

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

Oradell, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Oradell Board of Education

Oradell, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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INTRODUCTORY SECTION

Megan Bozios, Superintendent

John M. Marmora
Business Administrator/
Board Secretary



Oradell Public School District

350 Prospect Avenue | Oradell, NJ 07649 | oradellschool.org | (201)261-1180

*Our children,
our hope,
our future*

February 3, 2022

Honorable President and
Members of the Board of Education
Oradell School District

Dear Board Members:

The Comprehensive Annual Financial Report of the Oradell School District (“The 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 (“The 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.

Governmental Accounting Standards Board (GASB) 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. Oradell Public School’s MD&A can be found immediately following the “Independent Auditors’ Report.”

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The financial section includes the independent auditors’ report, management’s discussion and analysis (MD&A), and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the 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.” Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: Oradell School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Oradell Board of Education and its school constitute the District's reporting entity.

The District continues to provide a full range of educational services appropriate to grade levels Pre-K through 6. These include both regular and special education for learning disabled students. The District completed the 2020-2021 fiscal year with enrollment of 777 students, which is 17 students more than the previous year’s enrollment. The following details the changes in the student average daily enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2011-2012	788	-1.99
2012-2013	784	-0.51
2013-2014	782	-0.26
2014-2015	770	-0.55
2015-2016	763	-0.91
2016-2017	769	+0.78
2017-2018	739	-3.65
2018-2019	754	+2.03
2019-2020	760	+0.80
2020-2021	777	+2.24

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Oradell, like other municipalities, is feeling the effects of the continued economic growth. The real estate market has begun to recover while the prices of fuel, food, and other necessities still continued to rise. Despite the economy having entered into a recovery phase, the declining resources from the State and Federal level, the Oradell Public School has been able to maintain its staffing to ensure optimal class sizes as the NJCCCS are implemented.

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

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

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

4) 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 revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at 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 assignments of fund balance at June 30, 2021.

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

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

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

8) OTHER INFORMATION:

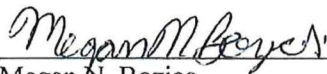
A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as Amended and the related U.S. Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements, individual fund financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Commendations – The Oradell Public School District is proud of all that it accomplished during the 2020-2021 school year. The following is a sampling of the District's achievements:

- In the midst of a world-wide global pandemic, the District was able to maintain in-person education with appropriate safeguards in place. Additionally, the District implemented both an in-person and a fully remote educational program for students in grades Prek-6. Part of the success of these academic programs was a result of the District's continued focus on technology integration with the purchase of additional Chromebooks, web cameras and digital platforms such as Zoom for Education and the Formative assessment program.
- The District continues to exceed state level academic performance as indicated by achievement levels on Linkit! Benchmark assessments and District reading and writing assessments.
- To support the continued development of district staff, multiple professional development opportunities were provided on topics such as digital education, tiered systems of support and social emotional well-being.
- Great effort was placed in educating the whole-child during these unprecedented times with virtual musical events, participation in co-curricular activities such as Odyssey of the Mind and multiple service opportunities for students.

9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Oradell School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The Oradell Board of Education continues to serve the community in proud fashion. Of the nine Board members, two have attained *Master Board Member Status* and three have achieved *Certified Board Member Status*. Also, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

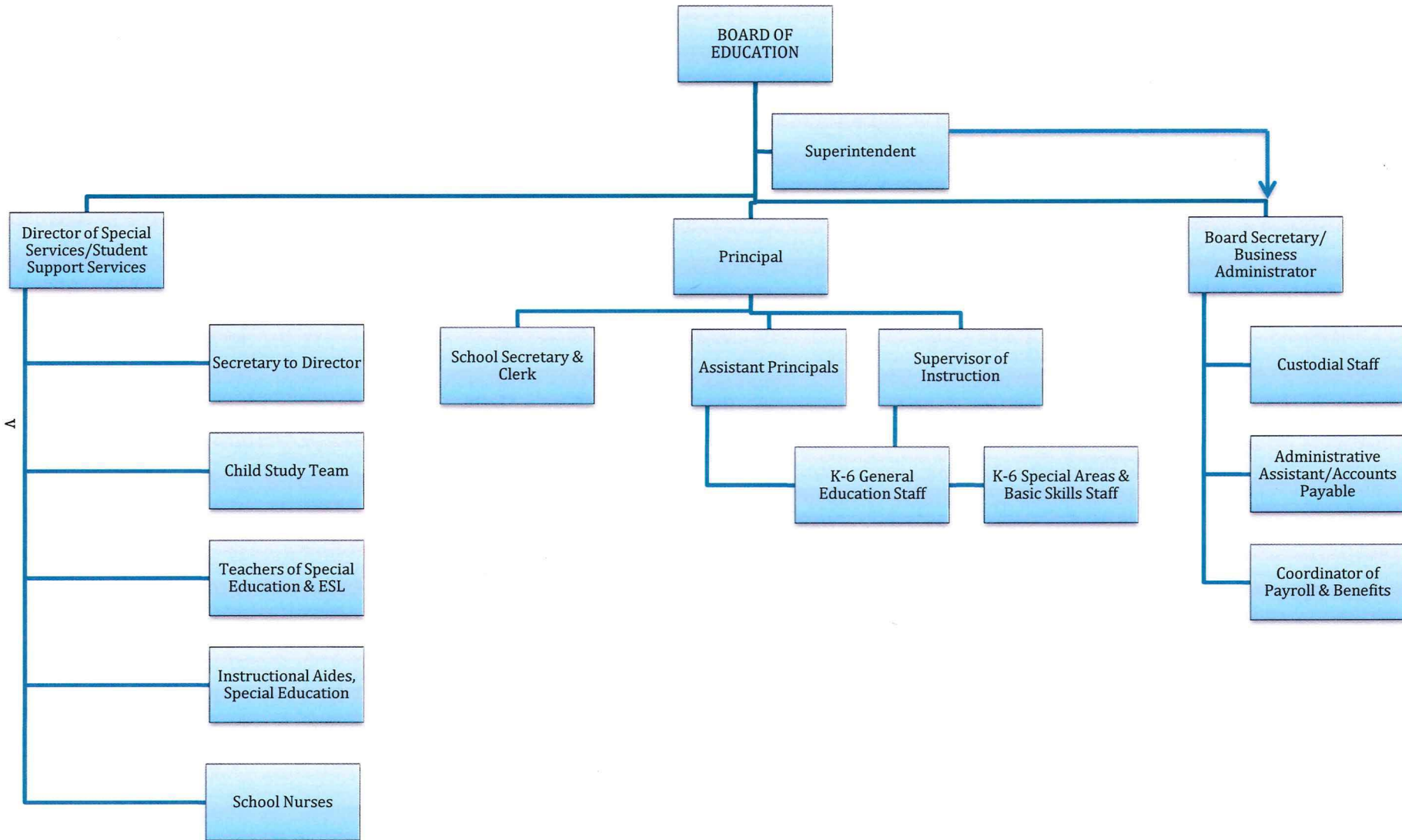


 Megan N. Bozios
 Superintendent



 John M. Marmora
 School Business Administrator/Board Secretary

ORADELL PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART 2020-2021



**ORADELL BOARD OF EDUCATION
ORADELL, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

Members of the Board of Education

Dorothy Watson-Nichols	President	2022
Gregory Derian	Vice President	2021
Robin Levy		2021
Katherine Norian		2021
Nancy Shapiro		2022
John A. Walsh		2022
Jeremy Griffin		2023
Pooja Bhatia-Nigam		2023
Rita Walker		2023

Other Officials

Megan N. Bozios	Superintendent of Schools
John M. Marmora	School Business Administrator/ Board Secretary
Angelo DeSimone	Treasurer of School Monies

**ORADELL BOARD OF EDUCATION
Consultants and Advisors**

Attorney

Sciarrillo, Cornell, Merlino,
& McKeever, P.C.
Attorneys at Law
23 St. Paul Street
Westfield, NJ 07091

Audit Firm

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

Official Depository

Capital One
464 Route 17 North
Paramus, NJ 07652

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
Oradell Board of Education
Oradell, 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 aggregate remaining fund information of the Oradell 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 aggregate remaining fund information of the Oradell 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 Oradell 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 Oradell Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Oradell Board of Education.

The 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 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 3, 2022 on our consideration of the Oradell 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 Oradell 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 Oradell Board of Education’s internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

ORADELL BOARD OF EDUCATION

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

As management of the Oradell Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Oradell Board of Education for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and the notes to the financial statements, which immediately following this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year include the following:

- The assets and deferred outflows of resources of the Oradell Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,462,329. (Net Position)
- The District's total net position increased by \$1,027,637.
- Overall District revenues were \$17,669,917. General revenues accounted for \$12,716,353, or 72%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,953,564, or 28%, of total revenues.
- The school district had \$16,642,280 in expenses for governmental activities; only \$4,953,564 of these expenses were offset by program specific charges, grants or contributions. General revenues of \$12,716,353 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,760,337. Of this amount, \$361,971 is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2021 was \$3,732,870 an increase of \$1,137,508 from the ending fund balance at June 30, 2020 of \$2,595,362.
- The General Fund budgetary fund balance at June 30, 2021 was \$4,133,953, which represents an increase of \$1,328,433 compared to the ending budgetary fund balance at June 30, 2020 of \$2,805,520. The General Fund unassigned budgetary fund balance at June 30, 2021 was \$763,054, an increase of \$468,853 when compared to the ending unassigned budgetary fund balance at June 30, 2020 of \$294,201.
- The District's total outstanding long-term liabilities decreased by \$507,737 during the current fiscal year.

ORADELL BOARD OF EDUCATION

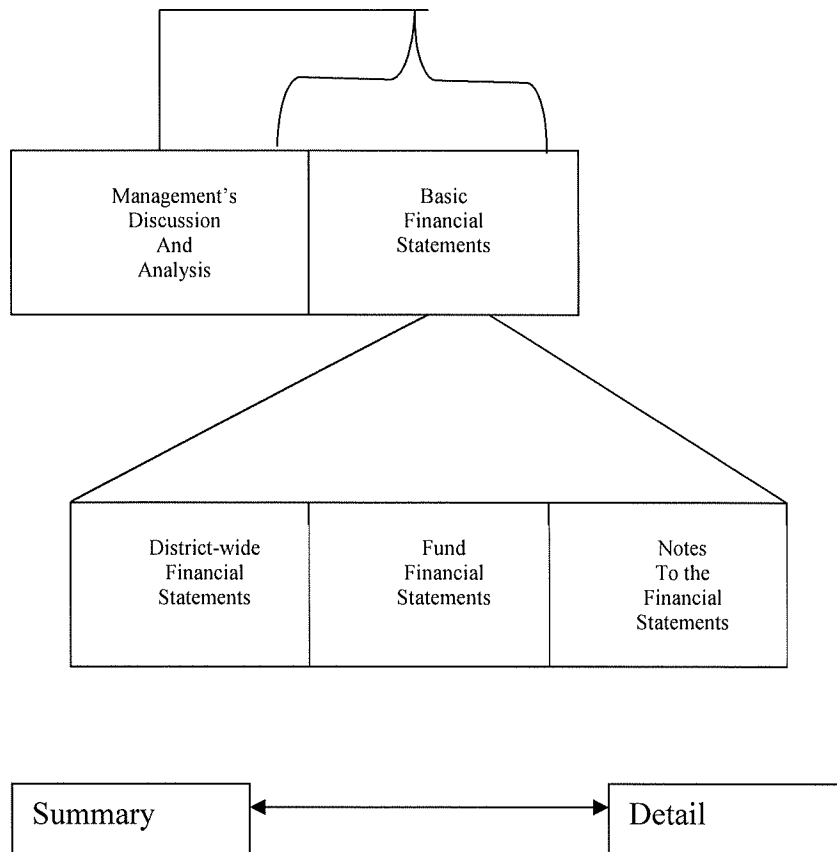
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District’s operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the the activities the district operated like *businesses*.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following Figure shows how the various parts of this Annual Report are arranged and related to one another.



ORADELL BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

The following table summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, Administration. The resources administered on behalf of someone else such as unemployment insurance, payroll deductions, and student activities.	Activities the district operates similar to private businesses: Enterprise Funds
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in fund balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, liability and deferred inflow/outflows information.	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, and short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District’s assets, liabilities and deferred outflows/inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District’s financial health or *position*

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial condition is improving or deteriorating, respectively.

ORADELL BOARD OF EDUCATION

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

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and plant operation and maintenance. Property taxes and Federal and State aid finances most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. The District's extended year summer and food service programs are included under this category.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them. Also included here are the resources the District administers on behalf of someone else such as unemployment insurance, payroll deductions, and student activities.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds, for its extended year summer program and food service (cafeteria) program.

ORADELL BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District’s budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. Information regarding the District’s employee retirement systems and pension plans as well as postemployment health benefits plan has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining schedules are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District’s *combined* net position was \$10,462,329 and \$9,434,692 on June 30, 2021 and 2020, respectively, as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 3,955,935	\$ 2,872,232	\$ 64,571	\$ 64,571	\$ 4,020,506	\$ 2,936,803
Capital Assets	12,518,973	13,278,815	-	-	12,518,973	13,278,815
Total Assets	16,474,908	16,151,047	64,571	64,571	16,539,479	16,215,618
Deferred Outflows of Resources	454,241	293,538	-	-	454,241	293,538
Total Assets and Deferred Outflows of Resources	16,929,149	16,444,585	64,571	64,571	16,993,720	16,509,156
Noncurrent Liabilities	5,297,094	5,804,831			5,297,094	5,804,831
Other Liabilities	227,281	280,130	-	-	227,281	280,130
Total Liabilities	5,524,375	6,084,961	-	-	5,524,375	6,084,961
Deferred Inflows of Resources	1,007,016	989,503	-	-	1,007,016	989,503
Total Liabilities and Deferred Inflows of Resources	6,531,391	7,074,464	-	-	6,531,391	7,074,464
Net Position						
Net Investment in Capital Assets	9,269,649	9,516,064			9,269,649	9,516,064
Restricted	1,917,621	1,417,299			1,917,621	1,417,299
Unrestricted	(789,512)	(1,563,242)	64,571	64,571	(724,941)	(1,498,671)
Total Net Position	\$ 10,397,758	\$ 9,370,121	\$ 64,571	\$ 64,571	\$ 10,462,329	\$ 9,434,692

ORADELL BOARD OF EDUCATION

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

The District's total net position of \$10,462,329 at June 30, 2021 represents a \$1,027,637 or 11%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020:

Change in Net Position
For The Fiscal Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 35,175			\$ 76,001	\$ 35,175	\$ 76,001
Operating Grants and Contributions	4,918,389	\$ 3,533,152			4,918,389	3,533,152
General Revenues						
Property Taxes	12,599,597	12,260,616			12,599,597	12,260,616
Other	116,756	104,227	-	-	116,756	104,227
Total Revenues	<u>17,669,917</u>	<u>15,897,995</u>	<u>-</u>	<u>76,001</u>	<u>17,669,917</u>	<u>15,973,996</u>
Expenses						
Instruction						
Regular	6,147,474	6,025,833			6,147,474	6,025,833
Special Education	3,351,013	2,881,463			3,351,013	2,881,463
Other Instruction	958,231	776,230			958,231	776,230
School Sponsored Activities and Athletics	46,367	27,012			46,367	27,012
Support Services						
Student and Instruction Related Services	2,380,912	2,330,291			2,380,912	2,330,291
General Administrative Services	470,304	587,506			470,304	587,506
School Administrative Services	703,078	637,310			703,078	637,310
Central Services and Info. Technology	490,560	375,838			490,560	375,838
Plant Operations and Maintenance	1,904,383	1,880,360			1,904,383	1,880,360
Pupil Transportation	87,352	88,389			87,352	88,389
Interest on Debt	102,606	121,289			102,606	121,289
Summer Program				121,485		121,485
Food Services	-	-	-	5,293	-	5,293
Total Expenses	<u>16,642,280</u>	<u>15,731,521</u>	<u>-</u>	<u>126,778</u>	<u>16,642,280</u>	<u>15,858,299</u>
Increase/(Decrease) in Net Position	1,027,637	166,474	-	(50,777)	1,027,637	115,697
Net Position, Beginning of Year	9,370,121	9,204,225	\$ 64,571	55,437	9,434,692	9,259,662
Prior Period Adjustment	-	(578)	-	59,911	-	59,333
Net Position, End of Year	<u>\$ 10,397,758</u>	<u>\$ 9,370,121</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>	<u>\$ 10,462,329</u>	<u>\$ 9,434,692</u>

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$17,669,917 for the year ended June 30, 2021. Property taxes of \$12,599,597 represented 71% of revenues. Another significant portion of revenues came from State aid; total State, Federal and local aid, grants and contributions was \$4,918,389 represented 28% of revenues. In addition, charges for services from student activities, as well as, general revenue from miscellaneous income such as interest, rents and other miscellaneous items of \$151,931 represented 1% of revenues earned.

