>
	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021	
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 255,340	\$ 10,282	\$ (10,200)		\$ 255,422
Total Capital Assets Being Depreciated	255,340	10,282	(10,200)		255,422
Less Accumulated Depreciation for:					
Machinery and Equipment	(238,524)	(7,138)	10,200		(235,462)
Total Accumulated Depreciation	(238,524)	(7,138)	10,200		(235,462)
Total Capital Assets, Being Depreciated, Net	16,816	3,144	-		19,960
Business-Type Activities Capital Assets, Net	<u>\$ 16,816</u>	<u>\$ 3,144</u>	<u>\$ -</u>		<u>\$ 19,960</u>

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 428,123
Special Education	104,752
Other Instruction	35,737
School-Sponsored/Activities and Athletics	<u>875</u>
Total Instruction	<u>569,487</u>
Support Services	
Student and Instruction Related Services	135,824
General Administrative Services	16,987
School Administrative Services	66,919
Plant Operations and Maintenance	58,307
Pupil Transportation	7,219
Central Services	<u>17,784</u>
Total Support Services	<u>303,040</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 872,527</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 7,138</u>

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Leases

Capital Leases

The District is leasing computer equipment, vehicles, photo copiers and smart boards totaling \$522,685 under capital leases. The leases are for terms of 4 to 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Governmental Activities</u>
2022	\$ 121,642
2023	90,816
2024	<u>40,140</u>
Total minimum lease payments	252,598
Less: amount representing interest	<u>(10,583)</u>
Present value of minimum lease payments	<u>\$ 242,015</u>

F. 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, 2021 are comprised of the following issues:

\$1,152,000, 2007 School Improvement Bonds, due in annual installments of \$95,000 to \$102,000 through February 1, 2023 interest at 4.25%	\$ 197,000
\$1,200,000, 2015 School Refunding Bonds, due in annual installments of \$235,000 through August 1, 2021, interest at 4.25%	<u>235,000</u>
Total	<u>\$ 432,000</u>

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2022	\$ 330,000	\$ 10,311	\$ 340,311
2023	<u>102,000</u>	<u>4,335</u>	<u>106,335</u>
Total	<u>\$ 432,000</u>	<u>\$ 14,646</u>	<u>\$ 446,646</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 77,294,479
Less: Net Debt	<u>432,000</u>
Remaining Borrowing Power	<u>\$ 76,862,479</u>

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Balance, July 1, 2020	Additions	Reductions	Balance, June 30, 2021	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 762,000		\$ 330,000	\$ 432,000	\$ 330,000
Capital Leases Payable	319,225	\$ 36,895	114,105	242,015	115,431
Compensated Absences	391,491		103,323	288,168	50,000
Net Pension Liability	<u>6,377,400</u>	<u>-</u>	<u>659,594</u>	<u>5,717,806</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 7,850,116</u>	<u>\$ 36,895</u>	<u>\$ 1,207,022</u>	<u>\$ 6,679,989</u>	<u>\$ 495,431</u>

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 80,151	\$ 39,236	321,819
2020	55,758	69,551	280,904
2019	45,589	14,580	294,697

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, 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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021.

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, 2021 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 local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 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 <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 383,569	\$ 3,762,505	\$ 23,075
2020	344,277	2,774,177	26,393
2019	345,579	2,518,297	24,975

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$1,602 and \$1,332, respectively for PERS and the State contributed \$1,671, \$1,767 and \$2,068, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,009,147 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$5,717,806 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the District's proportionate share was 0.03506 percent, which was a decrease of 0.00033 percent from its proportionate share measured as of June 30, 2019 of 0.03539 percent.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$194,941 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 104,112	\$ 20,221
Changes of Assumptions	185,492	2,394,099
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	195,439	
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	<u>159,703</u>	<u>136,535</u>
Total	<u>\$ 644,746</u>	<u>\$ 2,550,855</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (685,167)
2023	(664,744)
2024	(365,323)
2025	(156,367)
2026	(34,508)
Thereafter	<u>-</u>
	<u>\$ (1,906,109)</u>

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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)

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>7,197,764</u>	\$ <u>5,717,806</u>	\$ <u>4,462,021</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District’s net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2019 through June 30, 2020. 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, 2020, 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,087,831 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$81,818,638. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was 0.12425 percent, which was a decrease of 0.00117 percent from its proportionate share measured as of June 30, 2019 of 0.12542 percent.

**OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020) 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, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 96,105,573	\$ 81,818,638	\$ 69,955,737

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

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, 2020. In addition, the plan is administered on a pay-as-you-go basis. 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 multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 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, 2019 which were rolled forward to June 30, 2020.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 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 \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$1,179,110, \$1,029,169 and \$1,142,295, 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, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,394,115. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$75,662,706. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.11 percent, which was no change from its proportionate share measured as of June 30, 2019 of 0.11 percent.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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 4.45%
Rate Thereafter	1.55% to 4.45%
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-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*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, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, 2020 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.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

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.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ <u>47,252,202</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,927,337
Interest on the Total OPEB Liability	1,699,123
Differences Between Expected and Actual Experience	12,240,368
Changes of Assumptions	13,820,976
Gross Benefit Payments	(1,317,225)
Contributions from the Member	39,925
Net Changes	<u>\$ 28,410,504</u>
Balance, June 30, 2020 Measurement Date	\$ <u>75,662,706</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

OAKLAND BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 2.21%, 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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 91,215,297	\$ 75,662,706	\$ 63,502,077

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 61,077,488	\$ 75,662,706	\$ 93,030,459

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

NOTE 5 RESTATEMENT

On July 1, 2020, the Oakland Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Oakland Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$83,748 from \$4,874,999 as previously reported to \$4,958,747 as of June 30, 2020.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 5 RESTATEMENT (Continued)

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. In addition, the financial statements have been restated for prior year capital leases not previously recorded. The effect of this restatement is to increase fund balances of governmental funds by \$315,327 from \$4,973,722 as previously reported to \$5,289,049 as of June 30, 2020. General Fund fund balance increased \$280,904 as previously reported to \$5,254,626 as of June 30, 2020. Special Revenue Fund fund balance increased \$34,423 from \$0 as previously reported to \$34,423 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$34,423 from \$34,423 as previously reported to \$0 as of June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been 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.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

**OAKLAND BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The largest portion of the School District's revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

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 its facilities either before or after an outbreak of an infectious disease.

BUDGETARY COMPARISON SCHEDULES

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 30,645,550		\$ 30,645,550	\$ 30,645,550	
Transportation Individuals	55,000		55,000	35,988	\$ (19,012)
Interest	51,200		51,200	17,022	(34,178)
Miscellaneous	20,000	-	20,000	267,838	247,838
Total Local Sources	30,771,750	-	30,771,750	30,966,398	194,648
State Sources					
Special Education Aid	871,087	\$ (112,982)	758,105	758,105	
Transportation Aid	215,169		215,169	215,169	
Security Aid	51,232		51,232	51,232	
Extraordinary Aid	200,000		200,000	800,491	600,491
Non Public Transportation				5,800	5,800
On-behalf TPAF Payments (Non-Budget)					
Pension Benefit Contribution					
Normal Cost				3,692,255	3,692,255
Non-Contributory (NCGI)				70,250	70,250
Post-Retirement Medical Contribution				1,179,110	1,179,110
Long-Term Disability				1,671	1,671
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	1,009,147	1,009,147
Total State Sources	1,337,488	(112,982)	1,224,506	7,783,230	6,558,724
Federal Sources					
Coronavirus Relief Fund	-	-	-	25,000	25,000
Total Federal Sources	-	-	-	25,000	25,000
Total Revenues	32,109,238	(112,982)	31,996,256	38,774,628	6,778,372
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	657,194	48,596	705,790	701,164	4,626
Grades 1-5	5,291,649	(134,596)	5,157,053	5,021,747	135,306
Grades 6-8	3,662,490	(188,114)	3,474,376	3,388,790	85,586
Instruction - Home					
Salaries of Teachers	30,000	-	30,000	2,340	27,660
Purchased Professional-Educational Services	10,000	-	10,000	207	9,793
Regular Programs- Undistributed Instruction					
Purchased Professional-Educational Services	6,200	-	6,200	-	6,200
Other Purchased Services	119,529	(15,220)	104,309	74,934	29,375
General Supplies	387,276	79,485	466,761	391,048	75,713
Textbooks	56,983	64,969	121,952	114,722	7,230
Total Instruction - Regular	10,221,321	(144,880)	10,076,441	9,694,952	381,489
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	181,253	36,343	217,596	212,670	4,926
Other Salaries for Instruction	102,451	(27,851)	74,600	71,902	2,698
Purchased Professional-Educational Services	11,400	(1,240)	10,160	607	9,553
General Supplies	642	-	642	255	387
Total Learning and/or Language Disabilities	295,746	7,252	302,998	285,434	17,564
Resource Room/Resource Center					
Salaries of Teachers	1,426,290	55,084	1,481,374	1,458,648	22,726
Other Salaries for Instruction	315,702	32,009	347,711	343,589	4,122
General Supplies	13,556	-	13,556	6,088	7,468
Total Resource Room/Resource Center	1,755,548	87,093	1,842,641	1,808,325	34,316

