

SADDLE BROOK
SCHOOL DISTRICT

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED

JUNE 30, 2021



Saddle Brook, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Saddle Brook Board of Education

Saddle Brook, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

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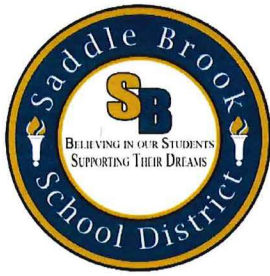
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INTRODUCTORY SECTION



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SUPERINTENDENT OF SCHOOLS

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

March 14, 2022

Honorable President and
Members of the Board of Education
Saddle Brook School District
Saddle Brook, New Jersey 07663

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1984, as amended, (U.S. Uniform Guidance) and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular Letter 15-08, *State Aid/Grant Compliance Supplement*, and are not a required part of the basic financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Saddle Brook School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA. All funds of the District are included in this report. The Saddle Brook Board of Education and all of its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational, as well as special education for handicapped youngsters. The District maintains an in-district pre-K special education program as well.

REPORTING ENTITY AND ITS SERVICES (continued):

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	1,707	-4.42%
2019-2020	1,786	0.00%
2018-2019	1,789	1.07%
2017-2018	1,770	-2.72%
2016-2017	1,723	-1.8%

ECONOMIC CONDITION AND OUTLOOK: Saddle Brook Township remains a highly developed, economically stable community. The Township stands at about 95% fully developed and the initiation of any major new construction is unlikely. Nevertheless, its location in Bergen County as well as its proximity to major arteries (Route 80 passes through in a north to south direction and The Garden State Parkway passes through in an east to west direction) affords the community easy access to New York City, major airports and harbors. This location also supports economic viability for business as evidenced by an industrial park, a number of corporate centers and three major hotel chains operating within our borders.

Saddle Brook is also an attractive residential community for those who both work locally and commute to more distant sites. Made up largely of single family homes, the residents of Saddle Brook tend to have multi-generational ties to this area with the majority of residents being long time Saddle Brook residents. The community retains a fairly large senior population with only a relatively small turnover in housing annually.

The economic fortunes of the town are tied very closely to those of the entire region, which would indicate a satisfactory economic outlook for the immediate future.

The structure of school funding in New Jersey means that a community such as Saddle Brook is forced to provide over 90% of their school funding through its local property tax base. As a result, the local taxpayer must bear the burden of upgrading programs and facilities that have traditionally scrutinized school budgets very intensely. Nevertheless, the community takes pride in its school and traditionally demonstrates a desire to provide a good education within the economic framework that is available to it.

MAJOR INITIATIVES:

The Saddle Brook School District is a PreK-12 school district consisting of four elementary schools and one combined Middle School/High School. Franklin School, Helen I. Smith School and Long Memorial School are all K-6 elementary schools offering a rich educational program utilizing the latest evidence based programs: Project Read Multisensory Phonics instruction to support out balanced literacy initiative in concert with the Teachers' College Reading and Writing Project (TCRWP), Elevate Science for K-6, Reveal Math for grades K-6 and Connected math for Grades 7 and 8. At the middle & high school, math teachers have benefited from participating in Conquer Mathematics professional learning opportunities. Our K-6 math teachers have benefited from an in-house mathematics coach funded through federal monies.

Our federal funds have also allowed us to subscribe to the Second Step Social Emotional Learning program for K-8. With our federal funds we have partnered with Thrive Alliance Group to provide mental health services for our students and have been able to fund a Student Assistance Coordinator position.

MAJOR INITIATIVES – (continued):

The Washington School is a dedicated preschool that offers a blended and integrated program for both general education and special education students ages 3-4. Washington School has expanded to provide general education full day pre-school Program for 4-5 year olds. Classes are available in the morning, afternoon and also as a full day program, all preparing students with the skills needed for Kindergarten. We are looking to add another preschool classroom for next school year. We enhanced our use of the Creative Curriculum for preschool with the purchase of the Gold version, and provided multiple PD opportunities for teachers on this new resource. Having a researched based program will help us to advertise the high quality academic nature of our pre-school.

Our special education population is growing, and we are looking to bring students back into our district. We are proud of our new ABA classroom in our MSHS. We are anticipating the growth of this program with the creation of another ABA classroom at our MSHS as well as a new ABA classroom at Franklin Elementary School.

At the Middle/High School level we have been working to add dual enrollment courses, early college partnership with our local community college, early career partnership with our local community college, along with the college experience program. Our students are also benefiting from internships within our Option 2 program. We are looking to expand our Option 2 program next year to include Work-Based Learning opportunities.

Our 2021-2022 District Goals included:

- Launch a districtwide one-to-one chromebook initiative to provide equitable access to technology and resources to 5th, 6th, 9th, and 10th graders and their teachers.
- Expand and refine districtwide wellness practices by prioritizing the mental health of our school community.
- Transition our I&RS processes and procedures to New Jersey Tiered System of Supports (NJTSS)

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

We have applied and received grants to participate in DREAMS (Developing Resiliency with Engaging Approaches to Maximize Success) and Teen Mental Health First Aid programs. Our staff are currently being trained in the administration of these programs.