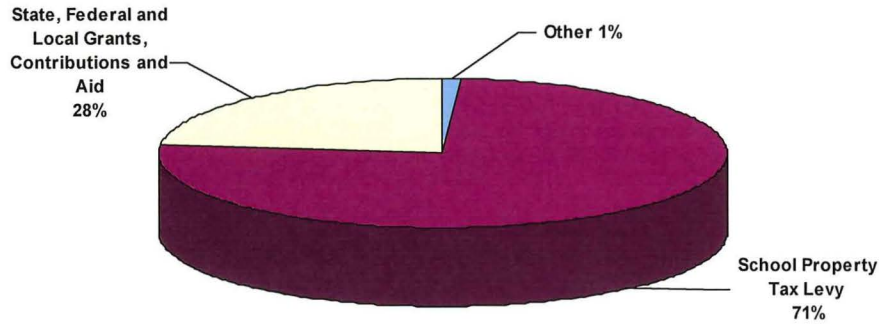
The total cost of all governmental activities programs and services was \$16,642,280. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$10,503,085 (63%) of total expenses. Support services, total \$6,036,589 (36%) of total expenses and interest on debt totaled \$102,606 (1%) of total expenses.

ORADELL BOARD OF EDUCATION

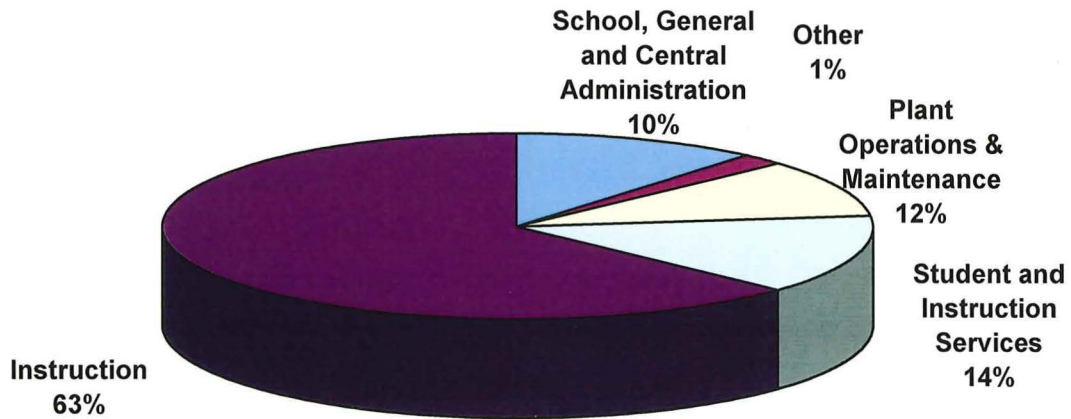
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

Total governmental activities revenues exceeded expenses, increasing net position \$1,027,637 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2021**



**Expenses by Use – Governmental Activities
For Fiscal Year 2021**



ORADELL BOARD OF EDUCATION

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

Total and Net Cost of Governmental Activities. The District's total cost of services was \$16,642,280. After applying program revenues, derived from charges for services of \$35,175 and operating grants and contributions of \$4,918,389, the net cost of services to the District is \$11,688,716.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 6,147,474	\$ 6,025,833	\$ 4,209,668	\$ 4,588,245
Special Education	3,351,013	2,881,463	1,910,970	1,813,538
Other Instruction	958,231	776,230	610,710	582,805
School Sponsored Activities and Athletics	46,367	27,012	10,752	26,768
Support Services				
Student and Instruction Related Services	2,380,912	2,330,291	1,816,228	1,919,316
General Administrative Services	470,304	587,506	360,960	479,279
School Administrative Services	703,078	637,310	503,240	507,425
Central Services and Info. Technology	490,560	375,838	339,747	296,596
Plant Operations and Maintenance	1,904,383	1,880,360	1,771,014	1,804,339
Pupil Transportation	87,352	88,389	52,821	58,769
Interest on Debt	102,606	121,289	102,606	121,289
	<u>16,642,280</u>	<u>15,731,521</u>	<u>11,688,716</u>	<u>12,198,369</u>
Total	\$ 16,642,280	\$ 15,731,521	\$ 11,688,716	\$ 12,198,369

Business-Type Activities – Due to the COVID-19 public health emergency the District had no business-type activities for the year ended June 30, 2021.

Total business-type activities net position of \$64,571 remained the same as compared to the previous year.

ORADELL BOARD OF EDUCATION

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$3,760,337, an increase of \$1,129,520 from last year's fund balance.

Revenues for the District's governmental funds were \$16,111,710 while total expenses were \$14,982,190 for the fiscal year ended June 30, 2021.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 6.

The following schedule presents a comparison of General Fund Revenues (GAAP Basis).

General Fund Revenues	Fiscal Year Ended 6/30/2021	Fiscal Year Ended 6/30/2020	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 12,091,897	\$ 11,735,516	\$ 356,381	3%
Other	116,756	104,227	12,529	12%
State Sources	<u>3,034,407</u>	<u>2,500,312</u>	<u>534,095</u>	21%
 Total Revenues	 <u>\$ 15,243,060</u>	 <u>\$ 14,340,055</u>	 <u>\$ 903,005</u>	 6%

Total General Fund revenues increased \$903,005, or 6% over the previous year. Property taxes increased \$356,381, or 3% to support budgeted operating expenditures. State aid increased \$534,095, or 21% mainly attributable to on-behalf state aid for teachers' TPAF pension contributions as well as an increase in Extraordinary Aid for special education. Local revenues increased \$12,529, or 12% from the previous year.

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

General Fund Expenditures	Fiscal Year Ended 6/30/2021	Fiscal Year Ended 6/30/2020	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 9,109,113	\$ 8,988,929	\$ 120,184	1%
Support Services	4,869,968	4,958,129	(88,161)	-2%
Debt Service	115,365	113,601	1,764	2%
Capital Outlay	<u>12,945</u>	<u>603,552</u>	<u>(590,607)</u>	-98%
 Total Expenditures	 <u>\$ 14,107,391</u>	 <u>\$ 14,664,211</u>	 <u>\$ (556,820)</u>	 -4%

ORADELL BOARD OF EDUCATION

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

GENERAL FUND (Continued)

Total General Fund expenditures decreased \$556,820, or 4%, from the previous year. The majority of this decrease can be attributed to a reduction in capital outlay spending in the current fiscal year as well as, general administrative support services costs. These decreases were offset by increases in special education instructional costs.

In fiscal year 2021 General Fund revenues and other financing services exceeded expenditures by \$1,137,508. Therefore, total fund balance increased to \$3,732,870 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned fund balance increased \$277,928 from \$84,043 at June 30, 2020 to \$361,971 at June 30, 2021. Balances in the assigned fund balances (i.e. year-end encumbrances and designated for subsequent year's budget) increased \$251,270 from the previous year. In addition, the balances in the restricted fund balances (i.e., capital reserve, maintenance reserve, emergency reserve, reserved excess surplus and unemployment compensation reserve) increased \$608,310 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories:

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over from the previous year's budget.
- Increases in budget appropriations for significant unbudgeted costs funded by unassigned fund balance and additional revenue sources.

Revisions in the budget were also made through budget transfer to prevent over expenditures in specific line item accounts.

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$1,328,433 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$468,853 from \$294,201 at June 30, 2020 to \$763,054 at June 30, 2021. In addition, the District ended the year with a capital reserve fund balance of \$1,221,280, an increase of \$508,310 from the previous year, and a maintenance reserve fund balance of \$643,157, which did not change from the previous year. The District also had an emergency reserve of \$217,755 and an unemployment compensation reserve of \$25,717, neither of which changed from the previous year. The District also ended the year with a reserved excess surplus balance of \$878,757 at June 30, 2021, an increase of \$100,000 from the previous year.

ORADELL BOARD OF EDUCATION

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

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2021, the District had \$25,160,755 invested in land, buildings, furniture, equipment and vehicles for governmental activities. Depreciation charges for fiscal year 2020-2021 amounted to \$772,787 for governmental activities. The following is a comparison of the June 30, 2021 and 2020 balances.

**Capital Assets
as of June 30, 2021 and 2020**

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Land	\$ 5,592	\$ 5,592
Land Improvements	52,200	52,200
Building and Building Improvements	23,924,791	23,924,791
Machinery and Equipment	<u>1,178,172</u>	<u>1,165,227</u>
 Total	 25,160,755	 25,147,810
 Less: Accumulated Depreciation	 <u>(12,641,782)</u>	 <u>(11,868,995)</u>
 Total	 <u>\$ 12,518,973</u>	 <u>\$ 13,278,815</u>

LONG TERM LIABILITIES

At June 30, 2021 the District had \$5,297,094 of long term liabilities. Of this amount \$1,751,535 is for serial bonds; \$1,541,917 is for capital leases; \$100,107 is for compensated absences; and \$1,903,535 is for the District's net pension liability. For fiscal year 2021 total outstanding long-term liabilities decreased by \$507,737. The following is a comparison of the June 30, 2021 and 2020 balances.

**Long-Term Liabilities Outstanding
as of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Bond Payable (including premium)	\$ 1,751,535	\$ 2,209,389
Capital Leases Payable	1,541,917	1,617,059
Compensated Absences Payable	100,107	118,083
Net Pension Liability	<u>1,903,535</u>	<u>1,860,300</u>
 Total	 <u>\$ 5,297,094</u>	 <u>\$ 5,804,831</u>

ORADELL BOARD OF EDUCATION

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for special education needs, student enrollment, condition of school facilities and the economy will have the most impact on educational and fiscal decisions in the future.

These factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund increased 2 percent to \$13,626,244 for fiscal year 2021-2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Oradell Board of Education, 350 Prospect Avenue, Oradell, NJ 07649.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,894,910	\$ 64,571	\$ 3,959,481
Cash with Fiscal Agent	11,858		11,858
Receivables, net	49,167		49,167
Capital Assets, Not Being Depreciated	5,592		5,592
Capital Assets, Being Depreciated, Net	<u>12,513,381</u>	<u>-</u>	<u>12,513,381</u>
Total Assets	<u>16,474,908</u>	<u>64,571</u>	<u>16,539,479</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	44,128		44,128
Deferred Amounts on Net Pension Liability	<u>410,113</u>	<u>-</u>	<u>410,113</u>
Total Deferred Outflows of Resources	<u>454,241</u>	<u>-</u>	<u>454,241</u>
Total Assets and Deferred Outflows of Resources	<u>16,929,149</u>	<u>64,571</u>	<u>16,993,720</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	101,500		101,500
Payable to Other Governments	60,421		60,421
Accrued Interest Payable	31,683		31,683
Unearned Revenue	33,677	-	33,677
Noncurrent Liabilities			
Due Within One Year	512,752		512,752
Due Beyond One Year	<u>4,784,342</u>	<u>-</u>	<u>4,784,342</u>
Total Liabilities	<u>5,524,375</u>	<u>-</u>	<u>5,524,375</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,007,016</u>	<u>-</u>	<u>1,007,016</u>
Total Deferred Inflows of Resources	<u>1,007,016</u>	<u>-</u>	<u>1,007,016</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,531,391</u>	<u>-</u>	<u>6,531,391</u>
NET POSITION			
Net Investment in Capital Assets	9,269,649		9,269,649
Restricted for			
Capital Projects	1,221,280		1,221,280
Plant Maintenance	643,157		643,157
Other Purposes	53,184		53,184
Unrestricted	<u>(789,512)</u>	<u>64,571</u>	<u>(724,941)</u>
Total Net Position	<u>\$ 10,397,758</u>	<u>\$ 64,571</u>	<u>\$ 10,462,329</u>

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

**ORADELL 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	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular	\$ 6,147,474		\$ 1,937,806	\$ (4,209,668)		\$ (4,209,668)
Special Education	3,351,013		1,440,043	(1,910,970)		(1,910,970)
Other Instruction	958,231		347,521	(610,710)		(610,710)
School Sponsored Activities and Athletics	46,367	\$ 35,175	440	(10,752)		(10,752)
Support Services						
Student and Instruction Related Services	2,380,912		564,684	(1,816,228)		(1,816,228)
General Administrative Services	470,304		109,344	(360,960)		(360,960)
School Administrative Services	703,078		199,838	(503,240)		(503,240)
Central Services and Info. Technology	490,560		150,813	(339,747)		(339,747)
Plant Operations and Maintenance	1,904,383		133,369	(1,771,014)		(1,771,014)
Pupil Transportation	87,352		34,531	(52,821)		(52,821)
Interest on Debt	102,606	-	-	(102,606)	-	(102,606)
Total Governmental Activities	16,642,280	35,175	4,918,389	(11,688,716)	-	(11,688,716)
Business-Type Activities						
Summer Program	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-
Total Primary Government	\$ 16,642,280	\$ 35,175	\$ 4,918,389	(11,688,716)	-	(11,688,716)
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes, Net				12,091,897		12,091,897
Property Taxes, Levied for Debt Service, Net				507,700		507,700
Investment Earnings				3,833		3,833
Miscellaneous Income				112,923		112,923
Total General Revenues				12,716,353	-	12,716,353
Change in Net Position				1,027,637	-	1,027,637
Net Position, Beginning of Year (Restated)				9,370,121	\$ 64,571	9,434,692
Net Position, End of Year				\$ 10,397,758	\$ 64,571	\$ 10,462,329