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES					
Preschool Disabilities - Part-Time					
Salaries of Teachers	\$ 110,297	\$ 1,629	\$ 111,926	\$ 110,037	\$ 1,889
Other Salaries for Instruction	35,380	-	35,380	33,150	2,230
General Supplies	621	1,240	1,861	1,040	821
Total Preschool Disabilities - Part-Time	<u>146,298</u>	<u>2,869</u>	<u>149,167</u>	<u>144,227</u>	<u>4,940</u>
Total Special Education	<u>2,197,592</u>	<u>97,214</u>	<u>2,294,806</u>	<u>2,237,986</u>	<u>56,820</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	597,687	(7,629)	590,058	585,235	4,823
Total Basic Skills/Remedial - Instruction	<u>597,687</u>	<u>(7,629)</u>	<u>590,058</u>	<u>585,235</u>	<u>4,823</u>
Bilingual Education - Instruction					
Salaries of Teachers	176,951	-	176,951	175,559	1,392
General Supplies	760	-	760	307	453
Total Bilingual Education - Instruction	<u>177,711</u>	<u>-</u>	<u>177,711</u>	<u>175,866</u>	<u>1,845</u>
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	112,223	-	112,223	11,213	101,010
Supplies and Materials	4,900	-	4,900	1,585	3,315
Total School Sponsored Co/Extra Curricular Activities-Instruction	<u>117,123</u>	<u>-</u>	<u>117,123</u>	<u>12,798</u>	<u>104,325</u>
School Sponsored Athletics - Instruction					
Salaries	19,283	-	19,283	7,407	11,876
Purchased Services	12,000	-	12,000		12,000
Supplies and Materials	4,354	-	4,354		4,354
Other Objects	7,100	-	7,100	-	7,100
Total School Sponsored Athletics - Instruction	<u>42,737</u>	<u>-</u>	<u>42,737</u>	<u>7,407</u>	<u>35,330</u>
Total - Instruction	<u>13,354,171</u>	<u>(55,295)</u>	<u>13,298,876</u>	<u>12,714,244</u>	<u>584,632</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	730,833	19,919	750,752	750,644	108
Tuition to CSSD & Reg. Day Schools	156,546	-	156,546	156,546	-
Tuition to APSSD W/I State	1,184,652	(19,919)	1,164,733	1,133,008	31,725
Total Undistributed Expenditures - Instruction	<u>2,072,031</u>	<u>-</u>	<u>2,072,031</u>	<u>2,040,198</u>	<u>31,833</u>
Attendance & Social Work					
Salaries	81,129	-	81,129	77,633	3,496
Total Undistributed Expenditures - Attendance & Social Work	<u>81,129</u>	<u>-</u>	<u>81,129</u>	<u>77,633</u>	<u>3,496</u>

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 372,728	\$ 39,267	\$ 411,995	\$ 408,645	\$ 3,350
Purchased Professional and Technical Services	79,860	(22,500)	57,360	33,259	24,101
Other Purchased Services	260	-	260	210	50
Supplies and Materials	29,369	466	29,835	19,982	9,853
Total Health Services	482,217	17,233	499,450	462,096	37,354
Speech, OT, PT & Related Services					
Salaries	366,482	12,315	378,797	364,671	14,126
Purchased Professional-Educational Services	533,348	(122,000)	411,348	149,855	261,493
Supplies and Materials	6,640	-	6,640	3,366	3,274
Total Speech, OT, PT & Related Services	906,470	(109,685)	796,785	517,892	278,893
Other Support Services - Extra Serv.					
Salaries	221,522	119,443	340,965	325,893	15,072
Purchased Professional-Educational Services	471,021	-	471,021	417,764	53,257
Supplies and Materials	6,041	(419)	5,622	3,494	2,128
Total Other Support Services - Extra Serv.	698,584	119,024	817,608	747,151	70,457
Guidance					
Salaries of Other Professional Staff	431,856	(7,916)	423,940	406,977	16,963
Other Purchased Prof. and Tech. Services	38,428	3,385	41,813	37,322	4,491
Other Purchased Services	-	125	125	125	-
Supplies and Materials	796	19	815	395	420
Total Guidance	471,080	(4,387)	466,693	444,819	21,874
Child Study Teams					
Salaries of Other Professional Staff	449,737	(18,194)	431,543	366,335	65,208
Salaries of Secretarial & Clerical Assist.	124,944	(300)	124,644	119,348	5,296
Other Salaries	-	300	300	268	32
Purchased Professional -Educational Services	300,000	-	300,000	211,210	88,790
Other Purchased Services	5,352	-	5,352	1,866	3,486
Supplies and Materials	7,969	2,089	10,058	9,430	628
Total Child Study Teams	888,002	(16,105)	871,897	708,457	163,440
Improvement of Instructional Service					
Salaries of Supervisor of Instruction	366,570	6,605	373,175	373,175	-
Salaries of Other Professional Staff	8,991	750	9,741	6,181	3,560
Salaries of Secretarial & Clerical Assist.	62,266	(6,998)	55,268	49,987	5,281
Other Salaries	-	11,898	11,898	10,688	1,210
Other Purchased Services	9,810	(5,800)	4,010	3,104	906
Supplies and Materials	1,520	2,226	3,746	3,620	126
Other Objects	10,785	(7,226)	3,559	2,918	641
Total Improvement of Instructional Service	459,942	1,455	461,397	449,673	11,724
Educational Media Services/School Library					
Salaries	385,949	(28,952)	356,997	232,321	124,676
Salaries of Technology Coordinators	145,158	46,257	191,415	149,358	42,057
Purchased Professional and Technical Services	77,600	-	77,600	62,882	14,718
Other Purchased Services	118,812	45,274	164,086	156,182	7,904
Supplies and Materials	8,800	2,300	11,100	8,996	2,104
Total Educational Media Services/School Library	736,319	64,879	801,198	609,739	191,459

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Instructional Staff Training Services					
Other Purchased Services	\$ 21,000	\$ (9,365)	\$ 11,635	\$ 3,129	\$ 8,506
Supplies and Materials	1,123	-	1,123	-	1,123
Total Instructional Staff Training Services	22,123	(9,365)	12,758	3,129	9,629
Support Services - General Administration					
Salaries	383,097	(21,397)	361,700	361,625	75
Legal Services	50,000	(11,953)	38,047	35,728	2,319
Audit Fees	32,000	33,573	65,573	31,973	33,600
Architectural/Engineering Services	5,000	42,296	47,296	47,295	1
Other Purchased Professional Services	26,908	18,728	45,636	44,742	894
Communications/Telephone	32,000	(7,662)	24,338	19,613	4,725
BOE - Other Purchased Services	5,000	(4,100)	900	900	-
Miscellaneous Purchased Services	14,500	-	14,500	10,278	4,222
Supplies and Materials	6,000	(150)	5,850	2,993	2,857
Miscellaneous Expenditures	30,000	13,457	43,457	40,641	2,816
BOE Membership Dues	13,000	-	13,000	12,680	320
Total Support Services - General Administration	597,505	62,792	660,297	608,468	51,829
Support Services - School Administration					
Salaries of Principals/Asst. Principals	817,518	40,991	858,509	857,643	866
Salaries of Other Professional Staff	149,324	859	150,183	150,182	1
Salaries of Secretarial and Clerical Assistants	450,957	(6,324)	444,633	416,767	27,866
Other Purchased Services	21,103	5,000	26,103	18,028	8,075
Supplies and Materials	14,148	20,043	34,191	28,703	5,488
Other Objects	17,750	-	17,750	12,886	4,864
Total Support Services - School Administration	1,470,800	60,569	1,531,369	1,484,209	47,160
Central Services					
Salaries	369,210	9,478	378,688	378,593	95
Purchased Professional Services	1,200	-	1,200	-	1,200
Purchased Technical Services	39,000	-	39,000	37,619	1,381
Miscellaneous Purchased Services	3,650	390	4,040	2,157	1,883
Supplies and Materials	8,000	1,161	9,161	6,389	2,772
Miscellaneous Expenditures	4,000	(1,045)	2,955	1,750	1,205
Total Central Services	425,060	9,984	435,044	426,508	8,536
Admin. Info. Tech.					
Purchased Technical Services	5,000	(4,800)	200	200	-
Supplies and Materials	2,350	11,800	14,150	12,226	1,924
Total Admin. Info. Tech.	7,350	7,000	14,350	12,426	1,924
Required Maintenance for School Facilities					
Salaries	259,592	12,257	271,849	270,556	1,293
Cleaning, Repair and Maintenance Service	125,300	8,346	133,646	101,729	31,917
Lead Testing of Drinking Water	1,000	5,100	6,100	5,725	375
General Supplies	51,900	150,110	202,010	157,570	44,440
Total Required Maintenance for School Facilities	437,792	175,813	613,605	535,580	78,025
Custodial Services					
Salaries	966,994	(9,336)	957,658	916,623	41,035
Salaries of Non-Instructional Aides	102,107	-	102,107	23,831	78,276
Purchased Professional and Technical Services	9,250	-	9,250	5,700	3,550
Cleaning, Repair, and Maintenance Services	137,180	(30,636)	106,544	64,039	42,505
Rental of Land and Bldgs Other than Lease Pur. Agree.	2,400	-	2,400	1,350	1,050
Other Purchased Property Services	20,167	-	20,167	12,623	7,544
Insurance	145,000	16,738	161,738	161,737	1
Travel	-	1,136	1,136	-	-
Miscellaneous Purchased Services	20,800	(2,275)	18,525	9,176	9,349
General Supplies	83,100	(28,974)	54,126	26,385	27,741
Energy (Natural Gas)	145,000	(8,000)	137,000	124,048	12,952
Energy (Electricity)	195,000	(27,519)	167,481	146,634	20,847
Other Objects	2,000	1,456	3,456	3,306	150
Total Custodial Services	1,828,998	(87,410)	1,741,588	1,496,588	245,000

(Continued)