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

Technology:

We are in the process of purchasing chromebooks for our students in order to push forward with our 1:1 initiative. This initiative has enabled us to provide more authentic learning tasks throughout the school day. Our students are benefiting from having access to all of our programs, while are staff are able to plan forward with technology. We purchased Go Guardian and subscribed to one-step access program, Clever. Our staff participated in professional development sessions for both of these programs. We look forward to expanding our 1:1 program next school year.

MAJOR INITIATIVES – (continued):

NJTSS:

Each school building has created a school data team of which meets at a minimum monthly. Each data team is tasked with utilizing Linkit benchmark assessments, Start Strong assessments, and classroom assessments to provide an accurate picture of each student's academic performance. Students are then tiered into Tier 1, 2, or 3. Our federal funds allowed us to hire additional interventionists of which provide Tier 2 instruction to those students in need. Then our math and/or ELA specialists provide intensive Tier 3 instruction to those identified as such. Action plans are developed for those students who show limited progress throughout the school year.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

FINANCIAL INFORMATION AT FISCAL YEAR -END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

OTHER INFORMATION: Independent Audit – State statutes require on annual audit by independent certified public accountants or registered municipal accountings. 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 was also designed to meet the requirements of the Single Audit Act of 1984, as amended (U.S. Uniform Guidance), and the related OMB Circular A-133 and state Treasury Circular Letters 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Toni Violetti
Superintendent of Schools



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

POLICY

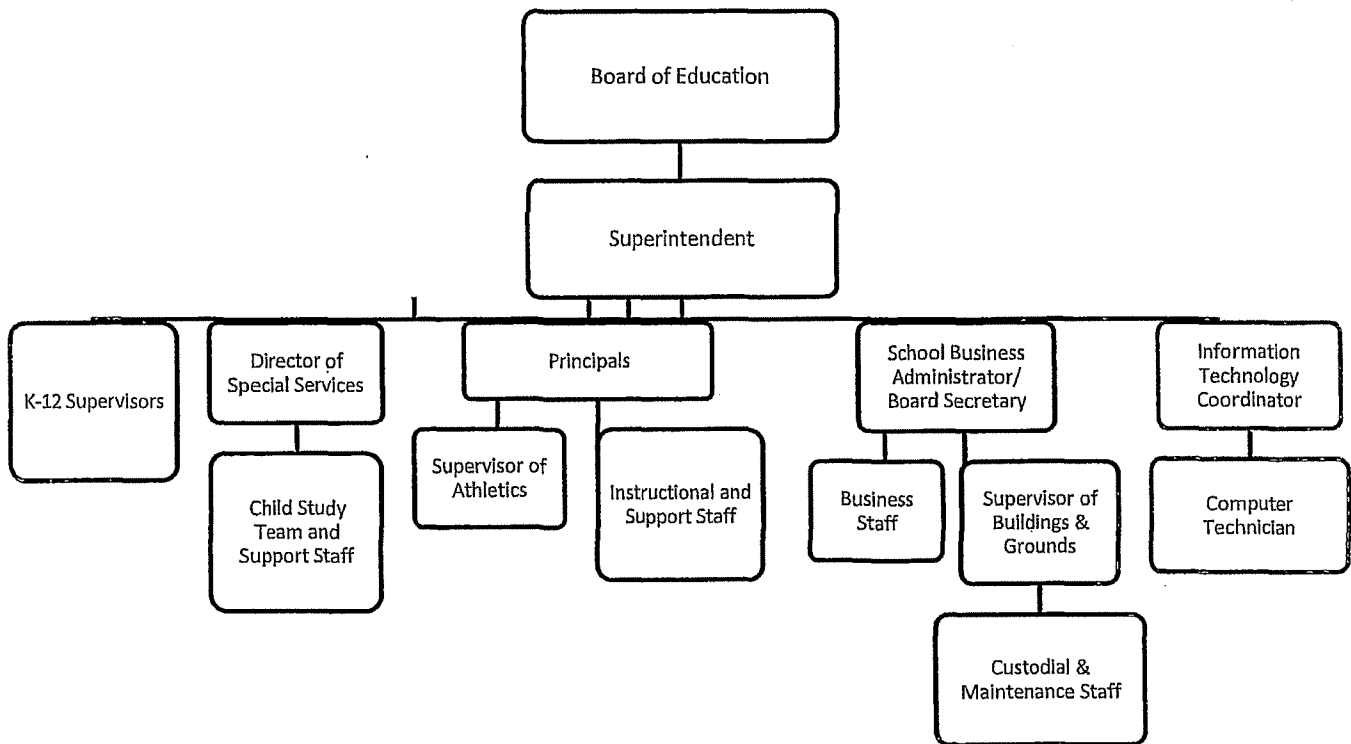
SADDLE BROOK BOARD OF EDUCATION

ADMINISTRATION

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Organizational Chart

1110 ORGANIZATIONAL CHART



**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Kelly Mahoney, President	2023
Michele Roloff, Vice President	2021
Michael Accomando	2022
Mariana Ianneillo	2021
Vincent Laurentino	2022
Stephen Quinn	2021
Angela Robinson	2022
Richard Scherer	2023
Sylvia Zottarelli	2023