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,816,859	\$ 78,051			\$ 3,894,910
Cash with Fiscal Agent	11,858	-			11,858
Intergovernmental Receivables	<u>23,482</u>	<u>25,685</u>	<u>-</u>	<u>-</u>	<u>49,167</u>
Total Assets	<u>\$ 3,852,199</u>	<u>\$ 103,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,955,935</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 61,909	\$ 6,429			\$ 68,338
Payroll Deductions and Withholdings Payable	31,740				31,740
Payable to Other Governments	24,258	36,163			60,421
Other Liabilities	1,422				1,422
Unearned Revenue	<u>-</u>	<u>33,677</u>	<u>-</u>	<u>-</u>	<u>33,677</u>
Total Liabilities	<u>119,329</u>	<u>76,269</u>	<u>-</u>	<u>-</u>	<u>195,598</u>
Fund Balances					
Restricted:					
Capital Reserve	1,221,280				1,221,280
Maintenance Reserve	643,157				643,157
Emergency Reserve	117,755				117,755
Emergency Reserve - Designated for Subsequent Year's Expenditures	100,000				100,000
Unemployment Compensation Reserve	25,717				25,717
Excess Surplus	400,000				400,000
Excess Surplus - Designated for Subsequent Year's Expenditures	478,757				478,757
Student Activities		27,467			27,467
Assigned:					
Year End Encumbrances	384,233				384,233
Unassigned	<u>361,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,971</u>
Total Fund Balances	<u>3,732,870</u>	<u>27,467</u>	<u>-</u>	<u>-</u>	<u>3,760,337</u>
Total Liabilities and Fund Balances	<u>\$ 3,852,199</u>	<u>\$ 103,736</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,955,935</u>

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

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

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$	3,760,337
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,160,755 and the accumulated depreciation is \$12,641,782.</p>			12,518,973
<p>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.</p>			44,128
<p>Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.</p>			
	Deferred Outflows of Resources	\$ 410,113	
	Deferred Inflows of Resources	<u>(1,007,016)</u>	(596,903)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>			(31,683)
<p>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 the following:</p>			
	Bonds Payable	(1,751,535)	
	Capital Leases Payable	(1,541,917)	
	Compensated Absences	(100,107)	
	Net Pension Liability	<u>(1,903,535)</u>	<u>(5,297,094)</u>
Total Net Position of Governmental Activities (Exhibit A-1)		\$	<u>10,397,758</u>

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

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

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 12,091,897			\$ 507,700	\$ 12,599,597
Interest	3,833				3,833
Miscellaneous	112,923	\$ 36,374	-	-	149,297
Total - Local Sources	12,208,653	36,374	-	507,700	12,752,727
Intergovernmental					
State Sources	3,034,407	34,930			3,069,337
Federal Sources	-	289,646	-	-	289,646
Total Revenues	15,243,060	360,950	-	507,700	16,111,710
EXPENDITURES					
Current					
Instruction					
Regular Instruction	5,394,639	14,450			5,409,089
Special Education Instruction	2,922,952	198,333			3,121,285
Other Instruction	786,591	58,503			845,094
School-Sponsored Activities and Athletics	4,931	41,324			46,255
Support Services					
Student and Instruction Related Services	2,149,127	44,116			2,193,243
General Administrative Services	412,594				412,594
School Administrative Services	632,610				632,610
Central Services and Info. Technology	433,240				433,240
Plant Operations and Maintenance	1,155,045	10,373			1,165,418
Pupil Transportation	87,352				87,352
Debt Service					
Principal	75,142			435,000	510,142
Interest and Other Charges	40,223			72,700	112,923
Capital Outlay	12,945	-	-	-	12,945
Total Expenditures	14,107,391	367,099	-	507,700	14,982,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,135,669	(6,149)	-	-	1,129,520
OTHER FINANCING SOURCES (USES)					
Transfers In	1,839				1,839
Transfers Out	-	-	\$ (1,839)	-	(1,839)
Total Other Financing Sources and Uses	1,839	-	(1,839)	-	-
Net Change in Fund Balances	1,137,508	(6,149)	(1,839)	-	1,129,520
Fund Balance, Beginning of Year (Restated)	2,595,362	33,616	\$ 1,839	-	2,630,817
Fund Balance, End of Year	<u>\$ 3,732,870</u>	<u>\$ 27,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,760,337</u>

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

**ORADELL 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) \$ 1,129,520

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

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

Capital Outlay	\$ 12,945	
Depreciation Expense	<u>(772,787)</u>	(759,842)

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

Decrease in Compensated Absences	17,976	
Decrease in Pension Expenses	<u>119,524</u>	137,500

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

Principal Payments		
Bond Principal	435,000	
Capital Lease Principal	<u>75,142</u>	510,142

Governmental funds report the effect of 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 Bond Premium	22,854	
Amortization of Deferred Amounts on Refunding	<u>(19,569)</u>	3,285

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

Decrease in Accrued Interest		<u>7,032</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,027,637

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

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 61,404	\$ 3,167	\$ 64,571
Total Current Assets	61,404	3,167	64,571
Noncurrent Assets			
Capital Assets			
Equipment		12,949	12,949
Accumulated Depreciation	-	(12,949)	(12,949)
Total Noncurrent Assets	-	-	-
Total Assets	61,404	3,167	64,571
NET POSITION			
Unrestricted	61,404	3,167	64,571
Total Net Position	\$ 61,404	\$ 3,167	\$ 64,571

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

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
Net Position, Beginning of Year (Restated)	\$ 61,404	\$ 3,167	\$ 64,571
Net Position, End of Year	<u>\$ 61,404</u>	<u>\$ 3,167</u>	<u>\$ 64,571</u>

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

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
Cash and Cash Equivalents, Beginning of Year (Restated)	\$ 61,404	\$ 3,167	\$ 64,571
Cash and Cash Equivalents, End of Year	<u>\$ 61,404</u>	<u>\$ 3,167</u>	<u>\$ 64,571</u>

NOTES TO THE FINANCIAL STATEMENTS

**ORADELL 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 Oradell Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent 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 six (6) 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 Oradell Board of Education this includes general operations, food service, extended year 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.

**ORADELL 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.

**ORADELL 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 has no fiduciary funds.

District-Wide Financial Statements

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

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

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 funds as well as its extended year summer program enterprise fund to be major funds.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, and student activity funds derived from activities of pupil organizations.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

**ORADELL 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 *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

The *extended year summer program fund* accounts for the activities of the District's summer program which provides student with various instructional and non-instructional programs during the summer recess.

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

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

**ORADELL 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, 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.

4. *Capital Assets*

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

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

**ORADELL 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)

4. *Capital Assets (Continued)*

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	50
Building Improvements	10-40
Machinery and Equipment	5-15
Vehicles	10
Computer Equipment	5

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category 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.

6. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick and vacation leave benefits. A long-term liability of accumulated sick and vacation leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick and vacation leave and salary related payments in the period that they are earned. 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.

ORADELL 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)

7. *Pensions*

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

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred outflows of resources. Bond premiums 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. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

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

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.

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).

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).

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 the emergency reserve fund balance that was appropriated in the 2021/2022 original 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).

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 Reserve – 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 2020/2021 original budget certified for taxes.

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.

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

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

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

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

**ORADELL 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. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Additionally, during 2020/2021 the Board increased the original budget by \$420,395. The increase was funded by the additional appropriation of maintenance reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. In addition the Board approved the appropriation of an additional \$56,811 of unassigned fund balance to replace the reduction of state aid in the general fund budget.

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.

**ORADELL 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

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

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

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

Balance, July 1, 2020		\$ 712,970
Deposits:		
Approved by Board Resolution	\$ 506,471	
Return of Unexpended Capital Projects		
Fund Appropriations Funded by Reserve	<u>1,839</u>	
		<u>508,310</u>
Balance, June 30, 2021		\$ <u>1,221,280</u>

The June 30, 2021 Long Range Facilities Plan balance of local support costs of uncompleted projects is \$4,753,740.

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.

**ORADELL 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		\$ 643,157
Deposits:		
Approved by Board Resolution		<u>263,900</u>
		907,057
Withdrawals:		
Approved in District Budget	\$ 200,000	
Approved by Board Resolution	<u>63,900</u>	
		<u>263,900</u>
Balance, June 30, 2021		<u>\$ 643,157</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$643,157.

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.

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

Balance, July 1, 2020		<u>\$ 217,755</u>
Balance, June 30, 2021		<u>\$ 217,755</u>

The District designated and appropriated \$100,000 of the emergency reserve balance at June 30, 2021 for use in the 2021/2022 original budget certified for taxes.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. 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 \$878,757. Of this amount, \$478,757 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$400,000 will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$3,971,339 and bank and brokerage firm balances of the Board’s deposits amounted to \$4,123,961. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” or “cash with fiscal agent” are categorized as:

Depository Account

Insured	\$ 4,112,103
Uninsured and Uncollateralized	<u>11,858</u>
	<u>\$ 4,123,961</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 the Board’s bank balance of \$11,858 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Uncollateralized	
Cash with Fiscal Agent	<u>\$ 11,858</u>

**ORADELL 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

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

As of June 30, 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 increase 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. 18A20-37). 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 on issuer.

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental			
State	\$ 23,482		\$ 23,482
Federal	-	\$ 25,685	25,685
Gross Receivables	23,482	25,685	49,167
Less: Allowance for Uncollectibles	-	-	-
Net Total Receivables	<u>\$ 23,482</u>	<u>\$ 25,685</u>	<u>\$ 49,167</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 20,486
Grant Draw Downs Reserved for Encumbrances	<u>13,191</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 33,677</u>

D. Capital Assets

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

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,592	-	-	\$ 5,592
Total Capital Assets, Not Being Depreciated	<u>5,592</u>	<u>-</u>	<u>-</u>	<u>5,592</u>
Capital Assets, Being Depreciated:				
Land Improvements	52,200			52,200
Building and Building Improvements	23,924,791			23,924,791
Machinery and Equipment	1,165,227	\$ 12,945	-	1,178,172
Total Capital Assets Being Depreciated	<u>25,142,218</u>	<u>12,945</u>	<u>-</u>	<u>25,155,163</u>
Less Accumulated Depreciation for:				
Land Improvements	(52,200)			(52,200)
Building and Building Improvements	(11,279,173)	(722,273)		(12,001,446)
Machinery and Equipment	(537,622)	(50,514)	-	(588,136)
Total Accumulated Depreciation	<u>(11,868,995)</u>	<u>(772,787)</u>	<u>-</u>	<u>(12,641,782)</u>
Total Capital Assets, Being Depreciated, Net	<u>13,273,223</u>	<u>(759,842)</u>	<u>-</u>	<u>12,513,381</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,278,815</u>	<u>\$ (759,842)</u>	<u>\$ -</u>	<u>\$ 12,518,973</u>

**ORADELL 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)

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and equipment	\$ 12,949	-	-	\$ 12,949
Total capital assets being depreciated	<u>12,949</u>	<u>-</u>	<u>-</u>	<u>12,949</u>
Less Accumulated Depreciation for:				
Machinery and equipment	(12,949)	\$ -	-	(12,949)
Total accumulated depreciation	<u>(12,949)</u>	<u>-</u>	<u>-</u>	<u>(12,949)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities:

Instruction		
Regular Instruction		\$ 35,328
Special Education Instruction		277
Total Instruction		<u>35,605</u>
Support Services		
General Administrative Services		6,438
Central Services and Info. Technology		3,758
Plant Operations and Maintenance		726,986
Total Support Services		<u>737,182</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 772,787</u>

Business-Type Activities:

Food Service Fund		<u>\$ -</u>
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**ORADELL 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. Interfund Receivables, Payables, and Transfers

Interfund Transfers

	<u>Transfers In</u>
	General Fund
<u>Transfers Out:</u>	
Capital Projects Fund	\$ 1,839
	<u>\$ 1,839</u>

The above transfer was the result of unexpended capital project funds being returned to it's original funding source of general fund capital reserve.

F. Leases

Capital Leases

The District entered into a capital lease-purchasing agreement totaling \$1,946,368 for energy savings incentive project improvements for a term of 16 years. The District also entered into a capital lease totaling \$36,036 for copier machines for a term of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 36,036
Building Improvements	<u>1,946,368</u>
	<u>\$ 1,982,404</u>

**ORADELL 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. Leases (Continued)

Capital Leases (Continued)

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

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 109,675
2023	112,880
2024	116,187
2025	112,496
2026	114,125
2027-2031	618,771
2032-2036	<u>683,240</u>
Total minimum lease payments	1,867,374
Less: amount representing interest	<u>(325,457)</u>
Present value of minimum lease payments	<u>\$ 1,541,917</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2021 are comprised of the following issues:

\$4,620,000, 2012 Refunding Bonds, due in annual installments of \$415,000 to \$430,000 through February 15, 2025, interest at 3.00% to 4.00%	<u>\$1,700,000</u>
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**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 430,000	\$ 55,300	\$ 485,300
2023	430,000	38,100	468,100
2024	425,000	25,200	450,200
2025	<u>415,000</u>	<u>12,450</u>	<u>427,450</u>
Total	<u>\$ 1,700,000</u>	<u>\$ 131,050</u>	<u>\$ 1,831,050</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:

2.5% of Equalized Valuation Basis (Municipal)	\$ 45,681,731
Less: Net Debt	<u>1,700,000</u>
Remaining Borrowing Power	<u>\$ 43,981,731</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2021</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 2,135,000		\$ 435,000	\$ 1,700,000	\$ 430,000
Add: Original Issue Premium	<u>74,389</u>	<u>-</u>	<u>22,854</u>	<u>51,535</u>	<u>-</u>
Total Bonds Payable	2,209,389	-	457,854	1,751,535	430,000
Capital Leases Payable	1,617,059		75,142	1,541,917	72,752
Compensated Absences	118,083	\$ 2,864	20,840	100,107	10,000
Net Pension Liability	<u>1,860,300</u>	<u>170,930</u>	<u>127,695</u>	<u>1,903,535</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,804,831</u>	<u>\$ 173,794</u>	<u>\$ 681,531</u>	<u>\$ 5,297,094</u>	<u>\$ 512,752</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021		\$ 34,456	\$ 33,034	\$ 25,717
2020	\$ 2,000	25,683	53,957	25,717
2019	15,000	12,221	7,267	51,991

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.

**ORADELL 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

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.

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.

**ORADELL 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)

The following represent the membership tiers for TPAF:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required 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.

**ORADELL 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.

**ORADELL 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	\$ 127,695	\$ 1,496,302	\$ 22,252
2020	100,427	1,104,179	23,052
2019	106,461	956,543	12,665

**ORADELL 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, \$221 and \$505, respectively for PERS and the State contributed \$809, \$672 and \$789, 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 \$396,270 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 \$1,903,535 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 .01167 percent, which was an increase of .00135 percent from its proportionate share measured as of June 30, 2019 of .01032 percent.