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Care and Upkeep of Grounds					
Salaries	\$ 42,293	\$ (200)	\$ 42,093	\$ 30,250	\$ 11,843
Cleaning, Repair, and Maintenance Svc.	16,000	1,200	17,200	17,061	139
General Supplies	5,115	1,400	6,515	5,992	523
Other Objects	1,200	200	1,400	1,260	140
Total Care and Upkeep of Grounds	64,608	2,600	67,208	54,563	12,645
Security					
Purchased Professional and Technical Services	100,000	(6,745)	93,255	67,077	26,178
Cleaning, Repair, and Maintenance Svc.	17,975	3,653	21,628	20,002	1,626
General Supplies	1,225	5,562	6,787	6,772	15
Total Security	119,200	2,470	121,670	93,851	27,819
Student Transportation Services					
Salaries of Non-Instructional Aides	32,942	-	32,942	1,568	31,374
Salaries for Pupil Transportation (Between Home and School) - Regular	180,572	(5,780)	174,792	146,334	28,458
Salaries for Pupil Transportation (Between Home and School) - Special Education	-	5,780	5,780	5,779	1
Other Purchased Professional and Technical Services	7,185	-	7,185	2,869	4,316
Cleaning, Repair, and Maintenance Services	30,000	-	30,000	23,728	6,272
Rental Payments - School Buses	22,082	-	22,082	21,915	167
Contracted Services -Aid-in-Lieu Payments-Non-Public	20,000	-	20,000	11,024	8,976
Contracted Services (Between Home and School) - Vendors	428,812	(17,591)	411,221	349,728	61,493
Contracted Services (Other Than Between Home and School) - Vendors	12,000	-	12,000	-	12,000
Contracted Services (Special Education Students) - Vendors	502,850	-	502,850	360,944	141,906
Supplies and Materials	1,500	-	1,500	1,162	338
Transportation Supplies	14,000	-	14,000	-	14,000
Other Objects	2,000	17,591	19,591	18,882	709
Total Student Transportation Services	1,253,943	-	1,253,943	943,933	310,010
Employee Benefits - Unallocated					
Group Insurance	10,000	(1,000)	9,000	1,576	7,424
Social Security Contributions	355,000	(27,741)	327,259	315,283	11,976
Other Retirement Contributions - PERS	365,000	18,569	383,569	383,569	-
Other Retirement Contributions - DCRP	20,000	3,500	23,500	23,075	425
Unemployment Compensation (Non Budgeted)	-	-	-	39,656	(39,656)
Workmen's Compensation	125,000	25,241	150,241	128,817	21,424
Health Benefits	5,472,920	(246,515)	5,226,405	4,675,509	550,896
Tuition Reimbursement	75,000	(20,092)	54,908	34,403	20,505
Other Employee Benefits	239,142	(1,500)	237,642	184,023	53,619
Total Employee Benefits - Unallocated	6,662,062	(249,538)	6,412,524	5,785,911	626,613
On-Behalf TPAF Pension Contributions (Non-Budgeted)					
Normal Cost	-	-	-	3,692,255	(3,692,255)
Non-Contributory (NCGI)	-	-	-	70,250	(70,250)
Post-Retirement Medical Contribution	-	-	-	1,179,110	(1,179,110)
Long-Term Disability	-	-	-	1,671	(1,671)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,009,147	(1,009,147)
Total	-	-	-	5,952,433	(5,952,433)
Total Undistributed Expenditures	19,685,215	47,329	19,732,544	23,455,257	(3,722,713)
Total Current Expenditures	33,039,386	(7,966)	33,031,420	36,169,501	(3,138,081)

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CAPITAL OUTLAY					
Equipment					
Undistributed					
Support Services - Related & Extraord.		\$ 2,419	\$ 2,419	\$ 2,418	\$ 1
Central Services		2,339	2,339	2,338	1
Admin. Info. Tech.		12,133	12,133	12,133	-
Required Maintenance for School Facilities		105,700	105,700	100,656	5,044
Care and Upkeep of Grounds		90,299	90,299	90,114	185
School Buses - Special	-	76,735	76,735	76,735	-
Total Undistributed Expenditures	-	289,625	289,625	284,394	5,231
Total Equipment	-	289,625	289,625	284,394	5,231
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		89,245	89,245	78,977	10,268
Construction Services		202,838	202,838	185,239	17,599
Supplies and Materials		8,222	8,222	-	8,222
Assessment for Debt Service on SDA Funding	\$ 3,102	-	3,102	3,102	-
Total Facilities Acquis. and Const. Services	3,102	300,305	303,407	267,318	36,089
Total Capital Outlay	3,102	589,930	593,032	551,712	41,320
Total Expenditures - General Fund	33,042,488	581,964	33,624,452	36,721,213	(3,096,761)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(933,250)	(694,946)	(1,628,196)	2,053,415	3,681,611
Fund Balances, Beginning of Year, as Restated	5,822,781	-	5,822,781	5,822,781	-
Fund Balances, End of Year	\$ 4,889,531	\$ (694,946)	\$ 4,194,585	\$ 7,876,196	\$ 3,681,611
Recapitulation of Fund Balances					
Restricted					
Excess Surplus				\$ 760,000	
Excess Surplus Designated for Subsequent Year's Expenditures				760,000	
Capital Reserve				1,966,655	
Capital Reserve Designated for Subsequent Year's Expenditures				419,000	
Emergency Reserve				299,278	
Emergency Reserve Designated for Subsequent Year's Expenditures				135,000	
Maintenance Reserve				1,007,002	
Maintenance Reserve Designated for Subsequent Year's Expenditures				370,400	
Unemployment Compensation Reserve				321,819	
Unassigned				1,837,042	
Fund Balance (Budgetary Basis)				7,876,196	
Reconciliation to Government Funds Statements (GAAP)					
Final State Aid Payments Not Recognized on GAAP Basis				79,843	
Extraordinary Aid Payment Not Recognized on GAAP Basis				800,491	
Fund Balances Per Governmental Funds (GAAP Basis)				\$ 6,995,862	

**OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Intergovernmental					
Local		\$ 62,648	\$ 62,648	\$ 23,574	\$ (39,074)
State	\$ 127,432	63,623	191,055	121,929	(69,126)
Federal	338,839	301,574	640,413	558,956	(81,457)
Total Revenues	<u>466,271</u>	<u>427,845</u>	<u>894,116</u>	<u>704,459</u>	<u>(189,657)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		30,000	30,000		30,000
Purchased Professional Educational Svcs.		73,803	73,803	60,423	13,380
Tuition	305,259	68,212	373,471	372,498	973
Supplies and Materials	41,148	203,190	244,338	161,256	83,082
Textbooks	7,538	1,625	9,163	6,703	2,460
School Sponsored Co/Extra Curricular Activities - Non Budget	-	-	-	19,071	(19,071)
Total Instruction	<u>353,945</u>	<u>376,830</u>	<u>730,775</u>	<u>619,951</u>	<u>110,824</u>
Support Services					
Personnel Services - Employee Benefits		2,294	2,294		2,294
Purchased Professional & Technical Svcs.		25,023	25,023	21,700	3,323
Purchased Professional Educational Svcs.	112,326	(29,166)	83,160	55,600	27,560
Cleaning, Repair and Maintenance	-	50,159	50,159	-	50,159
Total Support Services	<u>112,326</u>	<u>48,310</u>	<u>160,636</u>	<u>77,300</u>	<u>83,336</u>
Facilities Acquisition and Construction					
Non-Instructional Equipment	-	2,705	2,705	2,705	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>2,705</u>	<u>2,705</u>	<u>2,705</u>	<u>-</u>
Total Expenditures	<u>466,271</u>	<u>427,845</u>	<u>894,116</u>	<u>699,956</u>	<u>194,160</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,503</u>	<u>-</u>
Fund Balances, Beginning of Year, as Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,423</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,926</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**OAKLAND BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

	General Fund		Special Revenue Fund
Sources/Inflows of Resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 38,774,628	(C-2) \$	704,459
Difference - Budget to GAAP			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized - June 30, 2021 - June 30, 2020			-
State Aid (2019/2020) recognized for GAAP purposes and not recognized for budgetary statements.	568,155		
State Aid (2020/2021) recognized for budgetary purposes and not recognized for GAAP statements	<u>(880,334)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>38,462,449</u>	(B-2) \$	<u>704,459</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule	(C-1) \$ 36,721,213	(C-2) \$	699,956
Difference - Budget to GAAP:			
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are received for financial reporting purposes - June 30, 2021 - June 30, 2020	<u>-</u>		<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>36,721,213</u>	(B-2) \$	<u>699,956</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03506 %	0.03539 %	0.03461 %	0.03498 %	0.03561 %	0.03314 %	0.03360 %	0.03347 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,717,806	\$ 6,377,400	\$ 6,814,325	\$ 8,143,807	\$ 10,546,989	\$ 7,439,759	\$ 6,291,053	\$ 6,396,995
District's Covered Payroll	\$ 2,631,863	\$ 2,520,853	\$ 2,459,616	\$ 2,462,288	\$ 2,432,053	\$ 2,398,385	\$ 2,209,137	\$ 2,219,914
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	217.25 %	252.99 %	277.05 %	330.74 %	433.67 %	310.20 %	284.77 %	288.16 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32 %	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.

OAKLAND BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 383,569	\$ 344,277	\$ 345,579	\$ 324,093	\$ 316,364	\$ 284,934	\$ 277,003	\$ 252,198
Contributions in Relation to the Contractually Required Contribution	<u>383,569</u>	<u>344,277</u>	<u>345,579</u>	<u>324,093</u>	<u>316,364</u>	<u>284,934</u>	<u>277,003</u>	<u>252,198</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,618,127	\$ 2,631,863	\$2,520,853	\$2,459,616	\$ 2,462,288	\$ 2,432,053	\$ 2,398,385	\$ 2,209,137
Contributions as a Percentage of Covered Payroll	\$ 14.65 %	\$ 13.08 %	\$ 13.71 %	\$ 13.18 %	\$ 12.85 %	\$ 11.72 %	\$ 11.55 %	\$ 11.42 %

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.

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

Teachers Pension and Annuity Fund

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
District's Proportionate Share of the Net Pension Liability (Asset)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 81,818,638</u>	<u>\$ 76,970,049</u>	<u>\$ 78,959,641</u>	<u>\$ 82,979,148</u>	<u>\$ 92,165,565</u>	<u>\$ 72,532,687</u>	<u>\$ 62,549,208</u>	<u>\$ 60,530,359</u>
Total	<u>\$ 81,818,638</u>	<u>\$ 76,970,049</u>	<u>\$ 78,959,641</u>	<u>\$ 82,979,148</u>	<u>\$ 92,165,565</u>	<u>\$ 72,532,687</u>	<u>\$ 62,549,208</u>	<u>\$ 60,530,359</u>
District's Covered Payroll	\$ 14,121,991	\$ 13,583,386	\$ 13,235,704	\$ 12,973,076	\$ 12,792,813	\$ 12,495,712	\$ 11,586,071	\$ 11,490,030
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %	33.76 %

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

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

**OAKLAND 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, 2021**

Change of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 1,927,337	\$ 1,831,419	\$ 2,089,155	\$ 2,501,590
Interest	1,699,123	2,063,937	2,266,771	1,965,805
Changes of Benefit Terms				
Differences Between Expected and Actual Experience	12,240,368	(8,137,553)	(6,717,446)	
Changes of Assumptions or Other Inputs	13,820,976	704,534	(5,989,909)	(8,177,397)
Benefit Payments	(1,317,225)	(1,450,502)	(1,395,739)	(1,339,103)
Contribution from the Member	39,925	42,997	48,239	49,309
Net Change in Total OPEB Liability	28,410,504	(4,945,168)	(9,698,929)	(4,999,796)
Total OPEB Liability - Beginning	<u>47,252,202</u>	<u>52,197,370</u>	<u>61,896,299</u>	<u>66,896,095</u>
Total OPEB Liability - Ending	<u>\$ 75,662,706</u>	<u>\$ 47,252,202</u>	<u>\$ 52,197,370</u>	<u>\$ 61,896,299</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPE Liability	<u>75,662,706</u>	<u>47,252,202</u>	<u>52,197,370</u>	<u>61,896,299</u>
Total OPEB Liability - Ending	<u>\$ 75,662,706</u>	<u>\$ 47,252,202</u>	<u>\$ 52,197,370</u>	<u>\$ 61,896,299</u>
District's Covered Payroll	<u>\$ 16,740,118</u>	<u>\$ 16,215,249</u>	<u>\$ 15,756,557</u>	<u>\$ 15,432,692</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