Other Officials

Danielle M. Shanley Superintendent

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

Peter Bellani, CPA, Treasurer

Mark Wenczel, Esq., Board Attorney – Cleary Giacobbe Alfieri & Jacobs, LLC

SADDLE BROOK BOARD OF EDUCATION

Consultants and Advisors

ARCHITECT

Gianforcaro
555 East Main Street
Chester, New Jersey 07930

AUDITOR

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

ATTORNEY

Cleary Giacobbe Alfieri & Jacobs, LLC
169 Ramapo Valley Road - Upper Level 105
Oakland, New Jersey 07436

OFFICIAL DEPOSITORY

Provident Bank
210 Rochelle Avenue
Rochelle Park, NJ 07662

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
Saddle Brook Board of Education
Saddle Brook, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education, as of and for the fiscal year ended June 30, 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 and each major fund of the Saddle Brook 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 Saddle Brook 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 Saddle Brook Board of Education's basic financial statements. The introductory section, fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Saddle Brook Board of Education.

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

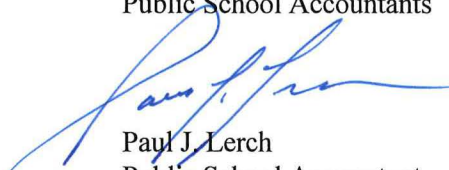
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 14, 2022 on our consideration of the Saddle Brook Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saddle Brook Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Saddle Brook Board of Education’s internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

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

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- District-Wide Statements – The School District had \$49,605,295 in revenues, general revenues were \$35,399,932, or 71 percent, of all revenues. Program specific revenues in the form of charges for services and grants and contributions were \$14,205,363, or 29 percent, of all revenues.
- District-Wide Statements - The School District had \$46,134,015 in expenses; only \$14,205,363 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$35,399,932 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Saddle Brook Board of Education's governmental funds reported combined ending fund balances of \$3,885,079, an increase of \$2,408,940 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

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

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the Saddle Brook Board of Education operates like a business.

Table A-1 summarizes the major features of the Saddle Brook Board of Education's financial statements, including the portion of the Saddle Brook Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except Fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance.	Activities the district operates similar to private Businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources and liability information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Saddle Brook Board of Education's finances, in a manner similar to a private-sector business.

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

District-wide Statements (Continued)

The *statement of net position* presents information on all of the Saddle Brook Board of Education's assets, deferred outflows/inflows of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

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

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

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service and Community Programs.

Fund Financial Statements

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

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

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

Fund Financial Statements (Continued)

The District has two kinds of funds:

Governmental Funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. Budgetary comparison statements have been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE SADDLE BROOK BOARD OF EDUCATION AS A WHOLE

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

Table A-2 provides a summary of the school district's net position for fiscal years 2021 and 2020 which were \$11,251,454 and \$7,780,174, respectively.

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

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

Net position. By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services and the restricted financial resources for the District's capital project school renovations and upgrades.

**Table A-2
Statement of Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u> Restated	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> Restated
Assets						
Current and Other Assets	\$ 5,057,967	\$ 2,437,521	\$ 475,705	\$ 436,982	\$ 5,533,672	\$ 2,874,503
Capital Assets	<u>27,661,853</u>	<u>29,241,316</u>	<u>45,205</u>	<u>59,515</u>	<u>27,707,058</u>	<u>29,300,831</u>
Total Assets	<u>32,719,820</u>	<u>31,678,837</u>	<u>520,910</u>	<u>496,497</u>	<u>33,240,730</u>	<u>32,175,334</u>
Deferred Outflows of Resources						
Deferred amounts on Net Pension Liability	491,049	776,750			491,049	228,421
Deferred amounts on Refunding of Debt	<u>66,354</u>	<u>104,603</u>	<u>-</u>	<u>-</u>	<u>66,354</u>	<u>104,603</u>
Total Deferred Outflows of Resources	<u>557,403</u>	<u>881,353</u>	<u>-</u>	<u>-</u>	<u>557,403</u>	<u>333,024</u>
Total Assets and Deferred Outflows of Resources	<u>33,277,223</u>	<u>32,560,190</u>	<u>520,910</u>	<u>496,497</u>	<u>33,798,133</u>	<u>32,508,358</u>
Liabilities						
Current Liabilities	1,337,830	1,145,363	33,837	26,783	1,371,667	1,172,146
Noncurrent Liabilities	<u>18,374,275</u>	<u>21,283,943</u>	<u>-</u>	<u>10,242</u>	<u>18,374,275</u>	<u>21,294,185</u>
Total Liabilities	<u>19,712,105</u>	<u>22,429,306</u>	<u>33,837</u>	<u>37,025</u>	<u>19,745,942</u>	<u>22,466,331</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>2,800,737</u>	<u>2,810,182</u>	<u>-</u>	<u>-</u>	<u>2,800,737</u>	<u>2,237,231</u>
Total Deferred Inflows of Resources	<u>2,800,737</u>	<u>2,810,182</u>	<u>-</u>	<u>-</u>	<u>2,800,737</u>	<u>2,237,231</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,512,842</u>	<u>25,239,488</u>	<u>33,837</u>	<u>37,025</u>	<u>22,546,679</u>	<u>24,703,562</u>
Net Position						
Net Investment in Capital Assets	15,662,961	17,295,781	45,205	59,515	15,708,166	17,355,296
Restricted	3,058,925	778,617			3,058,925	778,617
Unrestricted	<u>(7,957,505)</u>	<u>(10,753,696)</u>	<u>441,868</u>	<u>399,957</u>	<u>(7,515,637)</u>	<u>(10,353,739)</u>
Total Net Position	<u>\$ 10,764,381</u>	<u>\$ 7,320,702</u>	<u>\$ 487,073</u>	<u>\$ 459,472</u>	<u>\$ 11,251,454</u>	<u>\$ 7,780,174</u>