**ORADELL 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 expense of \$8,171 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	\$ 34,660	\$ 6,732
Changes of Assumptions	61,753	797,028
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	65,064	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>248,636</u>	<u>203,256</u>
Total	<u>\$ 410,113</u>	<u>\$ 1,007,016</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	\$ (251,929)
2023	(228,377)
2024	(110,510)
2025	(3,091)
2026	(2,996)
Thereafter	<u>-</u>
	<u>\$ (596,903)</u>

**ORADELL 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.

**ORADELL 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%

**ORADELL 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>2,396,233</u>	\$ <u>1,903,535</u>	\$ <u>1,485,467</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at 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.

**ORADELL 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 \$2,025,059 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 \$32,565,463. 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 .04945 percent, which was an increase of .00181 percent from its proportionate share measured as of June 30, 2019 of .04764 percent.

**ORADELL 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.

**ORADELL 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%

**ORADELL 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)

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	<u>\$ 38,251,950</u>	<u>\$ 32,565,463</u>	<u>\$ 27,843,790</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 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.

ORADELL 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.

**ORADELL 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.

**ORADELL 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 \$468,918, \$409,630 and \$433,887, 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 \$1,498,368. 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 \$28,698,886. 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 .04232 percent, which was a decrease of .00036 percent from its proportionate share measured as of June 30, 2019 of .04268 percent.

**ORADELL 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%.

**ORADELL 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.

**ORADELL 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 <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>17,810,020</u>
Changes Recognized for the Fiscal Year:	
Service Cost	782,193
Interest on the Total OPEB Liability	642,322
Differences Between Expected and Actual Experience	4,706,531
Changes of Assumptions	5,242,300
Gross Benefit Payments	(499,624)
Contributions from the Member	15,144
Net Changes	<u>\$ 10,888,866</u>
Balance, June 30, 2020 Measurement Date	\$ <u>28,698,886</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.

ORADELL 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	\$ 34,597,988	\$ 28,698,886	\$ 24,086,356

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)	\$ 23,166,709	\$ 28,698,886	\$ 35,286,480

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.

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

NOTE 5 RESTATEMENT

On July 1, 2020, the Oradell Board of Education implemented GASB Statement No. 84 “Fiduciary Activities”. The District also made a prior period adjustment for a correction of an error for certain expenses allocated between the governmental funds and enterprise funds for fiscal year 2020. The Oradell Board of Education has determined that the effect of implementing this accounting change and the correction of an error 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 and payroll related activities previously reported as fiduciary activities to governmental activities which increased net position by \$59,333. The financial statements of the governmental activities as of June 30, 2020 have also been restated to reflect the reclassification of certain prior year expenses for salary and benefit charges between governmental activities and business type activities which decreased net position of governmental activities by \$59,911. The effect of these restatements is to decrease net position of governmental activities by \$578 from \$9,370,699 as previously reported to \$9,370,121 as of June 30, 2020.

Business-Type Activities and Proprietary Funds

The financial statements of the business-type activities and proprietary funds as of June 30, 2020 have been restated to reflect the correction of an error for salary and benefit charges incorrect allocated to the extended year summer program. The effect of this restatement is to increase net position of business-type activities and the extended year summer program enterprise fund by \$59,911 from \$4,660 and \$1,493, respectively, as previously reported to \$64,571 and \$61,404, respectively, as of June 30, 2020.

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 and payroll activities previously reported as fiduciary funds to governmental funds which increased net position by \$59,333. The financial statements of the government funds as of June 30, 2020 have also been restated to reflect the reclassification of certain expenses for salary and benefit charges between the general fund and extended year summer enterprise fund which decreased the net position of government funds by \$59,911. The effect of this restatement is to decrease fund balances of governmental funds by \$578 from \$2,631,395 as previously reported to \$2,630,817 as of June 30, 2020. General Fund fund balance decreased \$34,194 from \$2,629,556 as previously reported to \$2,595,362 as of June 30, 2020. Special Revenue Fund fund balance increased \$33,616 from \$0 as previously reported to \$33,616 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 \$25,717 from \$25,717 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.

**ORADELL 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)

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.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 12,091,897		\$ 12,091,897	\$ 12,091,897	
Interest	500	-	500	3,833	\$ 3,333
Miscellaneous	56,588	-	56,588	112,923	56,335
Total Local Sources	<u>12,148,985</u>	<u>-</u>	<u>12,148,985</u>	<u>12,208,653</u>	<u>59,668</u>
State Sources					
Special Education Aid	472,188	\$ (56,811)	415,377	415,377	-
Security Aid	58,565		58,565	58,565	-
Transportation Aid	29,595		29,595	29,595	-
Extraordinary Aid	66,246		66,246	354,566	288,320
Nonpublic School Transportation Aid				4,930	4,930
On-behalf TPAF Contributions - (Non-Budget)					
Pension Contribution				1,468,364	1,468,364
Pension - NCGI Premium				27,938	27,938
Post Retirement Medical Benefits				468,918	468,918
Long-Term Disability Insurance Premium				809	809
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	396,270	396,270
Total State Sources	<u>626,594</u>	<u>(56,811)</u>	<u>569,783</u>	<u>3,225,332</u>	<u>2,655,549</u>
Total Revenues	<u>12,775,579</u>	<u>(56,811)</u>	<u>12,718,768</u>	<u>15,433,985</u>	<u>2,715,217</u>
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	620,114	6,869	626,983	612,121	14,862
Grades 1-5	2,392,237	(100,699)	2,291,538	2,187,587	103,951
Grades 6-8	446,866	(20,000)	426,866	375,270	51,596
Regular Program - Home Instruction					
Salaries of Teachers		6,345	6,345	5,445	900
Home Instruction					
Purchased Professional-Educational Services		724	724	724	-
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	20,696	(303)	20,393	20,393	-
Purchased Technical Services	115,868	30,526	146,394	124,372	22,022
Other Purchased Services	10,864	148	11,012	11,012	-
General Supplies	142,872	137,456	280,328	125,253	155,075
Total Regular Programs	<u>3,749,517</u>	<u>61,066</u>	<u>3,810,583</u>	<u>3,462,177</u>	<u>348,406</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	264,020	-	264,020	263,118	902
Other Salaries for Instruction	216,323	11,688	228,011	222,411	5,600
Purchased Professional-Educational Services	27,355	(8,728)	18,627	7,950	10,677
General Supplies	3,981	-	3,981	594	3,387
Total Learning and/or Language Disabilities	<u>511,679</u>	<u>2,960</u>	<u>514,639</u>	<u>494,073</u>	<u>20,566</u>

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 570,729	\$ 76,196	\$ 646,925	\$ 641,874	\$ 5,051
Other Salaries for Instruction	149,800	(8,096)	141,704	138,780	2,924
General Supplies	2,836	(796)	2,040	2,013	27
Total Resource Room/Resource Center	723,365	67,304	790,669	782,667	8,002
Preschool Disabilities - Part-Time					
Salaries of Teachers	101,894	(2,325)	99,569	98,519	1,050
Other Salaries for Instruction	28,579	10,600	39,179	39,179	-
Purchased Professional-Educational Services	1,400	(1,400)			-
General Supplies	1,000	(628)	372	372	-
Total Preschool Disabilities - Part-Time	132,873	6,247	139,120	138,070	1,050
Total Special Education	1,367,917	76,511	1,444,428	1,414,810	29,618
Basic Skills/Remedial					
Salaries of Teachers	371,070	(22,903)	348,167	348,167	-
Other Salaries for Instruction	3,100	12,732	15,832	15,832	-
General Supplies	1,000	795	1,795	1,777	18
Total Basic Skills/Remedial	375,170	(9,376)	365,794	365,776	18
Bilingual Education					
Salaries of Teachers	118,385	7,137	125,522	125,522	-
General Supplies	400	-	400	388	12
Total Bilingual Education	118,785	7,137	125,922	125,910	12
School Sponsored Co/Extra-Curricular Activities					
Salaries	17,830	(1,271)	16,559	3,200	13,359
Purchased Services	3,700	-	3,700	150	3,550
Total School Sponsored Co/Extra-Curricular Activities	21,530	(1,271)	20,259	3,350	16,909
Total Instruction	5,632,919	134,067	5,766,986	5,372,023	394,963
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	587,028	-	587,028	444,480	142,548
Tuition to APSSD Within the State	457,723	(124,810)	332,913	244,592	88,321
Total Undistributed Expenditures - Instruction	1,044,751	(124,810)	919,941	689,072	230,869

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work					
Salaries	\$ 37,338	-	\$ 37,338	\$ 37,163	\$ 175
Total Attendance and Social Work	<u>37,338</u>	<u>-</u>	<u>37,338</u>	<u>37,163</u>	<u>175</u>
Health Services					
Salaries	86,730	\$ 1,294	88,024	81,028	6,996
Purchased Professional and Technical Services	2,000	43,763	45,763	28,878	16,885
Supplies and Materials	6,615	1,620	8,235	4,959	3,276
Total Health Services	<u>95,345</u>	<u>46,677</u>	<u>142,022</u>	<u>114,865</u>	<u>27,157</u>
Speech, OT, PT & Related Services					
Salaries	273,090	(3,000)	270,090	270,090	-
Purchased Professional-Educational Services	204,103	(6,309)	197,794	114,457	83,337
Supplies and Materials	2,753	(238)	2,515	2,476	39
Total Speech, OT, PT & Related Services	<u>479,946</u>	<u>(9,547)</u>	<u>470,399</u>	<u>387,023</u>	<u>83,376</u>
Other Support Serv. Students - Extra. Svcs.					
Purchased Professional-Educational Services	295,000	(56,255)	238,745	178,340	60,405
Total Other Support Serv. Students - Extra. Serv.	<u>295,000</u>	<u>(56,255)</u>	<u>238,745</u>	<u>178,340</u>	<u>60,405</u>
Guidance					
Salaries of Other Professional Staff	42,511	-	42,511	41,904	607
Supplies and Materials	1,605	(872)	733	733	-
Total Guidance	<u>44,116</u>	<u>(872)</u>	<u>43,244</u>	<u>42,637</u>	<u>607</u>
Child Study Team					
Salaries of Other Professional Staff	386,153	(500)	385,653	378,503	7,150
Salaries of Secretarial and Clerical Assistants	71,972	-	71,972	71,972	-
Other Salaries	5,000	6,300	11,300	11,300	-
Purchased Professional-Educational Services	50,540	-	50,540	47,538	3,002
Other Purchased Services	3,229	(1,091)	2,138	1,015	1,123
Supplies and Materials	6,200	494	6,694	5,923	771
Other Objects	3,850	-	3,850	274	3,576
Total Child Study Team	<u>526,944</u>	<u>5,203</u>	<u>532,147</u>	<u>516,525</u>	<u>15,622</u>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	132,822	10,001	142,823	142,822	1
Salaries of Other Professional Staff	10,900	-	10,900	2,975	7,925
Other Purchased Services	1,000	500	1,500	1,000	500
Supplies and Materials	480	4,572	5,052	4,077	975
Other Objects	1,000	(500)	500	168	332
Total Improvement of Instructional Services	<u>146,202</u>	<u>14,573</u>	<u>160,775</u>	<u>151,042</u>	<u>9,733</u>
Educational Media Services/School Library					
Salaries	87,386	850	88,236	87,836	400
Supplies and Materials	17,032	(350)	16,682	13,955	2,727
Total Educational Media Serv./School Library	<u>104,418</u>	<u>500</u>	<u>104,918</u>	<u>101,791</u>	<u>3,127</u>
Instructional Staff Training Services					
Other Salaries	12,000	-	12,000	900	11,100
Purchased Professional/Educational Services	13,578	425	14,003	495	13,508
Other Purchased Services	8,280	45	8,325	5,089	3,236
Total Instructional Staff Training Services	<u>33,858</u>	<u>470</u>	<u>34,328</u>	<u>6,484</u>	<u>27,844</u>

ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 286,509	\$ (34,001)	\$ 252,508	\$ 180,571	\$ 71,937
Legal Services	44,000	(5,861)	38,139	25,517	12,622
Audit Fees	29,800	29,600	59,400	29,981	29,419
Architectural/Engineering Services		423	423	230	193
Communications/Telephone	23,080	361	23,441	19,017	4,424
Miscellaneous Purchased Services	9,850	2,520	12,370	8,552	3,818
BOE Other Purchased Services	5,100	(3,110)	1,990	900	1,090
General Supplies	3,475	5,861	9,336	3,101	6,235
Miscellaneous Expenditures	3,800	-	3,800	2,680	1,120
BOE Membership Dues and Fees	8,745	-	8,745	7,175	1,570
Total General Administration	414,359	(4,207)	410,152	277,724	132,428
School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	319,522	90	319,612	313,062	6,550
Salaries of Secretarial and Clerical Assistants	71,174	3,336	74,510	74,510	-
Other Salaries	500	-	500	35	465
Other Purchased Services	9,241	(293)	8,948	5,330	3,618
Supplies and Materials	8,782	(988)	7,794	5,537	2,257
Other Objects	4,400	398	4,798	4,798	-
Total School Administration	413,619	2,543	416,162	403,272	12,890
Central Services					
Salaries	248,400	650	249,050	249,050	-
Purchased Professional Services	11,692	2,741	14,433	14,293	140
Miscellaneous Purchased Services	2,940	(1,104)	1,836	475	1,361
Sale/Leaseback Payments	4,020	-	4,020	4,020	-
Supplies and Materials	6,100	1,931	8,031	3,844	4,187
Miscellaneous Expenditures	1,300	(60)	1,240	1,240	-
Total Central Services	274,452	4,158	278,610	272,922	5,688
Admin. Info. Tech.					
Purchased Technical Services	2,500	-	2,500	2,500	-
Other Purchased Services	1,800	2,907	4,707	4,681	26
Total Admin. Info. Tech.	4,300	2,907	7,207	7,181	26
Required Maintenance for School Facilities					
Salaries	157,086	(691)	156,395	156,395	-
Cleaning, Repair and Maintenance	61,520	185,722	247,242	124,281	122,961
General Supplies	16,000	4,000	20,000	16,776	3,224
Total Required Maintenance for School Fac.	234,606	189,031	423,637	297,452	126,185