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

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

OAKLAND 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, 2021

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Non-Public Auxiliary</u>		<u>Non-Public Handicapped</u>			<u>Non-Public Textbook</u>	<u>Non-Public Security</u>	<u>Non-Public Nursing</u>	<u>Total Exhibit E1A</u>	<u>Totals</u>
	<u>Comp. Ed</u>	<u>ESL</u>	<u>Exam/ Classification</u>	<u>Corrective Speech</u>	<u>Suppl. Instruction</u>					
REVENUES										
Intergovernmental										
Local									\$ 23,574	\$ 23,574
State	\$ 13,421	\$ 6,661	\$ 23,765	\$ 11,666	\$ 11,090	\$ 6,703	\$ 29,549	\$ 19,074	-	121,929
Federal	-	-	-	-	-	-	-	-	558,956	558,956
Total Revenues	<u>\$ 13,421</u>	<u>\$ 6,661</u>	<u>\$ 23,765</u>	<u>\$ 11,666</u>	<u>\$ 11,090</u>	<u>\$ 6,703</u>	<u>\$ 29,549</u>	<u>\$ 19,074</u>	<u>\$ 582,530</u>	<u>\$ 704,459</u>
EXPENDITURES										
Instruction										
Purchased Professional Educational Services	\$ 13,421	\$ 6,661		\$ 11,666	\$ 11,090		14,015	\$ 3,570	-	\$ 60,423
Tuition									\$ 372,498	372,498
Supplies and Materials							\$ 15,534		145,722	161,256
Textbooks						\$ 6,703			-	6,703
School Sponsored Co/Extra Curricular Activities	-	-	-	-	-	-	-	-	19,071	19,071
Total Instruction	<u>13,421</u>	<u>6,661</u>	<u>-</u>	<u>11,666</u>	<u>11,090</u>	<u>6,703</u>	<u>29,549</u>	<u>3,570</u>	<u>537,291</u>	<u>619,951</u>
Support Services										
Purchased Professional & Technical Services									21,700	21,700
Purchased Professional Educational Services	-	-	23,765	-	-	-	-	15,504	16,331	55,600
Total Support Services	<u>-</u>	<u>-</u>	<u>23,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,504</u>	<u>38,031</u>	<u>77,300</u>
Facilities Acquisition and Construction										
Non Instructional Equipment	-	-	-	-	-	-	-	-	\$ 2,705	2,705
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,705</u>	<u>2,705</u>
Total Expenditures	<u>\$ 13,421</u>	<u>\$ 6,661</u>	<u>\$ 23,765</u>	<u>\$ 11,666</u>	<u>\$ 11,090</u>	<u>\$ 6,703</u>	<u>\$ 29,549</u>	<u>\$ 19,074</u>	<u>\$ 578,027</u>	<u>\$ 699,956</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	4,503	4,503
Fund Balances, Beginning of Year, as Restated	-	-	-	-	-	-	-	-	34,423	34,423
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,926</u>	<u>\$ 38,926</u>

OAKLAND BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA		ESSA		CARES			Student Activity	Total Exhibit E-1A
	Preschool	Basic	Title II A	Title III	Non-Title I	Digital Divide	Non-Digital Divide		
REVENUES									
Intergovernmental									
Local								\$ 23,574	\$ 23,574
State									-
Federal	\$ 20,327	\$ 373,871	\$ 19,023	\$ 17,394	\$ 37,051	\$ 40,500	\$ 6,166	\$ 44,624	558,956
Total Revenues	\$ 20,327	\$ 373,871	\$ 19,023	\$ 17,394	\$ 37,051	\$ 40,500	\$ 6,166	\$ 44,624	\$ 582,530
EXPENDITURES									
Instruction									
Purchased Professional Educational Services									
Tuition	\$ 20,327	\$ 352,171							\$ 372,498
Supplies and Materials			\$ 5,453	\$ 14,633	\$ 34,346	\$ 40,500	\$ 6,166	\$ 44,624	145,722
Textbooks									
School Sponsored Co/Extra Curricular Activities	-	-	-	-	-	-	-	-	\$ 19,071
Total Instruction	20,327	352,171	5,453	14,633	34,346	40,500	6,166	44,624	537,291
Support Services									
Purchased Professional & Technical Services		21,700							21,700
Purchased Professional Educational Services	-	-	\$ 13,570	\$ 2,761	-	-	-	-	16,331
Total Support Services	-	21,700	13,570	2,761	-	-	-	-	38,031
Facilities Acquisition and Construction									
Non-Instructional Equipment	-	-	-	-	2,705	-	-	-	2,705
Total Facilities Acquisition and Construction	-	-	-	-	2,705	-	-	-	2,705
Total Expenditures	\$ 20,327	\$ 373,871	\$ 19,023	\$ 17,394	\$ 37,051	\$ 40,500	\$ 6,166	\$ 44,624	\$ 578,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	4,503
Fund Balances, Beginning of Year, as Restated	-	-	-	-	-	-	-	-	34,423
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,926

**OAKLAND BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Balance, July 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2020</u>
SCHOOLS				
Dogwood Hills	\$ 3,581	\$ 109	-	\$ 3,690
Heights	7,420	1,763	\$ 408	8,775
Manito	1,948	922	231	2,639
Valley Middle	<u>21,474</u>	<u>20,780</u>	<u>18,432</u>	<u>23,822</u>
 Total All Schools	 <u>\$ 34,423</u>	 <u>\$ 23,574</u>	 <u>\$ 19,071</u>	 <u>\$ 38,926</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

PROPRIETARY FUNDS

**OAKLAND BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE
FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

EXHIBIT G-4

**OAKLAND BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

**INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

OAKLAND BOARD OF EDUCATION
 LONG-TERM DEBT
 SCHEDULE OF BONDS PAYABLE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
School Improvements	8/15/2007	\$ 1,152,000	2/1/2022	\$ 95,000	4.25%			
			2/1/2023	102,000	4.25%	\$ 292,000	\$ 95,000	\$ 197,000
Refunding Bonds	3/2/2015	1,200,000	8/1/2021	235,000	4.25%	<u>470,000</u>	<u>235,000</u>	<u>235,000</u>
						<u>\$ 762,000</u>	<u>\$ 330,000</u>	<u>\$ 432,000</u>

**OAKLAND BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Description</u>	<u>Interest Rate</u>	<u>Amount of Original Obligation</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
2017-18 Photo Copiers	3.700%	\$ 167,523	\$ 87,646		\$ 34,085	\$ 53,561
2020-21 Smart Board	4.875%	36,895		\$ 36,895	9,892	27,003
Technology Equipment	0.000%	49,767	24,884		12,442	12,442
Bus and Vehicle Lease	2.370%	144,000	114,150		27,543	86,607
Chromebooks	2.322%	124,500	92,545	\$ -	30,143	62,402
			<u>\$ 319,225</u>	<u>\$ 36,895</u>	<u>\$ 114,105</u>	<u>\$ 242,015</u>

**OAKLAND BOARD OF EDUCATION
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 229,630		\$ 229,630	\$ 229,630	
State Sources					
State Aid	<u>118,397</u>	<u>-</u>	<u>118,397</u>	<u>118,397</u>	<u>-</u>
 Total Revenues	 <u>348,027</u>	 <u>-</u>	 <u>348,027</u>	 <u>348,027</u>	 <u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Principal	330,000		330,000	330,000	
Interest	<u>18,027</u>	<u>-</u>	<u>18,027</u>	<u>18,027</u>	<u>-</u>
 Total Expenditures	 <u>348,027</u>	 <u>-</u>	 <u>348,027</u>	 <u>348,027</u>	 <u>-</u>
 Excess Revenues Over Expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 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 Oakland 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.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 3,660,995	\$ 3,897,925	\$ 3,888,182	\$ 4,524,087	\$ 5,185,259	\$ 5,924,258	\$ 6,531,778	\$ 7,433,650	\$ 7,882,133	\$ 7,961,493
Restricted	846,077	2,076,088	4,002,988	4,877,374	4,576,371	4,119,209	3,785,666	2,974,834	2,897,784	3,344,057
Unrestricted	714,773	35,055	(6,243,589)	(5,868,917)	(5,278,098)	(5,423,499)	(5,952,870)	(5,853,839)	(5,821,170)	(4,226,456)
Total Governmental Activities Net Position	\$ 5,221,845	\$ 6,009,068	\$ 1,647,581	\$ 3,532,544	\$ 4,483,532	\$ 4,619,968	\$ 4,364,574	\$ 4,554,645	\$ 4,958,747	\$ 7,079,094
Business-Type Activities										
Net Investment in Capital Assets	\$ 18,906	\$ 7,650	\$ 3,639	\$ 10,624	\$ 7,434	\$ 8,104	\$ 19,591	\$ 19,768	\$ 16,816	\$ 19,960
Unrestricted	32,695	27,681	29,370	11,398	26,625	34,162	22,081	46,379	21,078	54,218
Total Business-Type Activities Net Position	\$ 51,601	\$ 35,331	\$ 33,009	\$ 22,022	\$ 34,059	\$ 42,266	\$ 41,672	\$ 66,147	\$ 37,894	\$ 74,178
District-Wide										
Net Investment in Capital Assets	\$ 3,679,901	\$ 3,905,575	\$ 3,891,821	\$ 4,534,711	\$ 5,192,693	\$ 5,932,362	\$ 6,551,369	\$ 7,453,418	\$ 7,898,949	\$ 7,981,453
Restricted	846,077	2,076,088	4,002,988	4,877,374	4,576,371	4,119,209	3,785,666	2,974,834	2,897,784	3,344,057
Unrestricted	747,468	62,736	(6,214,219)	(5,857,519)	(5,251,473)	(5,389,337)	(5,930,789)	(5,807,460)	(5,800,092)	(4,172,238)
Total District Net Position	\$ 5,273,446	\$ 6,044,399	\$ 1,680,590	\$ 3,554,566	\$ 4,517,591	\$ 4,662,234	\$ 4,406,246	\$ 4,620,792	\$ 4,996,641	\$ 7,153,272