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

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

Governmental activities. Governmental activities increased the District's net position by \$3,443,679 and \$2,404,186 for the fiscal years ended June 30, 2021 and 2020, respectively. Key elements of this increase are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Year Ended June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 325,881	\$ 222,929	\$ 7,143	\$ 446,527	\$ 333,024	\$ 669,456
Operating Grants and Contributions	13,307,845	9,654,843	564,494	178,781	13,872,339	9,833,624
Capital Grants and Contributions		86,544			-	86,544
General Revenues						
Property Taxes	35,065,267	34,453,030			35,065,267	34,453,030
Restricted State	131,256	131,742			131,256	131,742
Unrestricted State	17,547	18,060			17,547	18,060
Other	185,730	156,711	132	123	185,862	156,834
Total Revenues	<u>49,033,526</u>	<u>44,723,859</u>	<u>571,769</u>	<u>625,431</u>	<u>49,605,295</u>	<u>45,349,290</u>
Expenses						
Instruction						
Regular	15,721,930	13,579,814			15,721,930	13,579,814
Special	9,955,484	10,287,230			9,955,484	10,287,230
Other Instruction	1,336,941	925,579			1,336,941	925,579
School Sponsored Activities and Ath.	1,238,234	965,905			1,238,234	965,905
Support Services						
Student and Instruction Related Serv.	7,055,026	6,704,800			7,055,026	6,704,800
Educational Media/School Library	463,264	368,060			463,264	368,060
School Administrative Services	998,376	2,553,369			998,376	2,553,369
General Administrative Services	2,820,239	974,810			2,820,239	974,810
Plant Operations and Maintenance	3,031,711	2,954,417			3,031,711	2,954,417
Pupil Transportation	1,380,283	1,539,611			1,380,283	1,539,611
Central Services	1,104,472	927,934			1,104,472	927,934
Food Services			517,471	538,480	517,471	538,480
Community Programs			26,697	137,472	26,697	137,472
Interest on Long-Term Debt	483,887	538,144	-	-	483,887	538,144
Total Expenses	<u>45,589,847</u>	<u>42,319,673</u>	<u>544,168</u>	<u>675,952</u>	<u>46,134,015</u>	<u>42,995,625</u>
Change in Net Position	3,443,679	2,404,186	27,601	(50,521)	3,471,280	2,353,665
Net Position, Beginning of Year	<u>7,320,702</u>	<u>4,658,867</u>	<u>459,472</u>	<u>509,993</u>	<u>7,780,174</u>	<u>5,168,860</u>
Prior Period Adjustment	-	257,649	-	-	-	257,649
Net Position, End of Year	<u>\$ 10,764,381</u>	<u>\$ 7,320,702</u>	<u>\$ 487,073</u>	<u>\$ 459,472</u>	<u>\$ 11,251,454</u>	<u>\$ 7,780,174</u>

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

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

Governmental activities. The District's total governmental revenues were \$49,033,526. The local share of the revenues that included property taxes, state aid restricted for debt service, unrestricted state aid and miscellaneous revenue, amounted to \$35,399,800, or 72%, of total revenues. Funding from state, federal sources and capital grants and contributions amounted to \$13,307,845, or 27%. Charges for services amounted to \$325,881, or 1%. (See Table A-4)

The District's total governmental expenses were \$45,589,847 and are predominantly related to instruction and support services. Instruction totaled \$28,252,589 (62%), student support services totaled \$16,853,371 (37%), and interest on long-term debt total \$483,887 (1%) of total expenditures. (See Table A-5.)