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 336,197	\$ (28,851)	\$ 307,346	\$ 307,346	
Salaries of Non-Instructional Aides	42,500	(37,575)	4,925	4,925	
Purchased Prof. And Technical Serv.	2,600	1,610	4,210	4,210	
Cleaning, Repair and Maint. Serv.	16,800	(6,476)	10,324	9,886	\$ 438
Lease Purchase Payment-Energy Savings Impr Prog	107,026	-	107,026	107,024	2
Other Purchased Property Services	12,500	(2,122)	10,378	10,378	-
Insurance	95,880	5,195	101,075	101,075	-
Miscellaneous Purchased Services	3,289	417	3,706	2,614	1,092
General Supplies	24,800	10,150	34,950	19,620	15,330
Energy (Natural Gas)	68,640	(11,132)	57,508	54,194	3,314
Energy (Electricity)	110,000	-	110,000	92,000	18,000
Energy (Gasoline)	1,000	(200)	800	372	428
Other Objects	500	(175)	325	325	-
Total Custodial Services	821,732	(69,159)	752,573	713,969	38,604
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	15,000	(293)	14,707	8,210	6,497
General Supplies	-	293	293	293	-
Total Care and Upkeep of Grounds	15,000	-	15,000	8,503	6,497
Security					
Cleaning, Repair and Maint. Serv.		1,933	1,933	1,933	-
Purchased Prof. And Technical Serv.	4,000	5,960	9,960	8,360	1,600
General Supplies	-	260	260	260	-
Total Security	4,000	8,153	12,153	10,553	1,600
Student Transportation Services					
Contracted Serv. - Aid in Lieu of Payments - Non-Public	17,000	-	17,000	10,617	6,383
Contracted Services (Other than Between Home and School) - Vendors	6,000	-	6,000		6,000
Contracted Services (Spl. Ed. Students) - Vendors	190,000	-	190,000	76,735	113,265
Total Student Transportation Services	213,000	-	213,000	87,352	125,648
Unallocated Benefits - Employee Benefits					
Social Security Contributions	153,079	5,000	158,079	157,808	271
Other Retirement Contributions-PERS	136,982	(5,903)	131,079	127,695	3,384
Other Retirement Contributions-DCRP	23,500	6,575	30,075	22,252	7,823
Unemployment Compensation	15,000	-	15,000	-	15,000
Workmen's Compensation	66,778	3,838	70,616	70,616	-
Health Benefits	1,918,570	(90,071)	1,828,499	1,522,166	306,333
Tuition Reimbursement	36,000	(3,838)	32,162	15,005	17,157
Other Employee Benefits	116,525	-	116,525	92,012	24,513
Unused Sick Payment to Terminated/Retired Staff	-	20,840	20,840	20,840	-
Total Unallocated Benefits - Employee Benefits	2,466,434	(63,559)	2,402,875	2,028,394	374,481
On-behalf TPAF Contributions - (Non-Budget):					
Pension Contribution				1,468,364	(1,468,364)
Pension - NCGI Premium				27,938	(27,938)
Post Retirement Medical Benefits				468,918	(468,918)
Long Term Disability Insurance Premium				809	(809)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	396,270	(396,270)
Total On-Behalf Payments	-	-	-	2,362,299	(2,362,299)
Total Undistributed Expenditures	7,669,420	(54,194)	7,615,226	8,694,563	(1,079,337)
Total Expenditures - Current Expenditures	13,302,339	79,873	13,382,212	14,066,586	(684,374)

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Instruction		\$ 8,561	\$ 8,561	\$ 7,918	\$ 643
Undistributed Expenditures - Req. Maint. for School Facilities		2,357	2,357	2,357	-
Undistributed Expenditures - Security	-	44,000	44,000	-	44,000
Total Equipment	-	54,918	54,918	10,275	44,643
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		4,281	4,281		4,281
Construction Services		2,670	2,670	2,670	-
Assessment for Debt Service on SDA Funding	\$ 27,860	-	27,860	27,860	-
Total Facilities Acquisition and Construction Services	27,860	6,951	34,811	30,530	4,281
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	28,360	61,869	90,229	40,805	49,424
Total Expenditures	13,330,699	141,742	13,472,441	14,107,391	(634,950)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(555,120)	(198,553)	(753,673)	1,326,594	2,080,267
Other Financing Sources (Uses)					
Transfer In	-	-	-	1,839	1,839
Total Other Financing Sources (Uses)	-	-	-	1,839	1,839
Net Change in Fund Balances	(555,120)	(198,553)	(753,673)	1,328,433	2,082,106
Fund Balance, Beginning of Year (Restated)	2,805,520	-	2,805,520	2,805,520	-
Fund Balance, End of Year	\$ 2,250,400	\$ (198,553)	\$ 2,051,847	\$ 4,133,953	\$ 2,082,106
Restricted Fund Balance:					
Capital Reserve				\$ 1,221,280	
Maintenance Reserve				643,157	
Emergency Reserve				117,755	
Emergency Reserve - Designated for Subsequent Year's Expenditures				100,000	
Unemployment Compensation Reserve				25,717	
Excess Surplus				400,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				478,757	
Assigned Fund Balance:					
Year End Encumbrances				384,233	
Unassigned Fund Balance				763,054	
Reconciliation to Governmental Funds Statements (GAAP):				4,133,953	
Less: State Aid Revenue Not Recognized on GAAP Basis				(401,083)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,732,870	

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Modified Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 73,313	7,882	\$ 81,195	\$ 44,911	\$ (36,284)
Federal	191,318	223,084	414,402	289,646	(124,756)
Other	-	47,687	47,687	39,463	(8,224)
	<u>264,631</u>	<u>278,653</u>	<u>543,284</u>	<u>374,020</u>	<u>(169,264)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		25,025	25,025	6,350	18,675
Tuition	164,972	31,491	196,463	196,463	-
Purchased Professional/Educational Services		10,400	10,400	6,032	4,368
General Supplies	10,724	93,160	103,884	60,022	43,862
Travel		-		-	-
Textbooks	4,006	(585)	3,421	3,421	-
Co-Curricular/Extra-Curricular Activities		41,324	41,324	41,324	-
Other Objects	-	1,663	1,663	1,100	563
	<u>179,702</u>	<u>202,478</u>	<u>382,180</u>	<u>314,712</u>	<u>67,468</u>
Support Services					
Salaries		28,500	28,500	-	28,500
Employee Benefits		13,314	13,314	-	13,314
Purchased Professional and Technical Services	11,400	5,648	17,048	4,383	12,665
Purchased Professional/Educational Services	18,358	(5,855)	12,503	11,797	706
Other Purchased Services	55,171	(7,227)	47,944	24,763	23,181
Miscellaneous Purchased Services		30,163	30,163	15,457	14,706
Supplies and Materials		8,443	8,443	5,869	2,574
Other Objects	-	100	100	99	1
	<u>84,929</u>	<u>73,086</u>	<u>158,015</u>	<u>62,368</u>	<u>95,647</u>
Capital Outlay					
Instructional Equipment	-	3,089	3,089	3,089	-
	<u>-</u>	<u>3,089</u>	<u>3,089</u>	<u>3,089</u>	<u>-</u>
Total Expenditures	<u>264,631</u>	<u>278,653</u>	<u>543,284</u>	<u>380,169</u>	<u>163,115</u>
Net Change in Fund Balances	-	-	-	(6,149)	(6,149)
Fund Balances, Beginning of Year (Restated)	<u>33,616</u>	<u>-</u>	<u>33,616</u>	<u>33,616</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 33,616</u>	<u>\$ -</u>	<u>\$ 33,616</u>	<u>\$ 27,467</u>	<u>\$ (6,149)</u>
Restricted Fund Balance					
Student Activities				<u>\$ 27,467</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
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	\$ 15,433,985	\$ 374,020
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020, net of cancellations		121
Encumbrances, June 30, 2021		(13,191)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2019/2020 State Aid)	210,158	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2020/2021 State Aid)	<u>(401,083)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 15,243,060</u>	<u>\$ 360,950</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 14,107,391	\$ 380,169
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2020, net of cancellations		121
Encumbrances, June 30, 2021	<u>-</u>	<u>(13,191)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,107,391</u>	<u>\$ 367,099</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFIT INFORMATION

ORADELL 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*

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.01167 %	0.01032 %	0.01070 %	0.01198 %	0.01225 %	0.01206 %	0.01217 %	0.01385 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,903,535	\$ 1,860,300	\$ 2,107,382	\$ 2,788,755	\$ 3,627,957	\$ 2,706,898	\$2,278,086	\$ 2,647,114
District's Covered Payroll	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261	\$ 863,005
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	212.01 %	229.53 %	280.05 %	347.08 %	435.41 %	333.56 %	276.71 %	306.73 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

**ORADELL 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	\$ 127,695	\$ 100,427	\$ 106,461	\$ 110,982	\$ 108,823	\$ 103,671	\$ 100,307	\$ 104,361
Contributions in Relation to the Contractually Required Contribution	<u>127,695</u>	<u>100,427</u>	<u>106,461</u>	<u>110,982</u>	<u>108,823</u>	<u>103,671</u>	<u>100,307</u>	<u>104,361</u>
Contribution Deficiently (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261
Contributions as a Percentage of Covered Payroll	14.37 %	11.19 %	13.14 %	14.75 %	13.54 %	12.44 %	12.36	12.68 %

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.

ORADELL 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 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>32,565,463</u>	<u>29,236,099</u>	<u>28,524,493</u>	<u>30,780,524</u>	<u>35,991,367</u>	<u>30,794,856</u>	<u>24,295,013</u>	<u>23,172,447</u>
Total	<u>\$ 32,565,463</u>	<u>\$ 29,236,099</u>	<u>\$ 28,524,493</u>	<u>\$ 30,780,524</u>	<u>\$ 35,991,367</u>	<u>\$ 30,794,856</u>	<u>\$ 24,295,013</u>	<u>\$ 23,172,447</u>
District's Covered Payroll	\$ 5,653,537	\$ 5,481,322	\$ 5,053,002	\$ 4,895,026	\$ 4,708,379	\$ 4,652,286	\$ 4,571,132	\$ 4,610,548
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	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.

**ORADELL 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

POSTEMPLOYMENT BENEFITS INFORMATION

**ORADELL 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	\$ 782,193	\$ 727,750	\$ 862,968	\$ 1,041,253
Interest on Total OPEB Liability	642,322	749,223	817,375	703,583
Differences Between Expected and Actual Experience	4,706,531	(2,296,746)	(2,340,036)	-
Changes of Assumptions	5,242,300	265,549	(2,168,267)	(2,934,327)
Gross Benefit Payments	(499,624)	(546,715)	(505,239)	(563,601)
Contribution from the Member	<u>15,144</u>	<u>16,206</u>	<u>17,462</u>	<u>20,753</u>
Net Change in Total OPEB Liability	10,888,866	(1,084,733)	(3,315,737)	(1,732,339)
Total OPEB Liability - Beginning	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>	<u>23,942,829</u>
Total OPEB Liability - Ending	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>28,698,886</u>	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>
Total OPEB Liability - Ending	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Covered Payroll	<u>\$ 6,551,376</u>	<u>\$ 6,291,821</u>	<u>\$ 5,805,504</u>	<u>\$ 5,698,520</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.

**ORADELL 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

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

	<u>Local Donations</u>	<u>Nonpublic Chapter 192</u>		<u>Nonpublic Chapter 193</u>			<u>Nonpublic Textbooks</u>	<u>Nonpublic Security</u>	<u>Nonpublic Nursing</u>	<u>To Exhibit E-1A</u>
		<u>Compensatory Education</u>	<u>ESL</u>	<u>Corrective Speech</u>	<u>Exam. & Classification</u>	<u>Supplemental Instruction</u>				
REVENUES										
Intergovernmental										
State		\$ 11,060		\$ 12,668	\$ 2,789	\$ 648	\$ 3,421	\$ 8,858	\$ 5,467	\$ 44,911
Federal										-
Other	\$ 4,288	-	-	-	-	-	-	-	-	4,288
Total Revenues	<u>\$ 4,288</u>	<u>\$ 11,060</u>	<u>\$ -</u>	<u>\$ 12,668</u>	<u>\$ 2,789</u>	<u>\$ 648</u>	<u>\$ 3,421</u>	<u>\$ 8,858</u>	<u>\$ 5,467</u>	<u>\$ 49,199</u>
EXPENDITURES										
Instruction										
General Supplies									\$ 35	35
Textbooks							\$ 3,421			3,421
Other Objects	\$ 1,100	-	-	-	-	-	-	-	-	1,100
Total Instruction	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,421</u>	<u>-</u>	<u>35</u>	<u>4,556</u>
Support Services										
Purchased Professional and Technical Services								\$ 4,383		4,383
Other Purchased Services		\$ 11,060				\$ 648			5,432	17,140
Miscellaneous Purchased Services				\$ 12,668	\$ 2,789					15,457
Supplies and Materials								4,475		4,475
Other Objects	99	-	-	-	-	-	-	-	-	99
Total Support Services	<u>99</u>	<u>11,060</u>	<u>-</u>	<u>12,668</u>	<u>2,789</u>	<u>648</u>	<u>-</u>	<u>8,858</u>	<u>5,432</u>	<u>41,554</u>
Capital Outlay										
Instructional Equipment	3,089	-	-	-	-	-	-	-	-	3,089
Total Capital Outlay	<u>3,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,089</u>
Total Expenditures	<u>\$ 4,288</u>	<u>\$ 11,060</u>	<u>\$ -</u>	<u>\$ 12,668</u>	<u>\$ 2,789</u>	<u>\$ 648</u>	<u>\$ 3,421</u>	<u>\$ 8,858</u>	<u>\$ 5,467</u>	<u>\$ 49,199</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year, (Restated)	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	-	-	-	-	-	-	-	-	-	-

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

	<u>Exhibit E-1 Subtotal</u>	<u>Nonpublic Digital Divide</u>	<u>ESEA Title I A</u>	<u>ESEA Title II A</u>	<u>ESEA Title III</u>	<u>ESEA Title III Immigrant</u>	<u>ESEA Title IV</u>	<u>I.D.E.A. Basic</u>	<u>I.D.E.A. Preschool</u>	<u>To Exhibit E-1B</u>
REVENUES										
Intergovernmental										
State	\$ 44,911									\$ 44,911
Federal		\$ 2,436	\$ 11,941	\$ 11,797			\$ 90	\$ 192,497	\$ 13,459	232,220
Other	4,288	-	-	-	-	-	-	-	-	4,288
Total Revenues	<u>\$ 49,199</u>	<u>\$ 2,436</u>	<u>\$ 11,941</u>	<u>\$ 11,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 192,497</u>	<u>\$ 13,459</u>	<u>\$ 281,419</u>
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ -		\$ 6,350							\$ 6,350
Tuition	-							\$ 183,004	\$ 13,459	196,463
General Supplies	35	\$ 2,436	5,591				\$ 90	1,870		10,022
Textbooks	3,421									3,421
Other Objects	1,100	-	-	-	-	-	-	-	-	1,100
Total Instruction	<u>4,556</u>	<u>2,436</u>	<u>11,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>184,874</u>	<u>13,459</u>	<u>217,356</u>
Support Services										
Purchased Professional and Technical Services	4,383									4,383
Purchased Professional/Educational Services	-			\$ 11,797						11,797
Other Purchased Services	17,140							7,623		24,763
Miscellaneous Purchased Services	15,457									15,457
Supplies and Materials	4,475									4,475
Other Objects	99	-	-	-	-	-	-	-	-	99
Total Support Services	<u>41,554</u>	<u>-</u>	<u>-</u>	<u>11,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,623</u>	<u>-</u>	<u>60,974</u>
Capital Outlay										
Instructional Equipment	3,089	-	-	-	-	-	-	-	-	3,089
Total Capital Outlay	<u>3,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,089</u>
Total Support Services	<u>41,554</u>	<u>-</u>	<u>-</u>	<u>11,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,623</u>	<u>-</u>	<u>60,974</u>
Total Expenditures	<u>\$ 49,199</u>	<u>\$ 2,436</u>	<u>\$ 11,941</u>	<u>\$ 11,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 192,497</u>	<u>\$ 13,459</u>	<u>\$ 281,419</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year, (Restated)	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	-	-	-	-	-	-	-	-	-	-