Source: District's Financial Records

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

(2) - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,126,135	\$ 11,886,076	\$ 12,161,879	\$ 14,695,489	\$ 15,427,428	\$ 16,600,572	\$ 18,564,545	\$ 17,689,650	\$ 17,005,899	\$ 18,004,740
Special Education	4,755,652	4,780,729	4,118,511	4,845,084	4,917,793	5,557,285	6,384,588	5,896,881	5,826,547	6,669,663
Other Instruction	1,222,301	975,349	996,345	1,179,018	1,364,724	1,180,785	1,252,498	1,021,645	1,392,768	1,442,141
School Sponsored Activities And Athletics	113,039	124,434	129,637	129,096	154,219	198,306	194,380	173,616	61,187	55,944
Support Services:										
Student & Instruction Related Services	3,664,302	4,122,196	4,005,463	4,434,399	4,711,693	6,046,973	5,959,870	5,850,533	6,259,653	6,686,255
General Administration	782,208	851,380	707,879	978,813	1,066,878	1,162,429	998,188	932,450	829,229	932,183
School Administrative Services	2,171,503	2,143,676	1,989,232	2,032,124	2,373,715	2,746,123	2,898,417	2,706,644	2,594,188	2,759,462
Central Services	547,983	579,648	556,587	520,146	533,711	475,235	587,269	486,148	2,637,266	2,746,044
Plant Operations And Maintenance	2,761,464	2,635,520	2,578,089	2,816,592	3,010,427	3,101,686	2,735,707	2,641,276	1,114,453	993,018
Pupil Transportation	956,185	976,888	924,731	886,397	969,994	1,299,116	1,101,332	1,162,096	474,518	613,845
Interest and Other Charges On Long-Term Debt	137,789	121,481	107,737	115,654	68,932	60,480	55,792	51,056	38,636	31,625
Total Governmental Activities Expenses	28,238,561	29,197,377	28,276,090	32,632,812	34,599,514	38,428,990	40,732,586	38,611,995	38,234,344	40,934,920
Business-Type Activities:										
Other						29,964	23,499	34,230	23,459	-
Food Service	470,995	459,438	468,397	467,723	473,261	496,231	473,793	480,961	376,664	295,685
Total Business-Type Activities Expense	470,995	459,438	468,397	467,723	473,261	526,195	497,292	515,191	400,123	295,685
Total District Expenses	\$ 28,709,556	\$ 29,656,815	\$ 28,744,487	\$ 33,100,535	\$ 35,072,775	\$ 38,955,185	\$ 41,229,878	\$ 39,127,186	\$ 38,634,467	\$ 41,230,605
Program Revenues										
Governmental Activities:										
Charges For Services:										
Pupil Transportation	\$ 86,593	\$ 82,457	\$ 75,035	\$ 76,586	\$ 64,020	\$ 77,193	\$ 112,467	\$ 64,405	\$ 39,218	\$ 35,988
Operating Grants And Contributions	3,518,780	3,945,602	3,668,462	6,970,416	7,945,432	10,403,342	11,749,582	9,245,189	8,256,837	11,713,137
Capital Grants And Contributions	-	-	34,460	421,694	-	20,265	32,200	79,953	23,084	2,705
Total Governmental Activities Program Revenues	3,605,373	4,028,059	3,777,957	7,468,696	8,009,452	10,500,800	11,894,249	9,389,547	8,319,139	11,751,830
Business-Type Activities:										
Charges For Services										
Other						22,221	14,280	4,820	7,450	-
Food Service	354,694	342,384	355,329	343,290	380,275	415,842	382,299	408,950	279,407	4,716
Operating Grants And Contributions	103,809	100,499	110,408	113,446	89,211	96,339	100,119	97,236	69,404	327,253
Total Business Type Activities Program Revenues	458,503	442,883	465,737	456,736	469,486	534,402	496,698	511,006	356,261	331,969
Total District Program Revenues	\$ 4,063,876	\$ 4,470,942	\$ 4,243,694	\$ 7,925,432	\$ 8,478,938	\$ 11,035,202	\$ 12,390,947	\$ 9,900,553	\$ 8,675,400	\$ 12,083,799
Net (Expense)/Revenue										
Governmental Activities	\$ (24,633,188)	\$ (25,169,318)	\$ (24,498,133)	\$ (25,164,116)	\$ (26,590,062)	\$ (27,928,190)	\$ (28,838,337)	\$ (29,222,448)	\$ (29,915,205)	\$ (29,183,090)
Business-Type Activities	(12,492)	(16,555)	(2,660)	(10,987)	(3,775)	8,207	(594)	(4,185)	(43,862)	36,284
Total District-Wide Net Expense	\$ (24,645,680)	\$ (25,185,873)	\$ (24,500,793)	\$ (25,175,103)	\$ (26,593,837)	\$ (27,919,983)	\$ (28,838,931)	\$ (29,226,633)	\$ (29,959,067)	\$ (29,146,806)

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 25,265,844	\$ 25,768,681	\$ 26,276,897	\$ 26,775,061	\$ 27,308,757	\$ 27,829,946	\$ 28,360,485	\$ 29,154,335	\$ 29,757,298	\$ 30,645,550
Unrestricted Grants And Contributions				30,038	32,178	46,354	46,875	2,835	228,285	229,630
State Aid Restricted for Debt Service	118,650	118,998	119,191	119,213	120,784	117,084	119,270	118,479	117,603	118,397
Federal Aid										25,000
Miscellaneous Income	68,424	68,862	137,553	124,767	79,331	71,242	56,313	165,530	147,982	284,860
Transfers	-	-	-	-	-	-	-	(28,660)	(15,609)	-
Total Governmental Activities	<u>25,452,918</u>	<u>25,956,541</u>	<u>26,533,641</u>	<u>27,049,079</u>	<u>27,541,050</u>	<u>28,064,626</u>	<u>28,582,943</u>	<u>29,412,519</u>	<u>30,235,559</u>	<u>31,303,437</u>
Business-Type Activities:										
Investment Earnings	284	285	338	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	28,660	15,609	-
Total Business-Type Activities	<u>284</u>	<u>285</u>	<u>338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,660</u>	<u>15,609</u>	<u>-</u>
Total District-Wide	<u>\$ 25,453,202</u>	<u>\$ 25,956,826</u>	<u>\$ 26,533,979</u>	<u>\$ 27,049,079</u>	<u>\$ 27,541,050</u>	<u>\$ 28,064,626</u>	<u>\$ 28,582,943</u>	<u>\$ 29,441,179</u>	<u>\$ 30,251,168</u>	<u>\$ 31,303,437</u>
Change in Net Position										
Governmental Activities	\$ 819,730	\$ 787,223	\$ 2,035,508	\$ 1,884,963	\$ 950,988	\$ 136,436	\$ (255,394)	\$ 190,071	\$ 320,354	\$ 2,120,347
Business-Type Activities	(12,208)	(16,270)	(2,322)	(10,987)	(3,775)	8,207	(594)	24,475	(28,253)	36,284
Total District	<u>\$ 807,522</u>	<u>\$ 770,953</u>	<u>\$ 2,033,186</u>	<u>\$ 1,873,976</u>	<u>\$ 947,213</u>	<u>\$ 144,643</u>	<u>\$ (255,988)</u>	<u>\$ 214,546</u>	<u>\$ 292,101</u>	<u>\$ 2,156,631</u>

Source: District's Financial Records

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 1,113,871	\$ 2,074,604	\$ 4,104,908	\$ 4,460,531	\$ 5,611,570	\$ 5,803,662	\$ 5,320,666	\$ 4,494,476	\$ 4,835,273	\$ 6,039,154
Committed	62,776	6,278								
Assigned	514,030	159,870	151,289	470,137	387,837	347,128	200,000	411,841	63,763	
Unassigned	<u>261,312</u>	<u>268,759</u>	<u>252,669</u>	<u>275,449</u>	<u>295,925</u>	<u>302,842</u>	<u>356,319</u>	<u>356,909</u>	<u>355,590</u>	<u>956,708</u>
Total General Fund	<u>\$ 1,951,989</u>	<u>\$ 2,509,511</u>	<u>\$ 4,508,866</u>	<u>\$ 5,206,117</u>	<u>\$ 6,295,332</u>	<u>\$ 6,453,632</u>	<u>\$ 5,876,985</u>	<u>\$ 5,263,226</u>	<u>\$ 5,254,626</u>	<u>\$ 6,995,862</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	<u>\$ 24,323</u>	<u>\$ 25,753</u>	<u>\$ (27,407)</u>	<u>\$ 543,047</u>	<u>\$ 11,520</u>	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,423</u>	<u>\$ 38,926</u>
Total All Other Governmental Funds	<u>\$ 24,323</u>	<u>\$ 25,753</u>	<u>\$ (27,407)</u>	<u>\$ 543,047</u>	<u>\$ 11,520</u>	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,423</u>	<u>\$ 38,926</u>