Table A-4 Revenues by Source - Governmental Activities
For Fiscal Year 2021

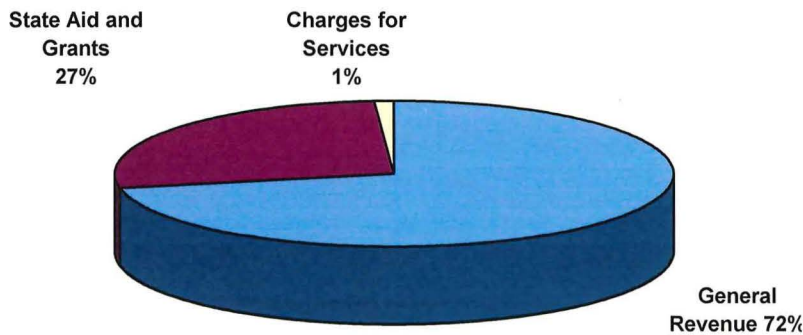
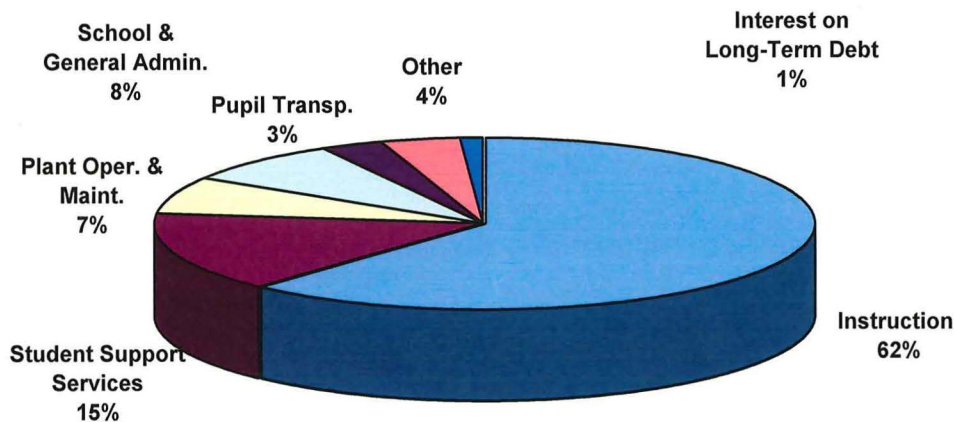


Table A-5 Expenditures by Type- Governmental Activities
For Fiscal Year 2021



**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

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

Table A-6
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 15,721,930	\$ 13,579,814	\$ 11,105,302	\$ 10,175,921
Special Education	9,955,484	10,287,230	5,861,143	6,815,049
Other Instruction	1,336,941	925,579	678,270	536,750
School Sponsored Activities and Athletics	1,238,234	965,905	745,952	777,882
Support Services				
Student and Instruction Related Svcs.	7,055,026	6,704,800	5,056,475	5,300,146
Educational Media/School Library	463,264	368,060	322,060	284,619
General Administrative Services	998,376	974,810	798,893	837,495
School Administrative Services	2,820,239	2,553,369	1,967,501	1,972,363
Plant Operations and Maintenance	3,031,711	2,954,417	2,795,412	2,896,354
Pupil Transportation	1,380,283	1,539,611	1,116,001	1,296,690
Central Services	1,104,472	927,934	1,025,225	923,944
Interest on Long-Term Debt	483,887	538,144	483,887	538,144
Total Governmental Activities	<u>\$ 45,589,847</u>	<u>\$ 42,319,673</u>	<u>\$ 31,956,121</u>	<u>\$ 32,355,357</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$544,168. These costs were funded by operating grants, charges for services and investment earnings. (Detailed on Table A-3). The operations resulted in an increase in net position of \$27,601.

Food Service Program

- Food service revenues exceeded expenses by \$54,166.
- Charges for services represent 1% percent of revenue.
- Revenues include lunches and ala carte meals paid for by the students and partial or total reimbursement provided by the district's participation in the National School Lunch Program.

Community Programs – Before and After Child Care and Summer Camp

- Community Programs expenses exceeded revenues by \$26,565.
- There were no charges for services revenue in 2020-21.
- Revenues include tuition and interest earned on investments.

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$3,885,079. In 2019-2020 the restated fund balance was \$1,476,139. The majority of the increase was attributable to the increase in State financial assistance in the General Fund. The general fund fund balance increased \$2,511,678 from 2019-20.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$44,493,912 and expenditures were \$42,296,969.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>6/30/2021</u>	Fiscal Year Ended <u>6/30/2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources	\$ 35,601,270	\$ 34,956,396	\$ 644,874	2%
State Sources	8,004,904	6,974,343	1,030,561	15%
Federal Sources	<u>887,738</u>	<u>744,360</u>	<u>143,378</u>	19%
 Total Revenues	 <u>\$ 44,493,912</u>	 <u>\$ 42,675,099</u>	 <u>\$ 1,818,813</u>	 4%