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

	Exhibit E-1A Subtotal	Student Activities	Bergen County C.A.R.E.S.	ESSER I - Non-Title I C.A.R.E.S.	Coronavirus Relief Fund Grant	ESSER II Learning Acceleration	Mental Health	Grand Total
REVENUES								
Intergovernmental								
State	\$ 44,911							\$ 44,911
Federal	232,220		\$ 25,000	\$ 17,641	\$ 14,785			289,646
Other	4,288	\$ 35,175	-	-	-	-	-	39,463
Total Revenues	\$ 281,419	\$ 35,175	\$ 25,000	\$ 17,641	\$ 14,785	\$ -	\$ -	\$ 374,020
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 6,350							\$ 6,350
Tuition	196,463							196,463
Purchased Professional/Educational Services	-				\$ 6,032			6,032
General Supplies	10,022		\$ 25,000	\$ 16,247	8,753			60,022
Textbooks	3,421							3,421
Co-Curricular/Extra-Curricular Activities		\$ 41,324						41,324
Other Objects	1,100	-	-	-	-	-	-	1,100
Total Instruction	217,356	41,324	25,000	16,247	14,785	-	-	314,712
Support Services								
Purchased Professional and Technical Services	4,383							4,383
Purchased Professional/Educational Services	11,797							11,797
Other Purchased Services	24,763							24,763
Miscellaneous Purchased Services	15,457							15,457
Supplies and Materials	4,475			1,394				5,869
Other Objects	99	-	-	-	-	-	-	99
Total Support Services	60,974	-	-	1,394	-	-	-	62,368
Capital Outlay								
Instructional Equipment	3,089	-	-	-	-	-	-	3,089
Total Capital Outlay	3,089	-	-	-	-	-	-	3,089
Total Expenditures	\$ 281,419	\$ 41,324	\$ 25,000	\$ 17,641	\$ 14,785	\$ -	\$ -	\$ 380,169
Net Change in Fund Balances	-	(6,149)	-	-	-	-	-	(6,149)
Fund Balances, Beginning of Year (Restated)	-	33,616	-	-	-	-	-	33,616
Fund Balances, End of Year	\$ -	\$ 27,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,467

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGET VS. ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

CAPITAL PROJECTS FUND

ORADELL BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Project</u>	<u>Modified Appropriations</u>	<u>Expenditures to Date</u> <u>Prior Year</u>	<u>Current Year</u>	<u>Transfer Out</u>	<u>Unexpended Balance, June 30, 2021</u>
Energy Savings Incentive Program	\$ 2,413,223	\$ 2,411,384	\$ -	\$ 1,839	\$ -
	<u>\$ 2,413,223</u>	<u>\$ 2,411,384</u>	<u>\$ -</u>	<u>\$ 1,839</u>	<u>\$ -</u>

Reconciliation to GAAP Basis

Project Balance - June 30, 2021	\$ -
Fund Balance - GAAP, June 30, 2021	<u>\$ -</u>

Recapitulation of Fund Balance

Restricted for Capital Projects: Available for Capital Projects	\$ -
Total Fund Balance - Restricted for Capital Projects	<u>\$ -</u>

**ORADELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Expenditures and Other Financing Uses	
Other Financing Uses - Transfer to Capital Reserve	\$ <u>1,839</u>
 Total Expenditures and Other Financing Uses	 <u>1,839</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (1,839)
 Fund Balance - Beginning of Year - Budgetary Basis	 \$ <u>1,839</u>
 Fund Balance - End of Year - Budgetary Basis	 <u>\$ -</u>
 <u>Reconciliation to GAAP</u>	
 Fund Balance - End of Year - Budgetary Basis	 \$ <u>-</u>
 Fund Balance, June 30, 2021 - GAAP	 <u>\$ -</u>

**ORADELL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ENERGY SAVINGS INCENTIVE PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Interest	\$ 255		\$ 255	\$ 255
Lease Purchase Proceeds	1,946,368		1,946,368	1,946,368
Transfer from Capital Reserve Local Contribution	<u>466,600</u>	<u>\$ (1,839)</u>	<u>464,761</u>	<u>464,761</u>
 Total Revenues and Other Financing Sources	 <u>2,413,223</u>	 <u>(1,839)</u>	 <u>2,411,384</u>	 <u>2,411,384</u>
Expenditures and Other Financing Uses				
Legal Services	20,000		20,000	20,000
Architectural/Engineering	82,071		82,071	82,071
Other Purchased Professional and Technical Services	351,196		351,196	351,196
Construction Services	<u>1,958,117</u>	<u>\$ -</u>	<u>1,958,117</u>	<u>1,958,117</u>
 Total Expenditures and Other Financing Uses	 <u>2,411,384</u>	 <u>-</u>	 <u>2,411,384</u>	 <u>2,411,384</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 1,839</u>	 <u>\$ (1,839)</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional project information:

SDA Project Number	N/A
Grant Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 2,396,368
Additional Authorized Cost	\$ 16,855
Revised Authorized Cost	\$ 2,413,223

Percentage Completion	100.00%
Original Target Completion Date	March 2017
Revised Target Completion Date	June 2021

ENTERPRISE FUND

**ORADELL BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**

Financial Statements are Presented on Exhibit B-5

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

Financial Statements are Presented on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

06

<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>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
Refunding School Bonds	5/10/2012	\$ 4,620,000	2/15/2022	\$ 430,000	4.00%				
			2/15/2023	430,000	3.00%				
			2/15/2024	425,000	3.00%				
			2/15/2025	415,000	3.00%	\$ 2,135,000	-	\$ 435,000	\$ 1,700,000
						\$ 2,135,000	-	\$ 435,000	\$ 1,700,000
							Paid by Budget Appropriation	\$ 435,000	

**ORADELL BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

REVENUES	Original <u>Budget</u>	Budget <u>Adjustments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance <u>Final to Actual</u>
Local Sources					
Property Tax Levy	\$ 507,700	-	\$ 507,700	\$ 507,700	-
 Total Revenues	<u>507,700</u>	<u>-</u>	<u>507,700</u>	<u>507,700</u>	<u>-</u>
 EXPENDITURES					
Regular Debt Service					
Interest on Bonds	72,700	-	72,700	72,700	
Redemption of Bond Principal	435,000	-	435,000	435,000	-
 Total Expenditures	<u>507,700</u>	<u>-</u>	<u>507,700</u>	<u>507,700</u>	<u>-</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
 Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORADELL BOARD OF EDUCATION
SCHEDULE OF CAPITAL LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
<u>Capital Lease Agreements:</u>						
Energy Savings Incentive Project (ESIP)	\$ 1,946,368	2.46%	\$ 1,586,317		\$ 68,436	\$ 1,517,881
92 Copiers	36,036	5.70%	<u>30,742</u>	<u>-</u>	<u>6,706</u>	<u>24,036</u>
			<u>\$ 1,617,059</u>	<u>\$ -</u>	<u>\$ 75,142</u>	<u>\$ 1,541,917</u>
				Paid by Budget Appropriation	<u>\$ 75,142</u>	

STATISTICAL SECTION

This part of the Oradell 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.

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 8,336,538	\$ 8,210,888	\$ 8,219,528	\$ 8,192,648	\$ 8,105,230	\$ 8,252,637	\$ 8,701,442	\$ 9,209,648	\$ 9,516,064	\$ 9,269,649
Restricted	163,275	357,679	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621
Unrestricted	578,511	636,163	(1,963,838)	(1,829,044)	(1,512,335)	(1,850,714)	(1,692,154)	(1,563,591)	(1,563,242)	(789,512)
Total governmental activities net position	<u>\$ 9,078,324</u>	<u>\$ 9,204,730</u>	<u>\$ 7,110,429</u>	<u>\$ 7,812,243</u>	<u>\$ 8,423,669</u>	<u>\$ 8,447,480</u>	<u>\$ 9,135,341</u>	<u>\$ 9,204,225</u>	<u>\$ 9,370,121</u>	<u>\$ 10,397,758</u>
Business-type activities										
Net Investment in capital assets			\$ 6,480	\$ 5,184	\$ 9,063	\$ 6,473	\$ 3,884	\$ 1,294		
Restricted										
Unrestricted	\$ 24,442	\$ 41,640	37,600	36,245	44,130	50,897	52,735	54,143	\$ 64,571	\$ 64,571
Total business-type activities net position	<u>\$ 24,442</u>	<u>\$ 41,640</u>	<u>\$ 44,080</u>	<u>\$ 41,429</u>	<u>\$ 53,193</u>	<u>\$ 57,370</u>	<u>\$ 56,619</u>	<u>\$ 55,437</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>
District-wide										
Net Investment in capital assets	\$ 8,336,538	\$ 8,210,888	\$ 8,226,008	\$ 8,197,832	\$ 8,114,293	\$ 8,259,110	\$ 8,705,326	\$ 9,210,942	\$ 9,516,064	\$ 9,269,649
Restricted	163,275	357,679	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621
Unrestricted	602,953	677,803	(1,926,238)	(1,792,799)	(1,468,205)	(1,799,817)	(1,639,419)	(1,509,448)	(1,498,671)	(724,941)
Total district net position	<u>\$ 9,102,766</u>	<u>\$ 9,246,370</u>	<u>\$ 7,154,509</u>	<u>\$ 7,853,672</u>	<u>\$ 8,476,862</u>	<u>\$ 8,504,850</u>	<u>\$ 9,191,960</u>	<u>\$ 9,259,662</u>	<u>\$ 9,434,692</u>	<u>\$ 10,462,329</u>

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

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

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,949,084	\$ 5,303,666	\$ 4,699,308	\$ 5,572,721	\$ 5,996,527	\$ 6,952,407	\$ 6,770,203	\$ 6,271,824	\$ 6,025,833	\$ 6,147,474
Special education	1,535,110	1,523,479	1,673,792	1,766,934	1,862,442	2,062,668	2,464,103	2,641,712	2,881,463	3,351,013
Other instruction	472,303	502,686	538,289	654,929	676,687	643,808	949,075	838,689	776,230	958,231
School Sponsored Activities and Athletics	15,539	22,012	24,073	32,672	43,938	55,062	43,588	34,978	27,012	46,367
Support Services:										
Student & instruction related services	1,718,687	1,653,852	1,800,615	1,831,207	1,999,876	2,061,498	1,975,724	2,254,787	2,330,291	2,380,912
General administrative services	532,384	484,917	400,855	398,210	450,012	450,402	584,582	623,514	587,506	470,304
School administrative services	494,753	641,922	585,470	722,483	828,704	952,768	901,436	695,111	637,310	703,078
Central services and info. technology	427,165	371,353	399,492	386,686	369,219	422,606	419,806	440,208	375,838	490,560
Plant operations and maintenance	1,510,225	1,461,758	1,457,602	1,575,083	1,622,744	1,705,808	1,645,958	1,770,999	1,880,360	1,904,383
Pupil transportation	134,795	94,559	90,365	89,796	128,518	119,180	146,610	155,405	88,389	87,352
Interest on long-term debt	174,266	150,163	148,673	137,089	142,254	164,216	149,139	134,886	121,289	102,606
Total governmental activities expenses	11,964,311	12,210,367	11,818,534	13,167,810	14,120,921	15,590,423	16,050,224	15,862,113	15,731,521	16,642,280
Business-type activities:										
Food service	8,567	6,056	18,749	10,586	15,033	19,221	15,158	15,290	5,293	
Summer Program	83,780	77,571	79,812	76,118	70,788	58,937	62,164	59,584	121,485	
Total business-type activities expense	92,347	83,627	98,561	86,704	85,821	78,158	77,322	74,874	126,778	-
Total district expenses	\$ 12,056,658	\$ 12,293,994	\$ 11,917,095	\$ 13,254,514	\$ 14,206,742	\$ 15,668,581	\$ 16,127,546	\$ 15,936,987	\$ 15,858,299	\$ 16,642,280
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 98,468	\$ 121,578	\$ 195,350	\$ 122,670	\$ 78,250					
Support Services					68,736	\$ 75,562				\$ 35,175
Operating grants and contributions	1,482,695	1,730,288	1,578,782	2,855,491	3,458,146	4,271,564	\$ 4,795,117	\$ 3,801,831	\$ 3,533,152	4,918,389
Capital grants and contributions	4,362		1,960	37,400	32,994	-	2,126			
Total governmental activities program revenues	1,585,525	1,851,866	1,776,092	3,015,561	3,638,126	4,347,126	4,797,243	3,801,831	3,533,152	4,953,564
Business-type activities:										
Charges for services										
Food service	\$ 8,731	\$ 6,796	\$ 9,792	\$ 10,097	\$ 10,796	\$ 9,218	\$ 8,511	\$ 7,966	\$ 6,573	
Summer Program	98,665	91,395	80,285	69,625	82,680	69,635	64,360	62,671	69,428	
Operating grants and contributions	4,073	2,634	4,444	4,331	4,109	3,482	3,700	3,055		
Total business type activities program revenues	111,469	100,825	94,521	84,053	97,585	82,335	76,571	73,692	76,001	-
Total district program revenues	\$ 1,696,994	\$ 1,952,691	\$ 1,870,613	\$ 3,099,614	\$ 3,735,711	\$ 4,429,461	\$ 4,873,814	\$ 3,875,523	\$ 3,609,153	\$ 4,953,564
Net (Expense)/Revenue										
Governmental activities	\$ (10,378,786)	\$ (10,358,501)	\$ (10,042,442)	\$ (10,152,249)	\$ (10,482,795)	\$ (11,243,297)	\$ (11,252,981)	\$ (12,060,282)	\$ (12,198,369)	\$ (11,688,716)
Business-type activities	19,122	17,198	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-
Total district-wide net expense	\$ (10,359,664)	\$ (10,341,303)	\$ (10,046,482)	\$ (10,154,900)	\$ (10,471,031)	\$ (11,239,120)	\$ (11,253,732)	\$ (12,061,464)	\$ (12,249,146)	\$ (11,688,716)