Source: District's Financial Records

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

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

	2012		2013		2014		2015		Fiscal Year Ended June 30,		2018		2019		2020		2021	
									2016	2017								
Revenues																		
Tax Levy	\$ 25,265,844	\$ 25,768,681	\$ 26,276,897	\$ 26,775,061	\$ 27,308,757	\$ 27,829,946	\$ 28,360,485	\$ 29,154,335	\$ 29,985,583	\$ 30,875,180								
Miscellaneous	291,779	152,290	212,646	324,140	226,460	225,844	244,403	315,197	218,579	369,422								
State Sources	3,015,077	3,622,483	3,425,462	4,144,417	4,123,421	4,590,962	5,206,944	5,948,588	6,380,340	7,711,377								
Federal Sources	485,591	441,146	396,593	403,508	401,119	378,024	388,075	370,155	382,694	558,956								
Total Revenue	29,058,291	29,984,600	30,311,598	31,647,126	32,059,757	33,024,776	34,199,907	35,788,275	36,967,196	39,514,935								
Expenditures																		
Instruction																		
Regular Instruction	11,068,183	11,828,154	12,075,876	12,759,933	13,050,847	13,318,032	14,728,210	15,600,995	15,668,291	15,877,193								
Special Education Instruction	4,751,682	4,778,098	4,125,009	4,519,904	4,548,594	4,828,446	5,460,759	5,430,991	5,530,299	6,158,128								
Other Instruction	1,220,887	974,669	999,461	1,021,630	1,159,542	949,695	979,730	902,926	1,278,034	1,267,624								
School Sponsored Activities and Athletics	112,909	124,364	129,997	129,182	153,705	155,621	154,096	152,812	57,196	51,673								
Support Services:																		
Student and Inst. Related Services	3,658,415	4,117,692	4,010,266	4,167,627	4,345,163	4,857,462	4,877,904	5,256,547	5,834,565	6,022,984								
General Administration	786,189	851,003	709,229	723,585	787,764	933,512	853,943	852,639	775,155	849,231								
School Administrative Services	2,168,243	2,141,489	1,994,902	1,960,177	2,106,082	2,203,435	2,296,024	2,386,598	2,384,844	2,432,677								
Plant Operations And Maintenance	2,315,914	2,175,777	2,179,456	2,413,028	2,475,035	2,481,993	2,498,924	2,515,510	2,584,271	2,559,228								
Pupil Transportation	930,144	967,796	916,425	877,585	950,917	1,244,158	1,067,922	1,144,783	1,107,652	969,889								
Central Services	546,049	577,985	556,408	518,597	531,378	461,061	525,764	454,101	462,412	556,864								
Debt Service:																		
Principal	391,527	347,364	257,418	381,171	419,227	412,064	325,388	346,646	352,843	444,105								
Interest and Other Charges	141,553	128,808	112,012	101,602	62,329	54,524	46,889	41,690	32,915	28,285								
Cost of Issuance				29,947														
Advance Refunding Escrow				67,053														
Capital Outlay	463,249	412,449	298,945	1,141,605	911,486	966,473	1,140,044	1,287,136	1,172,614	551,315								
Total Expenditures	28,554,944	29,425,648	28,365,404	30,812,626	31,502,069	32,866,476	34,955,597	36,373,374	37,241,091	37,769,196								
Excess (Deficiency) of Revenues																		
Over (Under) Expenditures	503,347	558,952	1,946,194	834,500	557,688	158,300	(755,690)	(585,099)	(273,895)	1,745,739								
Other Financing Sources (Uses)																		
Proceed From Sale of Bonds				1,200,000														
Payment of Refunding Bond Escrow Agent				(1,103,000)														
Capital Leases (Non-Budgeted)	89,450	-	-	336,205			167,523											
Transfers In	27	14	24,269	1,221,600	530,424													
Transfers Out	(27)	(14)	(24,269)	(1,221,600)	(530,424)													
Total Other Financing Sources (Uses)	89,450	-	-	433,205	-	-	167,523	(28,660)	(15,609)	-								
Net Change in Fund Balances	\$ 592,797	\$ 558,952	\$ 1,946,194	\$ 1,267,705	\$ 557,688	\$ 158,300	\$ (588,167)	\$ (613,759)	\$ (289,504)	\$ 1,745,739								
Debt Service as a Percentage of																		
Noncapital Expenditures	1.39%	1.20%	0.92%	1.51%	1.37%	1.29%	0.96%	0.99%	0.98%	1.19%								

Source: District's Financial Records

**OAKLAND BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED**

	<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>	<u>2021</u>
Transportation Fees	\$ 86,593	\$ 82,457	\$ 75,035	\$ 76,586	\$ 64,020	\$ 71,242	\$ 112,467	\$ 64,405	\$ 39,218	\$ 35,988
Interest Earnings	8,498	13,364	21,833	12,462	20,531	27,071	29,531	70,000	66,634	17,022
Interest Capital Reserve	276	-	-	-						
Prior Years Refunds	7,849	477	72,628	6,269	11,221			61,281	21,959	
Rentals	5,250	5,250	5,400	5,400	5,400	5,400	11,900	13,531	11,133	
Miscellaneous	46,524	49,757	37,692	94,959	42,179	44,722	14,882	20,718	48,256	267,838
	<u>\$ 154,990</u>	<u>\$ 151,305</u>	<u>\$ 212,588</u>	<u>\$ 195,676</u>	<u>\$ 143,351</u>	<u>\$ 148,435</u>	<u>\$ 168,780</u>	<u>\$ 229,935</u>	<u>\$ 187,200</u>	<u>\$ 320,848</u>

Source: District Financial Records.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 26,098,000	\$ 1,800,660,000	\$ 2,577,300	\$ 25,900	\$ 172,464,500	\$ 170,032,900		\$ 2,171,858,600	\$ 100	\$ 2,171,858,700	\$ 2,456,287,818	\$ 1.175
2013	24,211,200	1,802,856,800	2,885,500	39,900	171,359,400	169,098,100		2,170,450,900	91	2,170,450,991	2,397,105,440	1.199
2014	23,633,700	1,808,154,900	2,885,500	39,900	170,811,100	168,454,500		2,173,979,600	-	2,173,979,600	2,329,348,120	1.220
2015	24,381,700	1,809,728,300	2,885,500	39,900	170,363,300	165,125,700		2,172,524,400	-	2,172,524,400	2,336,550,226	1.246
2016	24,313,000	1,811,779,100	2,885,500	39,900	170,999,400	164,738,200		2,174,755,100	-	2,174,755,100	2,368,709,018	1.268
2017	23,622,400	1,813,417,100	2,885,500	39,900	170,534,900	161,192,500		2,171,692,300	-	2,171,692,300	2,407,875,178	1.294
2018	23,234,600	1,817,481,500	2,885,500	41,000	171,494,300	158,608,700		2,173,745,600	-	2,173,745,600	2,490,923,953	1.313
2019	23,504,400	1,820,110,100	2,885,500	41,000	169,794,243	160,377,800		2,176,713,043	-	2,176,713,043	2,488,749,323	1.359
2020	23,267,600	1,818,460,300	2,885,500	41,300	166,497,243	163,703,800	\$ 427,200	2,175,282,943	-	2,175,282,943	2,632,322,958	1.399
2021	23,776,700	1,817,524,700	2,885,500	40,400	166,497,243	161,774,600	1,042,500	2,173,541,643		2,173,541,643	2,624,645,314	1.437

Source: County Abstract of Ratables

a Tax rates are per \$100

b Borough undertook a re-assessment of property in 2011

c Borough undertook a revaluation of real property in 2005

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

Assessment Year	Oakland School District	Borough of Oakland	Regional H.S. District	Bergen County	Total
2012	\$ 1.175	\$ 0.610	\$ 0.456	\$ 0.249	\$ 2.490
2013	1.199	0.650	0.463	0.254	2.566
2014	1.220	0.646	0.485	0.260	2.611
2015	1.246	0.657	0.494	0.269	2.666
2016	1.268	0.669	0.506	0.277	2.720
2017	1.294	0.676	0.538	0.288	2.796
2018	1.313	0.686	0.553	0.281	2.833
2019	1.359	0.697	0.561	0.277	2.894
2020	1.399	0.727	0.572	0.301	2.999
2021	1.437	0.742	0.588	0.303	3.070

Source: Abstract of Ratables, County Board of Taxation.

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Jayare Associates, LLC	\$ 15,500,000	0.71%		
Washington Square Owner LLC	13,500,000	0.62%		
111 Bauer Drive LLC	12,173,600	0.56%		
Unicorn Real Estate Investment, LLC	11,511,700	0.53%		
40 Potash Road Associates, LLC	10,674,000	0.49%		
Oakland Care Ctr Real Estate Co. LLC	9,725,000	0.45%		
5 Thornton Road Associates LLC	8,750,000	0.40%		
Lincoln Realty Associates LLC	7,137,143	0.33%		
1 Raritan Road Realty LLC	6,235,900	0.29%		
Ramapo Valley Resources, LTD	6,087,700	0.28%		
Washington Square Owner, LLC			\$ 15,500,000	0.71%
Jayare Associates, LLC			14,858,400	0.68%
40 Potash Road Associates, LLC			12,084,100	0.56%
Shiseido American Inc.			11,511,700	0.53%
Oakland Care Ctr Real Estate Co, LLC			10,216,600	0.47%
5 Thornton Road Associates, LLC			9,908,200	0.46%
The Realty Associates Fund VII LP			9,725,000	0.45%
Public Service Electric & Gas Co.			7,427,100	0.34%
Rampo Valley Resources			6,679,000	0.31%
1 Raritan Road Realty LLC			6,235,900	0.29%
	<u>\$ 101,295,043</u>	<u>4.66%</u>	<u>104,146,000</u>	<u>4.80%</u>

Source: Municipal Tax Assessor

**OAKLAND 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	
2012	\$ 25,265,844	\$ 25,265,844	100.00%	-
2013	25,768,681	25,768,681	100.00%	-
2014	26,276,897	26,276,897	100.00%	-
2015	26,775,061	26,775,061	100.00%	-
2016	27,308,757	27,308,757	100.00%	-
2017	27,829,946	27,829,946	100.00%	-
2018	28,360,485	28,360,485	100.00%	-
2019	29,154,335	29,154,335	100.00%	-
2020	29,985,583	29,985,583	100.00%	-
2021	30,875,180	30,875,180	100.00%	-

Source: District's Financial Records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2012	\$ 2,920,000	\$ 171,039		\$ 3,091,039	12,881	\$ 240
2013	2,690,000	53,675		2,743,675	12,925	212
2014	2,450,000	36,257		2,486,257	12,957	192
2015	2,297,000	241,291		2,538,291	12,995	195
2016	2,007,000	112,064		2,119,064	12,975	163
2017	1,707,000			1,707,000	13,001	131
2018	1,397,000	152,135		1,549,135	12,966	119
2019	1,082,000	120,489		1,202,489	12,926	93
2020	762,000	319,225		1,081,225	12,841	84
2021	432,000	242,015		674,015	12,841 *	52

Source: District's Financial Records and Dept. of Education

* Estimated

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 2,920,000		\$ 2,920,000	0.13%	\$ 227
2013	2,690,000		2,690,000	0.12%	209
2014	2,450,000		2,450,000	0.11%	190
2015	2,297,000		2,297,000	0.11%	177
2016	2,007,000		2,007,000	0.09%	154
2017	1,707,000		1,707,000	0.08%	132
2018	1,397,000		1,397,000	0.06%	107
2019	1,082,000		1,082,000	0.05%	83
2020	762,000		762,000	0.04%	59
2021	432,000		432,000	0.02%	34

Source: District Financial Records and Apportionment of Taxes

OAKLAND BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Oakland	\$ 35,874,927	\$ 8,012,003	\$ 27,862,924
Borough of Oakland School District	527,000	527,000	
Ramapo Indian Hills Regional High School	<u>3,270,646</u>	<u>3,270,646</u>	<u>-</u>
	<u>\$ 39,672,573</u>	<u>\$ 11,809,649</u>	<u>27,862,924</u>
Overlapping Debt Apportioned to the Municipality: Bergen County (2);(A):			<u>21,487,974</u>
Total Direct and Overlapping Debt			<u>\$ 49,350,898</u>

(A) The debt for this entity was apportioned to the Borough of Oakland by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.