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>6/30/2021</u>	Fiscal Year Ended <u>6/30/2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Current Expenses:				
Instruction	\$ 24,799,481	\$ 23,816,649	\$ 982,832	4%
Undistributed	14,830,260	15,066,726	(236,466)	-2%
Capital Outlay	112,767	529,119	(416,352)	-79%
Debt Service				
Principal	2,054,649	2,079,320	(24,671)	-1%
Interest and Other Charges	<u>499,812</u>	<u>566,770</u>	<u>(66,958)</u>	-12%
 Total Expenditures	 <u>\$ 42,296,969</u>	 <u>\$ 42,058,584</u>	 <u>\$ 238,385</u>	 1%

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to prevent over expenditures in specific line item accounts.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Costs for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year. These special education costs were higher than anticipated for 2020-21. As a result an appropriation of prior year and current year extraordinary aid was needed to cover all the additional costs.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- As the buildings age more repairs are required and therefore additional funds were needed.

Capital Assets

At the end of fiscal year 2021, the District had total assets of \$27,707,058 net of depreciation invested in land, construction in progress, land improvements, buildings, furniture, equipment and vehicles. Table 7 shows fiscal year 2021 balances compared to 2020.

**Table A-7
Capital Assets (Net Depreciation) as of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 31,974	\$ 31,974			\$ 31,974	\$ 31,974
Construction in Progress	15,490	-			15,490	-
Land Improvements	687,650	664,343			687,650	664,343
Buildings and Building Improvements	44,746,590	44,700,930			44,746,590	44,700,930
Machinery, Equipment and Vehicles	3,616,908	3,591,458	\$ 251,152	\$ 248,661	3,868,060	3,840,119
Total	49,098,612	48,988,705	251,152	248,661	49,349,764	49,237,366
Less: Accumulated Depreciation	<u>21,436,759</u>	<u>19,747,389</u>	<u>205,947</u>	<u>189,146</u>	<u>21,642,706</u>	<u>19,936,535</u>
Total	<u>\$ 27,661,853</u>	<u>\$ 29,241,316</u>	<u>\$ 45,205</u>	<u>\$ 59,515</u>	<u>\$ 27,707,058</u>	<u>\$ 29,300,831</u>

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

Capital Assets (Continued)

Overall capital assets decreased by \$1,593,773 from fiscal year 2020 to fiscal year 2021.

Additional information on Saddle Brook Board of Education’s capital assets can be found in the Notes of this report.

Debt Administration

At June 30, 2021, the District’s Governmental Activities had \$18,374,275 of outstanding long-term liabilities. These liabilities include serial bonds for school construction and refunding bonds for the Early Retirement Incentive Program, capital leases, compensated absences and net pension liability.

**Table A-8
Long-Term Debt
Outstanding Long-Term Liabilities for Governmental Activities**

	<u>2021</u>	<u>2020</u>
General Obligation Bonds, Net	\$ 7,677,162	\$ 9,452,297
Net Pension Liability	5,788,598	6,596,668
Capital Leases	4,388,084	4,702,733
Compensated Absences Payable	<u>520,431</u>	<u>532,245</u>
 Total	 <u>\$ 18,374,275</u>	 <u>\$ 21,283,943</u>

Additional information on Saddle Brook Board of Education’s long-term debt can be found in the Notes of this report.

For the Future

Currently, the District is in good financial condition. Everyone associated with the Saddle Brook School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. The uncertainty of state aid and a capped tax levy place a great burden on the district to fund new instructional programs as other fixed costs continue to rise.

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

**SADDLE BROOK BOARD OF EDUCATION
SADDLE BROOK, NEW JERSEY**

Contacting the District's Financial Management

If you have questions about this report or need additional information, contact the School Business Administrator at the Saddle Brook Board of Education, 355 Mayhill Street, Saddle Brook, NJ 07663.

BASIC FINANCIAL STATEMENTS

SADDLE BROOK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,684,944	\$ 313,053	\$ 4,997,997
Cash Held with Fiscal Agent	138,597		138,597
Receivables, net	234,426	142,518	376,944
Inventory		20,134	20,134
Capital Assets			
Not Being Depreciated	47,464		47,464
Being Depreciated, Net	<u>27,614,389</u>	<u>45,205</u>	<u>27,659,594</u>
Total Assets	<u>32,719,820</u>	<u>520,910</u>	<u>33,240,730</u>
Deferred Outflows of Resources			
Deferred Amounts on Net Pension Liability	491,049		491,049
Deferred Amounts on Refunding of Debt	<u>66,354</u>	<u>-</u>	<u>66,354</u>
	<u>557,403</u>	<u>-</u>	<u>557,403</u>
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	<u>33,277,223</u>	<u>520,910</u>	<u>33,798,133</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,132,759	11,922	1,144,681
Payable to Other Governments	1,108		1,108
Accrued Interest Payable	164,942		164,942
Unearned Revenue	39,021	21,915	60,936
Noncurrent Liabilities			
Due Within One Year	2,071,767		2,071,767
Due Beyond One Year	<u>16,302,508</u>	<u>-</u>	<u>16,302,508</u>
Total Liabilities	<u>19,712,105</u>	<u>33,837</u>	<u>19,745,942</u>
Deferred Inflows of Resources			
Deferred Amounts on Net Pension Liability	<u>2,800,737</u>	<u>-</u>	<u>2,800,737</u>
Total Deferred Inflows of Resources	<u>2,800,737</u>	<u>-</u>	<u>2,800,737</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,512,842</u>	<u>33,837</u>	<u>22,546,679</u>
NET POSITION			
Net Investment in Capital Assets	15,662,961	45,205	15,708,166
Restricted for :			
Capital Projects	1,981,678		1,981,678
Maintenance	539,019		539,019
Other Purposes	538,228		538,228
Unrestricted	<u>(7,957,505)</u>	<u>441,868</u>	<u>(7,515,637)</u>
Total Net Position	<u>\$ 10,764,381</u>	<u>\$ 487,073</u>	<u>\$ 11,251,454</u>