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,653,205	\$ 9,846,269	\$ 10,043,194	\$ 10,294,274	\$ 10,514,068	\$ 10,724,349	\$ 11,257,005	\$ 11,459,631	\$ 11,735,516	\$ 12,091,897
Property taxes levied for debt service, net	570,501	567,127	504,138	521,200	523,700	500,360	525,150	527,850	525,100	507,700
Unrestricted grants and contributions				14,467	7,611	7,779	7,775	2,136		
Investment earnings	2,553	734	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833
Miscellaneous income	29,727	70,777	45,847	23,422	40,569	22,658	131,242	105,723	76,123	112,923
Total governmental activities	<u>10,255,986</u>	<u>10,484,907</u>	<u>10,595,255</u>	<u>10,854,063</u>	<u>11,094,221</u>	<u>11,267,108</u>	<u>11,940,842</u>	<u>12,129,166</u>	<u>12,364,843</u>	<u>12,716,353</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 10,255,986</u>	<u>\$ 10,484,907</u>	<u>\$ 10,595,255</u>	<u>\$ 10,854,063</u>	<u>\$ 11,094,221</u>	<u>\$ 11,267,108</u>	<u>\$ 11,940,842</u>	<u>\$ 12,129,166</u>	<u>\$ 12,364,843</u>	<u>\$ 12,716,353</u>
Change in Net Position										
Governmental activities	\$ (122,800)	\$ 126,406	\$ 552,813	\$ 701,814	\$ 611,426	\$ 23,811	\$ 687,861	\$ 68,884	\$ 166,474	\$ 1,027,637
Business-type activities	19,122	17,198	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-
Total district	<u>\$ (103,678)</u>	<u>\$ 143,604</u>	<u>\$ 548,773</u>	<u>\$ 699,163</u>	<u>\$ 623,190</u>	<u>\$ 27,988</u>	<u>\$ 687,110</u>	<u>\$ 67,702</u>	<u>\$ 115,697</u>	<u>\$ 1,027,637</u>

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

	2012		2013		2014		2015		Fiscal Year Ending June 30,		2018		2019		2020		2021			
									2016	2017										
General Fund																				
Restricted	\$	609,511	\$	786,205	\$	1,338,802	\$	2,085,833	\$	2,565,471	\$	2,398,304	\$	2,843,605	\$	2,419,587	\$	2,378,356	\$	2,986,666
Committed				145,000		-														
Assigned		17,166		55,574		86,839		76,185		323,648		218,928		321,753		331,808		132,963		384,233
Unassigned		206,368		199,066		198,927		182,100		190,346		189,422		187,085		166,281		84,043		361,971
Total general fund	\$	833,045	\$	1,185,845	\$	1,624,568	\$	2,344,118	\$	3,079,465	\$	2,806,654	\$	3,352,443	\$	2,917,676	\$	2,595,362	\$	3,732,870
All Other Governmental Funds																				
Restricted	\$	3,000	\$	26,790	\$	88,290	\$	32,190	\$	1,241,053	\$	374,973	\$	63,426	\$	1,839	\$	35,455	\$	27,467
Total all other governmental funds	\$	3,000	\$	26,790	\$	88,290	\$	32,190	\$	1,241,053	\$	374,973	\$	63,426	\$	1,839	\$	35,455	\$	27,467

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

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

	Fiscal Year Ending June 30.									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Tax levy	\$ 10,223,706	\$ 10,413,396	\$ 10,547,332	\$ 10,815,474	\$ 11,037,768	\$ 11,224,709	\$ 11,782,155	\$ 11,987,481	\$ 12,260,616	\$ 12,599,597
Tuition charges	98,468	121,578	195,350	122,670	78,250					
Interest earnings	2,553	734	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833
Miscellaneous	58,951	82,012	72,119	51,875	65,691	71,936	180,187	120,914	101,455	149,297
State sources	1,236,468	1,524,693	1,339,576	1,613,767	1,709,550	1,807,475	2,053,787	2,376,714	2,553,803	3,069,337
Federal sources	221,365	194,360	214,894	221,250	217,233	231,840	245,849	244,022	237,511	289,646
Total revenue	11,841,511	12,336,773	12,371,347	12,825,736	13,116,765	13,347,922	14,281,648	14,762,957	15,181,489	16,111,710
Expenditures										
Instruction										
Regular Instruction	4,946,407	5,252,297	4,721,068	4,827,298	4,980,626	5,422,164	5,415,971	5,645,138	5,632,393	5,409,089
Special education instruction	1,539,610	1,518,463	1,668,651	1,629,069	1,636,361	1,750,893	2,129,556	2,505,667	2,811,210	3,121,285
Other instruction	472,303	502,686	538,289	640,639	636,436	588,609	744,556	754,738	731,112	845,094
School sponsored activities and athletics	15,539	22,012	24,073	32,672	43,660	51,857	39,572	33,750	28,798	46,255
Support Services:										
Student & inst. related services	1,718,687	1,653,852	1,791,206	1,777,519	1,832,974	1,798,599	1,761,678	2,131,959	2,260,240	2,193,243
General administrative services	458,172	484,817	399,883	430,151	446,886	433,751	543,361	566,817	561,433	412,594
School administrative services	497,229	639,371	587,838	643,352	705,244	756,996	720,891	614,971	610,704	632,610
Central services and info. technology	427,165	371,353	398,254	361,407	329,906	355,207	354,587	396,091	342,313	433,240
Plant operations and maintenance	949,116	937,429	968,487	1,017,702	1,061,038	1,089,183	990,367	1,207,672	1,196,800	1,165,418
Pupil transportation	131,498	91,516	87,321	89,796	128,518	119,180	146,610	155,405	88,389	87,352
Capital outlay	28,989	5,240	180,996	153,101	818,437	1,442,378	487,773	612,776	603,552	12,945
Debt service:										
Principal	354,967	440,300	380,619	411,970	392,331	502,574	552,471	489,653	506,711	510,142
Interest and other charges	226,542	130,337	161,233	147,610	139,356	175,422	160,013	144,674	131,990	112,923
Cost of Issuance	72,481									
Advanced Refunding Escrow	354,315									
Total expenditures	12,193,020	12,049,673	11,907,918	12,162,286	13,151,773	14,486,813	14,047,406	15,259,311	15,505,645	14,982,190
Excess (Deficiency) of revenues over (under) expenditures	(351,509)	287,100	463,429	663,450	(35,008)	(1,138,891)	234,242	(496,354)	(324,156)	(1,129,520)
Other Financing sources (uses)										
Proceeds from Bonds/Lease - Purchase	4,620,000	89,490	36,794		1,946,368				36,036	
Premium on Bonds	413,796									
Payment to Refunded Bond Escrow Agent	(4,607,000)									
Insurance Recoveries					32,850					
Transfers in	6,951	3,000	64,440			466,600		5,544		1,839
Transfers out	(6,951)	(3,000)	(64,440)			(466,600)	-	(5,544)		(1,839)
Total other financing sources (uses)	426,796	89,490	36,794	-	1,979,218	-	-	-	36,036	-
Net change in fund balances	\$ 75,287	\$ 376,590	\$ 500,223	\$ 663,450	\$ 1,944,210	\$ (1,138,891)	\$ 234,242	\$ (496,354)	\$ (288,120)	\$ (1,129,520)
Debt service as a percentage of noncapital expenditures	4.78%	4.74%	4.62%	4.66%	4.31%	5.20%	5.25%	4.33%	4.29%	4.16%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest Earned</u>	<u>Refunds/ Reimbursements</u>	<u>E-Rate</u>	<u>Rents</u>	<u>Clean Energy Rebates</u>	<u>Prior Year Cancelled Payables</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 98,468	\$ 2,543	\$ 24,221	\$ 2,303				\$ 3,203	\$ 130,738
2013	121,578	734	36,627		\$ 12,750			21,400	193,089
2014	195,350	2,076	9,035		14,398			22,414	243,273
2015	122,670	700	8,000		13,005			2,417	146,792
2016	78,250	8,235	17,082		14,065			9,422	127,054
2017		11,745			13,836			8,822	34,403
2018		19,670	22,030	1,916	24,092	\$ 33,000	\$ 42,704	7,500	150,912
2019		33,826	9,620	1,150	31,242	55,000		8,711	139,549
2020		28,104	24,370	3,731	31,259			16,763	104,227
2021		3,833	91,603	3,437	14,960	592		2,331	116,756

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 3,637,800	\$ 1,401,620,300	\$ 208,127,400		\$ 8,137,800	\$ 1,621,523,300	\$ 1,724,316	\$ 1,623,247,616	\$ 1,732,579,488	\$ 0.642
2013	3,565,500	1,242,733,700	193,823,300		7,298,700	1,447,421,200	1,728,300	1,449,149,500	1,571,313,680	0.728
2014	3,565,500	1,246,404,200	189,737,100		7,298,700	1,447,005,500	1,337,625	1,448,343,125	1,630,493,967	0.747
2015	3,565,500	1,248,969,400	187,018,800		7,325,200	1,446,878,900	1,356,001	1,448,234,901	1,645,169,703	0.762
2016	3,622,100	1,250,345,100	186,327,100		7,325,200	1,447,619,500	1,344,599	1,448,964,099	1,717,435,009	0.775
2017 (A)	3,229,300	1,414,167,200	210,872,100		8,484,500	1,636,753,100	1,640,262	1,638,393,362	1,686,217,246	0.720
2018	2,515,600	1,439,519,000	211,847,800		9,238,100	1,663,120,500	1,607,928	1,664,728,428	1,750,681,475	0.720
2019	2,820,000	1,449,748,800	212,150,000		9,417,200	1,674,136,000	1,648,675	1,675,784,675	1,783,988,149	0.732
2020	3,470,500	1,480,325,100	205,642,100		9,831,400	1,699,269,100	1,660,525	1,700,929,625	1,750,018,181	0.741
2021	3,491,500	1,496,005,200	201,285,300		11,052,600	1,711,834,600	1,693,957	1,713,528,557	1,766,338,710	0.748

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Overlapping Rates

Calendar Year	Total Direct School Tax Rate	River Dell Regional High School District	Municipality of Oradell	Municipal Library	County of Bergen	Total Direct and Overlapping Tax Rate
2012	\$ 0.642	\$ 0.818	\$ 0.652		\$ 0.235	\$ 2.347
2013	0.728	0.976	0.732	\$ 0.038	0.249	2.723
2014	0.747	0.993	0.744	0.037	0.263	2.784
2015	0.762	1.066	0.774	0.038	0.271	2.911
2016	0.775	1.074	0.797	0.039	0.288	2.973
2017 (A)	0.720	0.958	0.731	0.035	0.258	2.702
2018	0.720	0.987	0.744	0.037	0.257	2.745
2019	0.732	0.997	0.760	0.037	0.260	2.786
2020	0.741	0.953	0.781	0.035	0.253	2.763
2021	0.748	0.958	0.795	0.035	0.260	2.796

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

**ORADELL 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
Hajjar Med Off Bldg	\$ 20,223,200	1.18%		
600 Kinderkamack Road LLC	16,500,000	0.96%	\$ 16,784,200	1.03%
Cranston Associates	15,365,400	0.90%	18,423,900	1.14%
SFIII Kinderkamack LLC	12,945,500	0.76%		
Kamack Realty Corp	7,229,800	0.42%	9,657,400	0.59%
Holy Name Real Estate Corp	6,772,000	0.40%	5,788,000	0.36%
EMET Realty	6,486,500	0.38%		
White Beeches Golf Club	6,445,100	0.38%	7,417,000	0.46%
HMOB of Oradell Owner LLC	5,964,300	0.35%		
PSE&G	5,845,300	0.34%	7,038,000	0.43%
Oradell Office Plaza			7,428,800	0.46%
Rio Vista Property			15,757,300	0.97%
Rio Vista Property			10,214,800	0.63%
Emerson Real Estate LLC			10,214,600	0.63%
	<u>\$ 103,777,100</u>	<u>6.06%</u>	<u>\$ 108,724,000</u>	<u>6.70%</u>

Source: Municipal Tax Assessor

**ORADELL 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	\$ 10,223,706	\$ 10,223,706	100.00%	
2013	10,413,396	10,413,396	100.00%	
2014	10,547,332	10,547,332	100.00%	
2015	10,815,474	10,815,474	100.00%	
2016	11,037,768	11,037,768	100.00%	
2017	11,224,709	11,224,709	100.00%	
2018	11,782,155	11,782,155	100.00%	
2019	11,987,481	11,987,481	100.00%	
2020	12,260,616	12,260,616	100.00%	
2021	12,599,597	12,599,597	100.00%	

**ORADELL 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	(E)	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases and Lease Purchases	Grant Anticipation Note				
2012	\$ 5,320,000				\$ 5,320,000	8,034	\$	662
2013	4,910,000		\$ 59,190		4,969,190	8,054		617
2014	4,565,000		60,365		4,625,365	8,083		572
2015	4,190,000		23,395		4,213,395	8,089		521
2016	3,805,000		1,962,432		5,767,432	8,113		711
2017	3,405,000		1,859,858		5,264,858	8,125		648
2018	2,995,000		1,717,387		4,712,387	8,174		577
2019	2,570,000		1,652,734		4,222,734	8,160		517
2020	2,135,000		1,617,059		3,752,059	8,132		461
2021	1,700,000		1,541,917		3,241,917	8,094		401

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 5,320,000		\$ 5,320,000	0.33%	\$ 662
2013	4,910,000	\$ 26,790	4,883,210	0.34%	606
2014	4,565,000	26,790	4,538,210	0.31%	561
2015	4,190,000	26,790	4,163,210	0.29%	515
2016	3,805,000	26,790	3,778,210	0.26%	466
2017	3,405,000		3,405,000	0.21%	419
2018	2,995,000		2,995,000	0.18%	366
2019	2,570,000		2,570,000	0.15%	315
2020	2,135,000		2,135,000	0.13%	263
2021	1,700,000		1,700,000	0.10%	210

Source: District records

**ORADELL BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2020
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt:	
Oradell Board of Education (as of June 30, 2021)	\$ 2,135,000
Regional High School - Oradell's Share	2,393,849
Borough of Oradell	<u>17,949,149</u>
 Total Direct Debt	 <u>22,477,998</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	14,285,612
Bergen County Utilities Authority - Wastewater (B)	<u>1,504,844</u>
 Total Overlapping Debt	 <u>15,790,456</u>
 Total Direct and Overlapping Debt	 <u>\$ 38,268,454</u>

Source:

Borough of Oradell's 2020 Annual Debt Statement
 County of Bergen's 2020 Annual Debt Statement
 Bergen County Utilities Authority's 2020 Annual Audit

- (A) The debt for this entity was apportioned to Oradell by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.
 (B) The debt was computed based upon usage

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

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized valuation basis	
2020	\$ 1,808,695,157
2019	1,790,902,867
2018	<u>1,882,209,710</u>
	<u>\$ 5,481,807,734</u>
Average equalized valuation of taxable property	\$ 1,827,269,245
Debt limit (2.5 % of average equalization value)	45,681,731
Total Net Debt Applicable to Limit	<u>1,700,000</u>
Legal debt margin	<u>\$ 43,981,731</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 44,013,328	\$ 43,075,178	\$ 42,020,986	\$ 41,300,565	\$ 41,508,962	\$ 43,323,518	\$ 43,897,399	\$ 45,310,079	\$ 45,860,987	\$ 45,681,731
Total net debt applicable to limit	<u>5,295,000</u>	<u>4,910,000</u>	<u>4,565,000</u>	<u>4,190,000</u>	<u>3,805,000</u>	<u>3,405,000</u>	<u>2,995,000</u>	<u>2,570,000</u>	<u>2,135,000</u>	<u>1,700,000</u>
Legal debt margin	<u>\$ 38,718,328</u>	<u>\$ 38,165,178</u>	<u>\$ 37,455,986</u>	<u>\$ 37,110,565</u>	<u>\$ 37,703,962</u>	<u>\$ 39,918,518</u>	<u>\$ 40,902,399</u>	<u>\$ 42,740,079</u>	<u>\$ 43,725,987</u>	<u>\$ 43,981,731</u>
Total net debt applicable to the limit as a percentage of debt limit	12.03%	11.40%	10.86%	10.15%	9.17%	7.86%	6.82%	5.67%	4.66%	3.72%