Sources:

- (1) Borough of Oakland 2020 Annual Debt Statement
- (2) Bergen County 2020 Annual Debt Statement

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 76,699,218	\$ 74,037,997	\$ 71,615,364	\$ 70,501,583	\$ 70,183,863	\$ 71,044,876	\$ 72,494,415	\$ 73,685,180	\$ 75,913,785	\$ 77,294,479
Total Net Debt Applicable to Limit	<u>2,921,121</u>	<u>2,691,121</u>	<u>2,451,121</u>	<u>2,298,121</u>	<u>2,008,121</u>	<u>1,707,000</u>	<u>1,397,000</u>	<u>1,082,000</u>	<u>762,000</u>	<u>432,000</u>
Legal Debt Margin	<u>\$ 73,778,097</u>	<u>\$ 71,346,876</u>	<u>\$ 69,164,243</u>	<u>\$ 68,203,462</u>	<u>\$ 68,175,742</u>	<u>\$ 69,337,876</u>	<u>\$ 71,097,415</u>	<u>\$ 72,603,180</u>	<u>\$ 75,151,785</u>	<u>\$ 76,862,479</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.81%	3.63%	3.42%	3.26%	2.86%	2.40%	1.93%	1.47%	1.00%	0.56%

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized Valuation Basis	
2020	\$ 2,621,138,623
2019	2,628,563,027
2018	<u>2,479,746,292</u>
	<u>\$ 7,729,447,942</u>
Average Equalized Valuation of Taxable Property	\$ 2,576,482,647
Debt Limit (3 % of Average Equalization Value)	77,294,479
Total Net Debt Applicable to Limit	<u>432,000</u>
Legal Debt Margin	<u>\$ 76,862,479</u>

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (1)</u>	<u>Population</u>
2012	6.10%	\$ 72,164	12,836
2013	6.10%	71,699	12,880
2014	5.50%	74,480	12,925
2015	4.50%	77,767	12,957
2016	4.20%	79,407	12,995
2017	4.00%	81,676	12,975
2018	3.70%	86,404	13,001
2019	2.80%	89,456	12,966
2020	9.10%	89,456 *	12,926
2021	N/A	89,456 *	12,841

Source: U.S. Department of Commerce
U.S. Bureau of the Census, Population Division
N.J. Department of Labor, Bureau of Labor Force Statistics

(1) Represents County information

* Estimate

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

	<u>2021</u>		<u>2012</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</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>	<u>2021</u>
Instruction										
Regular	99.0	96.2	103.0	102.0	101.1	104.0	116.0	118.0	121.0	115.0
Special Education	50.5	54.9	47.0	56.0	54.2	47.0	41.0	58.0	35.0	52.0
Support Services:										
Student and Instruction Related Services	34.0	32.0	31.5	31.6	31.9	37.5	36.0	31.0	32.0	32.0
General Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services	15.0	16.0	15.0	16.0	16.0	16.0	16.0	16.0	16.0	14.0
Central Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Administrative Information Technology	1.0	1.0	1.0	0.8	1.0	1.0	1.0	1.0	1.0	2.0
Plant Operations And Maintenance	24.1	18.0	18.0	18.0	18.0	19.0	19.0	19.0	19.0	20.0
Pupil Transportation	4.0	4.5	4.5	4.5	4.5	5.0	5.0	5.0	4.0	4.0
Total	<u>234.6</u>	<u>229.6</u>	<u>227.0</u>	<u>235.9</u>	<u>233.7</u>	<u>236.5</u>	<u>241.0</u>	<u>255.0</u>	<u>235.0</u>	<u>246.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	1,741	\$ 33,490,165	\$ 19,236	24.48%	147	10.5:1	10.9:1	1,707	1,644	0.89%	96.31%
2013	1,676	28,537,027	17,027	-11.49%	143	10.8:1	11.9:1	1,636	1,567	-4.16%	95.78%
2014	1,637	27,697,029	16,919	-0.63%	160	10.1:1	9.9:1	1,604	1,538	-1.96%	95.89%
2015	1,499	29,091,248	19,407	14.70%	143	10.8:1	11.9:1	1,578	1,514	-1.62%	96.00%
2016	1,449	30,109,027	20,779	7.07%	147	10.3:1	9.8:1	1,449	1,389	-8.17%	95.91%
2017	1,428	31,433,415	22,012	5.93%	151	10.1:1	9.9:1	1,422	1,367	-1.86%	96.13%
2018	1,386	33,443,276	24,129	9.62%	157	10.1:1	9.9:1	1,377	1,318	-3.16%	95.72%
2019	1,333	34,697,902	26,030	7.88%	161	10:1	9:1	1,337	1,281	-2.90%	95.81%
2020	1,329	35,682,719	26,849	3.15%	156	10:1	9:1	1,339	1,301	0.15%	97.16%
2021	1,286	36,745,491	28,573	6.42%	167	10:1	9:1	1,287	1,259	-3.88%	97.82%

Sources: District records

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building										
Elementary										
Dogwood Hill										
Square Feet	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180	35,180
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	305	282	277	277	247	241	241	247	267	245
Heights										
Square Feet	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548	32,548
Capacity (students)	418	418	418	418	418	418	418	418	418	418
Enrollment	455	396	389	389	335	338	338	347	348	346
Manito										
Square Feet	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162	41,162
Capacity (students)	324	324	324	324	324	324	324	324	324	324
Enrollment	322	305	306	306	273	272	273	266	261	276
Middle School										
Valley										
Square Feet	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557	87,557
Capacity (students)	648	648	648	648	648	648	648	648	648	648
Enrollment	627	662	638	638	566	567	568	473	462	419
Number of Schools at June 30, 2021										
Elementary =	3	3	3	3	3	3	3	3	3	3
Middle School =	1	1	1	1	1	1	1	1	1	1
Senior High School =	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other =	0	0	0	0	0	0	0	0	0	0

Source: District Records

**OAKLAND BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
FOR THE TEN FISCAL YEARS ENDED JUNE 30,
(Unaudited)**

	<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>	<u>2021</u>
School Facilities										
Dogwood Hill School	\$ 31,727	\$ 29,672	\$ 63,280	\$ 53,667	\$ 54,945	\$ 44,296	\$ 53,412	\$ 87,294	\$ 90,646	\$ 106,484
Heights School	60,669	33,652	44,162	74,364	62,526	51,922	76,310	89,593	89,462	125,921
Manito School	42,727	33,334	40,437	71,738	60,644	37,474	83,347	82,784	82,125	137,822
Valley Middle School	<u>116,831</u>	<u>140,594</u>	<u>61,598</u>	<u>127,779</u>	<u>119,733</u>	<u>140,995</u>	<u>138,912</u>	<u>138,539</u>	<u>149,555</u>	<u>165,353</u>
Grand Total	<u>\$ 251,954</u>	<u>\$ 237,252</u>	<u>\$ 209,477</u>	<u>\$ 327,548</u>	<u>\$ 297,848</u>	<u>\$ 274,687</u>	<u>\$ 351,981</u>	<u>\$ 398,210</u>	<u>\$ 411,788</u>	<u>\$ 535,580</u>

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Insurance Co.		
Property - Blanket Building & Contents	\$ 59,912,644	\$ 5,000
Comprehensive General Liability	\$ 1,000,000	
Comprehensive Automobile Liability	\$ 1,000,000	
School District/ Educators Legal Liability	\$ 1,000,000	\$ 5,000
Employment Practices Liability	\$ 1,000,000	\$ 15,000
Computer and Scheduled Equipment National Union Fire Insurance Co.		
Data Processing Equipment	\$ 2,500,000	
Equipment Breakdown- National Union Fire Insurance Company	Included	
Umbrella Liability - National Union Fire Insurance Company	\$ 9,000,000	\$ 10,000
Cap Excess Umbrella - Fireman's Fund	\$ 25,000,000	
Excess Umbrella - NJ Unshared Excess Program	\$ 30,000,000	
Public Employees' Faithful Performance		
Position Bond - Utica National - Treasurer	\$ 260,000	
Position Bond - Utica National - Business Administrator	\$ 260,000	
Workers Compensation -NESBIG	\$ 1,000,000	
Workers Compensation Supplemental - NESBIG	Included	
Student Accident Policy - Bollinger	\$ 5,000,000	
Crime Policy Selective Insurance Co. of America		
Public Employee Dishonesty (Employee)	\$ 100,000	\$ 5,000
Public Employee Dishonesty (Per Loss)	\$ 400,000	
Forgery or Alteration	\$ 50,000	\$ 1,000
Environmental Pollution Liability - Ace American Ins. Co.	\$ 2,000,000	\$ 15,000
Cyber & Technology Liability (combined limit)	\$ 6,000,000	\$ 15,000

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Oakland Board of Education
Oakland, 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 Oakland Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Oakland Board of Education’s basic financial statements and have issued our report thereon dated February 23, 2022.

Internal Control Over Financial Reporting

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

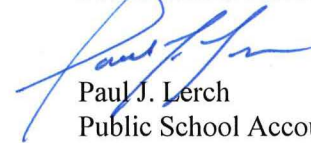
As part of obtaining reasonable assurance about whether the Oakland Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 23, 2022



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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Oakland Board of Education
Oakland, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Oakland Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Oakland Board of Education's major federal and state programs for the fiscal year ended June 30, 2021. The Oakland Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Oakland Board of Education's major federal and 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; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Oakland 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 federal and state program. However, our audit does not provide a legal determination of the Oakland Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Oakland 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 federal and state programs for the fiscal year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The Oakland Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Oakland Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Oakland 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 Oakland Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oakland Board of Education's internal control over compliance.