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

SADDLE BROOK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
Instruction						
Regular	\$ 15,721,930	\$ 79,875	\$ 4,536,753	\$ (11,105,302)		\$ (11,105,302)
Special Education	9,955,484		4,094,341	(5,861,143)		(5,861,143)
Other Instruction	1,336,941		658,671	(678,270)		(678,270)
School Sponsored Activities and Athletics	1,238,234	246,006	246,276	(745,952)		(745,952)
Support Services						
Student and Instruction Related Services	7,055,026		1,998,551	(5,056,475)		(5,056,475)
Educational Media/School Library	463,264		141,204	(322,060)		(322,060)
General and Business Administrative Services	998,376		199,483	(798,893)		(798,893)
School Administrative Services	2,820,239		852,738	(1,967,501)		(1,967,501)
Plant Operations and Maintenance	3,031,711		236,299	(2,795,412)		(2,795,412)
Pupil Transportation	1,380,283		264,282	(1,116,001)		(1,116,001)
Central Services	1,104,472		79,247	(1,025,225)		(1,025,225)
Interest and Other Charges on Long-Term Debt	483,887	-	-	(483,887)	-	(483,887)
Total Governmental Activities	<u>45,589,847</u>	<u>325,881</u>	<u>13,307,845</u>	<u>(31,956,121)</u>	<u>-</u>	<u>(31,956,121)</u>
Business-Type Activities						
Food Service	517,471	7,143	564,494		\$ 54,166	54,166
Community Programs	<u>26,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,697)</u>	<u>(26,697)</u>
Total Business-Type Activities	<u>544,168</u>	<u>7,143</u>	<u>564,494</u>	<u>-</u>	<u>27,469</u>	<u>27,469</u>
Total Primary Government	<u>\$ 46,134,015</u>	<u>\$ 333,024</u>	<u>\$ 13,872,339</u>	<u>(31,956,121)</u>	<u>27,469</u>	<u>(31,928,652)</u>
General Revenues						
Property Taxes, Levied for General Purposes, Net				33,152,151		33,152,151
Property Taxes Levied for Debt Service				1,913,116		1,913,116
State Aid Restricted for Debt Service				131,256		131,256
Unrestricted State Aid				17,547		17,547
Miscellaneous Income				185,730	132	185,862
Total General Revenues				<u>35,399,800</u>	<u>132</u>	<u>35,399,932</u>
Change in Net Position				3,443,679	27,601	3,471,280
Net Position, Beginning of Year (Restated)				<u>7,320,702</u>	<u>459,472</u>	<u>7,780,174</u>
Net Position, End of Year				<u>\$ 10,764,381</u>	<u>\$ 487,073</u>	<u>\$ 11,251,454</u>

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

FUND FINANCIAL STATEMENTS

SADDLE BROOK 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	\$ 4,326,861	\$ 124,827	\$ 233,255	\$ 1	\$ 4,684,944
Cash Held with Fiscal Agent			138,597		138,597
Receivables, Net					
Receivables from Other Governments	89,123	134,668			223,791
Due from Other Funds	15,316				15,316
Other Receivables	<u>10,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,635</u>
Total Assets	<u>\$ 4,441,935</u>	<u>\$ 259,495</u>	<u>\$ 371,852</u>	<u>\$ 1</u>	<u>\$ 5,073,283</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 532,491	\$ 91,585	\$ 112,291		\$ 736,367
Due to Other Funds		15,310	6		15,316
Payable to State Government		1,108			1,108
Accrued Salary and Wages	103				103
Payroll Deductions and Withholdings	396,289				396,289
Unearned Revenue	<u>12,356</u>	<u>26,665</u>	<u>-</u>	<u>-</u>	<u>39,021</u>
Total Liabilities	<u>941,239</u>	<u>134,668</u>	<u>112,297</u>	<u>-</u>	<u>1,188,204</u>
Fund Balances					
Restricted:					
Legally Restricted- Unexpended Additional					
Spending Proposal	1,785				1,785
Capital Reserve	1,560,123				1,560,123
Capital Reserve, Designated for Subsequent Year's Expenditures	162,000				162,000
Maintenance Reserve	539,019				539,019
Capital Projects			259,555		259,555
Debt Service				\$ 1	1
Unemployment Compensation	411,615				411,615
Student Activities/Athletics		122,002			122,002
Scholarship		2,825			2,825
Assigned:					
Year End Encumbrances	649,307				649,307
Unassigned:	<u>176,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,847</u>
Total Fund Balances	<u>3,500,696</u>	<u>124,827</u>	<u>259,555</u>	<u>1</u>	<u>3,885,079</u>
Total Liabilities and Fund Balances	<u>\$ 4,441,935</u>	<u>\$ 259,495</u>	<u>\$ 371,852</u>	<u>\$ 1</u>	<u>\$ 5,073,283</u>