Source: Annual Debt Statements

EXHIBIT J-14

ORADELL BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	8,034	\$ 69,056	6.10%
2013	8,054	72,164	4.70%
2014	8,083	71,699	4.20%
2015	8,089	74,480	3.50%
2016	8,113	77,767	3.10%
2017	8,125	79,407	3.30%
2018	8,174	81,676	2.70%
2019	8,160	86,404	2.10%
2020	8,132	89,456	6.80%
2021	8,094	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

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

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

INFORMATION NOT AVAILABLE

ORADELL 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	51.7	51.7	51.7	48.5	51.0	53.0	60.0	55.0	45.0	45.7
Special Education	9.5	9.5	9.5	21.0	12.0	22.0	11.1	16.0	25.0	13.0
Support Services:										
Student & instruction related services	9.0	9.0	9.0	19.5	23.0	21.0	27.0	24.6	28.0	28.8
General administration	2.0	2.0	2.0	2.2	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	4.0	4.0	4.0	5.6	5.6	5.6	4.0	5.5	4.5	4.7
Central services	3.4	3.4	3.4	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Administrative Information Technology	1.0	1.0	1.0							
Plant operations and maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5
Total	86.6	86.6	86.6	105.8	102.6	112.6	113.1	113.1	115.0	104.7

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2012	801	\$ 11,155,726	\$ 13,927	6.27%	63	1:11	788	759	-1.99%	96.32%
2013	817	11,473,796	14,044	0.84%	63	1:11	784	751	-0.51%	95.79%
2014	805	11,185,070	13,894	-1.06%	63	1:11	782	751	-0.26%	96.04%
2015	775	11,449,605	14,774	6.33%	63	1:11	739	709	-5.50%	95.94%
2016	763	11,801,649	15,467	4.70%	65	1:11	757	726	2.44%	95.90%
2017	769	12,366,439	16,081	3.97%	65	1:11	767	735	1.32%	95.83%
2018	750	12,847,149	17,130	6.52%	65	1:11	739	707	-3.65%	95.67%
2019	760	14,012,208	18,437	7.63%	65	1:11	754	725	2.03%	96.15%
2020	777	14,263,392	18,357	-0.43%	70	1:11	751	729	-0.40%	97.07%
2021	748	14,346,180	19,179	4.03%	59	1:12	746	730	-1.06%	97.86%

Sources: District records

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	801	801	801	801	763	769	750	760	775	748

Number of Schools at June 30, 2021
 Elementary = 1

Source: District Records

ORADELL BOARD OF EDUCATION
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN YEARS
 (Unaudited)

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

<u>School Facilities</u>	<u>Project No.</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>
Oradell Elementary School	N/A	\$ 158,256	\$ 162,089	\$ 189,611	\$ 222,290	\$ 257,205	\$ 304,754	\$ 175,805	\$ 244,713	\$ 242,431	\$ 297,452

Source: District Records

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

	<u>Coverage (A)</u>	<u>Deductible (A)</u>
Northeast Bergen County School Board Group		
School Package Policy		
Property-Blanket Building & Contents (Oradell School Only)	\$ 28,729,320	\$ 5,000
Flood/Earthquake	5,000,000	50,000
General Liability Coverage	2,000,000	
Employee Benefit Liability	1,000,000	10,000
School Board Errors and Omission Coverage	1,000,000	
Automobile Coverage	1,000,000	1,000
Excess Liability Coverage - Auto	9,000,000	
Excess Liability Coverage - General	50,000,000	
Educators Legal Liability/Employment Legal Liability	1,000,000	
Employers Liability Coverage	1,000,000	10,000
Environmental Impairment	4,000,000	15,000
Public Employee Dishonesty Crime Coverage		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	500,000	100,000
Forgery or Alteration	100,000	1,000
Computer Fraud	100,000	1,000
Funds Transfer Fraud	100,000	1,000
Cyber Liability		
Third Party Liability Coverages	2,000,000	15,000
First Party Coverages	1,000,000	15,000
Data Breach Response and Crises		
Management Coverage	1,000,000	15,000
Public Employees' Faithful Performance Blanket		
Position Bonds		
School Business Administrator/Board Secretary	200,000	
Treasurer of School Monies	236,000	

(A) Coverage represents total amount covered for all members of the Northeast Bergen County School Board Group unless otherwise noted.

Source: 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
Oradell Board of Education
Oradell, 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 Oradell 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 Oradell Board of Education's basic financial statements and have issued our report thereon dated February 3, 2022.

Internal Control Over Financial Reporting

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Oradell Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 3, 2022.

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 Oradell 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 Oradell Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Oradell Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Oradell Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Oradell Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Oradell 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 3, 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 state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

**ORADELL 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 Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Carryover / (Walkover)		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2021		(Memo) GAAP Receivable
						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Def. Rev.	Accounts Receivable				(Account Receivable)	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education																
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	FT-3870-12	7/1/20-9/30/21	\$ 191,030				\$ 4,378	\$ (4,378)	\$ 190,640	\$ 192,497	\$ (4,768)	\$ 2,911	\$ (1,857)	
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	FT-3870-12	7/1/19-9/30/20	180,653	\$ (9,269)	\$ 4,378		(4,378)	4,378	4,891					
I.D.E.A. Preschool	84.173	H173A200114	PS-3870-09	7/1/20-9/30/21	13,459						13,459	13,459				
Total Special Education Cluster (IDEA)						(9,269)	4,378	-	-	-	208,990	205,956	-	(4,768)	2,911	(1,857)
Title IA	84.010A	S010A200030	ESSA153008	7/1/20-9/30/21	10,727				10,131	(10,131)		11,941		(20,858)	8,917	(11,941)
Title IA	84.010A	S010A190030	ESSA153008	7/1/19-9/30/20		(10,131)	10,131		(10,131)	10,131				-	-	-
Title IIA	84.367A	S367A200029	ESSA153008	7/1/20-9/30/21	8,523				3,980	(3,980)		11,797		(12,503)	706	(11,797)
Title IIA	84.367A	S367A190029	ESSA153008	7/1/19-9/30/20	8,379	(3,980)	3,980		(3,980)	3,980				-	-	-
Title III	84.365A	S365A200030	ESSA153008	7/1/20-9/30/21					1,315	(1,315)				(1,315)	1,315	-
Title III	84.365A	S365A190030	ESSA153008	7/1/19-9/30/20	11,001	(3,836)	1,315		(1,315)	1,315	2,521			-	-	-
Title III Immigrant	84.365A	S365A200030	ESSA153008	7/1/20-9/30/21					1,364	(1,364)				(1,364)	1,364	-
Title III Immigrant	84.365A	S365A190030	ESSA153008	7/1/19-9/30/20	1,615	(1,364)	1,364		(1,364)	1,364				-	-	-
Title IV	84.424	S424A200031	ESSA153004	7/1/20-9/30/21					1,190	(1,190)		90		(1,190)	1,100	(90)
Title IV	84.424	S424A190031	ESSA153004	7/1/19-9/30/20	10,000	(1,190)	1,190		(1,190)	1,190				-	-	-
Title IV	84.424	S424A180031	ESSA153004	7/1/18-6/30/19	10,000		\$ 3,000						\$ 3,000			
Total Elementary and Secondary Education Programs Cluster (ESEA)						(20,501)	17,980	3,000	-	-	2,521	23,828	3,000	(37,230)	13,402	(23,828)
Elementary and Secondary School Emergency Relief Fund (ESSER):																
ESSER I - (Non-Title I) C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	N/A	7/1/20-6/30/22	17,641						17,641	17,641		-	-	-
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	N/A	3/13/20-9/30/23	34,075									(34,075)	34,075	-
ESSER II - Learning Acceleration	84.425D	S425D200027	N/A	3/13/20-9/30/23	25,000									(25,000)	25,000	-
ESSER II - Mental Health	84.425D	S425D200027	N/A	3/13/20-9/30/23	45,000									(45,000)	45,000	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)						-	-	-	-	-	17,641	17,641	-	(104,075)	104,075	-
Nonpublic Digital Divide	21.019	S377A130031	N/A	7/16/20-10/31/20	2,436						2,436	2,436		-	-	-
Coronavirus Relief Fund Grant	21.019	S425D200027	N/A	3/13/20-12/30/21	19,153						19,153	14,785		-	4,368	-
Coronavirus Aid Relief and Economic Security Act (Passed Through County of Bergen)	21.019	S425D200027	N/A	3/13/20-12/30/20	25,000						25,000	25,000		-	-	-
Total Coronavirus Relief Fund Grant CARES Cluster						-	-	-	-	-	46,589	42,221	-	-	4,368	-
Total U.S. Department of Education						(29,770)	22,358	3,000	-	-	275,741	289,646	3,000	(146,073)	124,756	(25,685)
Total Federal Awards						\$ (29,770)	\$ 22,358	\$ 3,000	\$ -	\$ -	\$ 275,741	\$ 289,646	\$ 3,000	\$ (146,073)	\$ 124,756	\$ (25,685)

Note: The federal programs were not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance.

(A) - Adjustments represent prior year cancelled orders.

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**ORADELL 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	Refund of Prior Years' Balances	Balance, June 30, 2021			Memo	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 415,377		\$ 377,004	\$ 415,377		\$ (38,373)			*	\$ 415,377
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	388,913	(36,000)	36,000						*	-
Security Aid	21-495-034-5120-089	7/1/20-6/30/21	58,565		53,155	58,565		(5,410)			*	58,565
Security Aid	20-495-034-5120-089	7/1/19-6/30/20	58,565	(5,421)	5,421	-					*	-
Total State Aid-Public Cluster				(41,421)	471,580	473,942	-	(43,783)			*	473,942
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	29,595		26,861	29,595		(2,734)			*	29,595
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	29,595	(2,740)	2,740						*	-
Nonpublic School Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	4,930		-	4,930		(4,930)			*	4,930
Total Transportation Aid Cluster				(2,740)	29,601	34,525	-	(7,664)			*	34,525
Extraordinary Aid	21-495-034-5120-473	7/1/20-6/30/21	354,566			354,566		(354,566)			*	354,566
Extraordinary Aid	20-495-034-5120-473	7/1/19-6/30/20	165,997	(165,997)	165,997						*	-
Reimbursed TPAF Social Security Contribution	21-495-034-5120-104	7/1/20-6/30/21	396,270		377,718	396,270		(18,552)			*	396,270
Reimbursed TPAF Social Security Contribution	20-495-034-5120-104	7/1/19-6/30/20	395,645	(19,741)	19,741						*	-
TPAF Pension Benefit Contributions	21-495-034-5094-002	7/1/20-6/30/21	1,468,364		1,468,364	1,468,364					*	1,468,364
TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	27,938		27,938	27,938					*	27,938
TPAF - Post Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	468,918		468,918	468,918					*	468,918
TPAF - Long-Term Disability Insurance Premium	21-495-034-5094-004	7/1/20-6/30/21	809		809	809					*	809
Total General Fund				(229,899)	3,030,666	3,225,332	-	(424,565)			*	3,225,332
Special Revenue Fund												
New Jersey Nonpublic Aid												
Auxiliary Services												
Compensatory Education	21-101-034-5120-067	7/1/20-6/30/21	28,740		28,740	11,060				\$ 17,680	*	11,060
Compensatory Education	20-101-034-5120-067	7/1/19-6/30/20	21,902	7,707	-	-	\$ 7,707				*	-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				7,707	28,740	11,060	7,707			17,680	*	11,060
Handicapped Services												
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	4,644		4,644	2,789				1,855	*	2,789
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	25,519		25,519	12,668				12,851	*	12,668
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	15,494	2,811	-	-	2,811				*	-
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	3,238		3,238	648				2,590	*	648
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	6,314	3,885	-	-	3,885				*	-
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				6,696	33,401	16,105	6,696			17,296	*	16,105
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	3,421		3,421	3,421					*	3,421
Nursing Services	21-100-034-5120-373	7/1/20-6/30/21	5,712		5,712	5,467				245	*	5,467
Nursing Services	20-100-034-5120-373	7/1/19-6/30/20	7,372	69	-	-	69				*	-
Security	21-100-034-5120-070	7/1/20-6/30/21	9,800		9,800	8,858				942	*	8,858
Security	20-100-034-5120-070	7/1/19-6/30/20	11,400	109	-	-	109				*	-
Total Special Revenue Fund				14,581	81,074	44,911	14,581			36,163	*	44,911
Total State Financial Assistance Subject to Single Audit Determination				(215,318)	3,111,740	3,270,243	14,581	(424,565)		36,163	*	(23,482)

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**ORADELL 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	Refund of Prior Years' Balances	Balance, June 30, 2021			Memo		
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Financial Assistance													
Not Subject to Major Program Determination													
<u>General Fund</u>													
TPAF Pension Benefit Contributions	21-495-034-5094-002	7/1/20-6/30/21	\$ 1,468,364		\$ (1,468,364)	\$ (1,468,364)						*	\$ (1,468,364)
TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	27,938		(27,938)	(27,938)						*	(27,938)
TPAF - Post Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	468,918		(468,918)	(468,918)						*	(468,918)
TPAF - Long-Term Disability Insurance Premium	21-495-034-5094-004	7/1/20-6/30/21	809	-	(809)	(809)	-	-	-	-	-	*	(809)
Total State Financial Assistance												*	
Subject to Major Program Determination				\$ (215,318)	\$ 1,145,711	\$ 1,304,214	\$ 14,581	\$ (424,565)	\$ -	\$ 36,163	\$ (23,482)	\$ 1,304,214	

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**ORADELL 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 Oradell 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 \$190,925 for the general fund and a decrease of \$13,070 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,034,407	\$ 3,034,407
Special Revenue Fund	\$ 289,646	34,930	324,576
Total Awards Financial Assistance	<u>\$ 289,646</u>	<u>\$ 3,069,337</u>	<u>\$ 3,358,983</u>

**ORADELL 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

TPAF Social Security contributions in the amount of \$396,270 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 \$1,496,302, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$468,918 and TPAF Long-Term Disability Insurance in the amount of \$809 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.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**ORADELL 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

- | | |
|--|--------------------------------------|
| A) Type of auditor's report issued: | Unmodified _____ |
| B) 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 |
| C) Noncompliance material to the basic financial
statements noted? | _____ yes <u> X </u> no |

Federal Awards Section

NOT APPLICABLE

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

Part I – Summary of Auditor’s Results

State Awards Section

J) Dollar threshold used to distinguish Type A and Type B programs: \$ 750,000

K) Auditee qualified as low-risk auditee? X yes no

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

M) Internal Control over compliance:

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

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

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

O) Identification of major programs:

GMIS Number(s)	Name of State Program
<u>21-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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 state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**ORADELL BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
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.