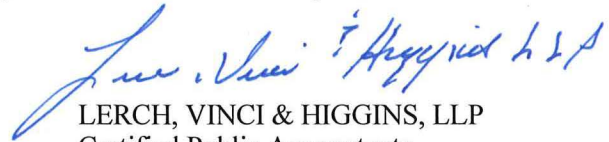
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

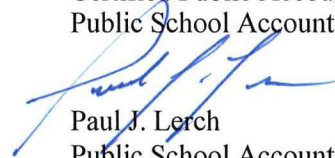
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oakland Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 23, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 23, 2022

OAKLAND BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN	Grant Period	Award Amount	Balance July 1, 2020	Carryover		Cash Received	Budgetary Expenditures	Adjustments			Balance, June 30, 2021			Memo GAAP Receivable
						(Account Receivable)	Unearned Revenue			(Account Receivable)	Unearned Revenue	Prior Year Adjustment	(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Non-Cash Assistance- Food Distribution Program	10.550	201NJ304N1099	7/1/19-6/30/20	\$ 19,267	\$ 2,881				\$ 2,881							
Non-Cash Assistance- Food Distribution Program	10.550	211NJ304N1099	7/1/20-6/30/21	10,314				\$ 10,314	8,813					\$ 1,501		
National School Lunch Program	10.555	201NJ304N1099	7/1/19-6/30/20	49,456	(1,201)			1,201								
National School Lunch Program	10.555	211NJ304N1099	7/1/20-6/30/21	290,105				207,155	290,105				\$ (82,950)	-	-	\$ (82,950)
NSLP Equipment Assistance Grant	10.579	202020N810341	2/15/21-6/30/21	14,365	-	-	-	10,282	10,282	-	-	-	-	-	-	-
Total Child Nutrition Program Cluster / Enterprise Fund					1,680	-	-	228,952	312,081	-	-	-	(82,950)	1,501	-	(82,950)
General Fund																
Coronavirus Relief Fund	21.019	N/A	3/13/20-9/30/22	25,000	-	-	-	25,000	-	-	-	\$ 25,000	-	-	-	-
Total General Fund					-	-	-	25,000	-	-	-	25,000	-	-	-	-
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund																
ESSA Title I A	84.010	S010A200030	7/1/20-9/30/21	32,798									(32,798)	32,798		
ESSA Title II A	84.367A	S367A190029	7/1/20-9/30/21	20,573		\$ (21,312)	\$ 21,312	10,723	19,023				(31,162)	22,862		(8,300)
ESSA Title II A	84.367A	S367A190029	7/1/19-9/30/20	18,500												
ESSA Title III	84.365	S365A190030	7/1/20-9/30/21	28,913		(8,084)	8,084	8,382	17,394				(28,615)	19,603		(9,012)
ESSA Title III	84.365	S365A190030	7/1/19-9/30/20	22,970	(2,938)	8,084	(8,084)	2,938								-
COVID Relief Fund	84.425D	N/A	3/13/20-9/30/22	44,624				44,624	44,624				-	-		-
Non Title I CARES	84.425D	S425D200027	7/1/20-6/30/21	38,589				37,051	37,051				(1,538)	1,538		-
CARES Digital Divide	84.425D	S425D200027	7/1/6/20-10/31/20	40,500				40,500	40,500				-	-		-
Nonpublic Digital Divide	84.425D	S377A130031	7/1/6/20-10/31/20	6,526				6,166	6,166				(360)	360		-
IDEA Part B	84.027	H027A190100	7/1/20-9/30/21	373,549		(3,693)	3,693	342,031	373,871				(35,211)	3,371		(31,840)
IDEA Part B	84.027	H027A190100	7/1/19-9/30/20	339,054	(18,090)	3,693	(3,693)	18,090								-
IDEA Preschool	84.173	H173A190114	7/1/20-9/30/21	20,327		(925)	925	20,327	20,327				(925)	925		-
IDEA Preschool	84.173	H173A190114	7/1/19-9/30/20	20,074	(375)	925	(925)	375	-	-	-	-	-	-	-	-
Total IDEA Cluster								<u>394,198</u>								
Total Special Revenue Fund					(21,403)	-	-	531,207	558,956	-	-	-	(130,609)	81,457	-	(49,152)
Total					\$ (19,723)	\$ -	\$ -	\$ 785,159	\$ 871,037	\$ -	\$ -	\$ 25,000	\$ (213,559)	\$ 82,958	\$ -	\$ (132,102)

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

OAKLAND BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance	Balance, June 30, 2021			Memo Only	
				(Accounts Receivable)	Uncarned Revenue	Due to Grantor				(Accounts Receivable)	Uncarned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund														
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 705,476	\$ (56,677)			\$ 56,677							
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	758,105				699,024	\$ 758,105		\$ (59,081)			\$	758,105
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	51,232	(4,116)			4,116							
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	51,232				47,239			(3,993)				51,232
Total State Aid Public Cluster								<u>809,337</u>						
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	215,169	(17,286)			17,286							
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	215,169				198,400	215,169		(16,769)				215,169
Non-Public Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	2,061	(2,061)			2,061							
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	5,800				-	5,800		(5,800)			\$	(5,800) 5,800
Total Transportation Aid Cluster								<u>220,969</u>						
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	490,076	(490,076)			490,076							
Extraordinary Aid	21-100-034-5120-044	7/1/20-6/30/21	800,491					800,491		(800,491)				800,491
On-Behalf TPAF Pension and Annuity Aid- Pension Contribution - Normal Cost	21-495-034-5094-002	7/1/20-6/30/21	3,692,255				3,692,255	3,692,255						3,692,255
Noncontributory (NCGI)	21-495-034-5094-004	7/1/20-6/30/21	70,250				70,250	70,250						70,250
Post Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,179,110				1,179,110	1,179,110						1,179,110
Long-Term Disability	21-495-034-5094-004	7/1/20-6/30/21	1,671				1,671	1,671						1,671
On-Behalf TPAF Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	1,009,147				959,431	1,009,147		(49,716)			(49,716)	1,009,147
Total General Fund				<u>(570,216)</u>			<u>7,417,596</u>	<u>7,783,230</u>		<u>(935,850)</u>			<u>(55,516)</u>	<u>7,783,230</u>
Special Revenue Fund														
New Jersey Non Public Aid:														
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	7,538						\$ 719					
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	9,163				9,163	6,703			\$ 2,460			6,703
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	16,490				16,490	1,411			1,411			-
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	19,074				19,074	19,074			-			19,074
Nonpublic Technology	20-100-034-5120-373	7/1/19-6/30/20	5,148						999					
Nonpublic Security	20-100-034-5120-509	7/1/19-6/30/20	36,000						7,748					
Nonpublic Security	21-100-034-5120-509	7/1/20-6/30/21	47,075				47,075	29,549			17,526			29,549
Auxiliary Services Chpt 192:														
ESL	20-100-034-5120-067	7/1/19-6/30/20	7,445						2,647					
ESL	21-100-034-5120-067	7/1/20-6/30/21	9,059				9,059	6,661			2,398			6,661
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	20,280	(7,664)			7,664	3,407						
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	26,998				26,998	13,421			13,577			13,421
Total Auxiliary Services (Chpt 192) Cluster								<u>20,082</u>						
Handicapped Services Chpt 193														
Exam and Class	20-100-034-5120-066	7/1/19-6/30/20	18,962						2,606					
Exam and Class	21-100-034-5120-066	7/1/20-6/30/21	45,510				45,510	23,765			21,745			23,765
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	8,203						2,917					
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	18,958				18,958	11,666			7,292			11,666
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	12,952						2,024					
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	15,218				15,218	11,090			4,128			11,090
Total Handicapped Services (Chpt 193) Cluster								<u>46,521</u>						
Total Special Revenue Fund				<u>(7,664)</u>		<u>23,067</u>	<u>200,130</u>	<u>121,929</u>		<u>23,067</u>			<u>70,537</u>	
State Department of Education														
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	118,397				118,397	118,397						118,397
Total Debt Service Fund							<u>118,397</u>	<u>118,397</u>						<u>118,397</u>
State Department of Agriculture														
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,113	(19)			19							
National School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	13,977				12,324	15,080		(2,756)			(2,756)	15,080
Total Enterprise Fund				<u>(19)</u>			<u>12,343</u>	<u>15,080</u>		<u>(2,756)</u>			<u>(2,756)</u>	<u>15,080</u>
Total State Financial Assistance- Determination for Single Audit				<u>\$ (577,899)</u>	<u>\$ -</u>	<u>\$ 23,067</u>	<u>\$ 7,748,466</u>	<u>\$ 8,038,636</u>	<u>\$ 23,067</u>	<u>\$ (938,606)</u>	<u>\$ -</u>	<u>\$ 70,537</u>	<u>\$ (58,272)</u>	<u>\$ 8,038,636</u>
Not Subject to Single Audit Determination														
On-Behalf TPAF Pension and Annuity Aid- Pension Contribution - Normal Cost	21-495-034-5094-002	7/1/20-6/30/21	3,692,255					(3,692,255)						
Noncontributory (NCGI)	21-495-034-5094-004	7/1/20-6/30/21	70,250					(70,250)						
Post Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,179,110					(1,179,110)						
Long-Term Disability	21-495-034-5094-004	7/1/20-6/30/21	1,671					(1,671)						
Total State Financial Assistance Subject to Major Program Determination								<u>\$ 3,095,350</u>						

**OAKLAND BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Oakland 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 a decrease of \$312,179 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	\$ 25,000	\$ 7,471,051	\$ 7,496,051
Special Revenue Fund	558,956	121,929	680,885
Debt Service Fund		118,397	118,397
Food Service Fund	<u>312,081</u>	<u>15,080</u>	<u>327,161</u>
Total Financial Assistance	<u>\$ 896,037</u>	<u>\$ 7,726,457</u>	<u>\$ 8,622,494</u>

**OAKLAND BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,009,147 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$3,762,505, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,179,110 and TPAF Long-Term Disability Insurance in the amount of \$1,671 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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.

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 deficiencies 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

Type of auditor's report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
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
Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section.510(a))?	_____ yes <u> X </u> none
Dollar threshold used to distinguish between Type A and Type B Programs	<u> \$ 750,000 </u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>H027A200100 H173A200114</u>	<u>IDEA Part B/IDEA Preschool</u>
_____	_____	_____
_____	_____	_____

**OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.

OAKLAND BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

There were none

**OAKLAND BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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.