SADDLE BROOK BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021

Total Government Fund Balances (Exhibit B-1) \$ 3,885,079

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$49,098,612 and the accumulated depreciation is \$21,436,759. 27,661,853

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. 66,354

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

Deferred Outflows of Resources	\$ 491,049	
Deferred Inflows of Resources	<u>(2,800,737)</u>	(2,309,688)

The District has financed capital assets through the issuance of serial bonds and long term-lease obligations. The interest accrual at year end is: (164,942)

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

Bonds Payable, Net	\$ (7,677,162)	
Net Pension Liability	(5,788,598)	
Capital Leases	(4,388,084)	
Compensated Absences	<u>(520,431)</u>	(18,374,275)

Net Position of Governmental Activities (Exhibit A-1) \$ 10,764,381

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 33,152,151			\$ 1,913,116	\$ 35,065,267
Miscellaneous	<u>265,407</u>	<u>\$ 270,398</u>	<u>\$ 198</u>	<u>-</u>	<u>536,003</u>
Total - Local Sources	33,417,558	270,398	198	1,913,116	35,601,270
State Sources	7,872,614	1,034		131,256	8,004,904
Federal Sources	<u>7,652</u>	<u>880,086</u>	<u>-</u>	<u>-</u>	<u>887,738</u>
Total Revenues	<u>41,297,824</u>	<u>1,151,518</u>	<u>198</u>	<u>2,044,372</u>	<u>44,493,912</u>
EXPENDITURES					
Current					
Regular Instruction	13,552,878	29,662			13,582,540
Special Education Instruction	8,517,304	412,576			8,929,880
Other Instruction	824,614	352,697			1,177,311
School-Sponsored Activities and Athletics	846,648	263,102			1,109,750
Support Services					
Student and Instruction Related Services	5,959,477	110,577			6,070,054
Educational Media/School Library	389,596				389,596
General Administrative Services	894,304				894,304
School Administrative Services	2,375,359				2,375,359
Plant Operations and Maintenance	2,768,408				2,768,408
Pupil Transportation	1,336,139				1,336,139
Central Services	996,400				996,400
Debt Service					
Principal	314,649			1,740,000	2,054,649
Interest and Other Charges	195,440			304,372	499,812
Capital Outlay	<u>27,069</u>	<u>37,345</u>	<u>48,353</u>	<u>-</u>	<u>112,767</u>
Total Expenditures	<u>38,998,285</u>	<u>1,205,959</u>	<u>48,353</u>	<u>2,044,372</u>	<u>42,296,969</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,299,539</u>	<u>(54,441)</u>	<u>(48,155)</u>	<u>-</u>	<u>2,196,943</u>
OTHER FINANCING SOURCES (USES)					
Leases Purchase Agreements (Non-budget)	211,997				211,997
Transfer In	142				142
Transfer Out	<u>-</u>	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>(142)</u>
Total Other Financing Sources and Uses	<u>212,139</u>	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>211,997</u>
Net Change in Fund Balances	2,511,678	(54,441)	(48,297)	-	2,408,940
Fund Balance, Beginning of Year (Restated)	<u>989,018</u>	<u>179,268</u>	<u>307,852</u>	<u>1</u>	<u>1,476,139</u>
Fund Balance, End of Year	<u>\$ 3,500,696</u>	<u>\$ 124,827</u>	<u>\$ 259,555</u>	<u>\$ 1</u>	<u>\$ 3,885,079</u>

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

**SADDLE BROOK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 2,408,940

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

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

Capital Outlay	\$ 112,767	
Depreciation Expense	<u>(1,692,230)</u>	
		(1,579,463)

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

Amortization of Discount	(1,313)	
Amortization of Bond Premium	36,448	
Amortization of Deferred Amounts on Refunding	(38,249)	
Principal Repayments		
Bond Principal	1,740,000	
Capital Lease Principal	<u>314,649</u>	
		2,051,535

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

Net Decrease in Compensated Absences	11,814	
Decrease in Net Pension Expense	<u>531,814</u>	
		543,628

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>19,039</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 3,443,679

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

	<u>Food Service</u>	<u>Community Programs</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents		\$ 342,449	\$ 342,449
Other Accounts Receivable	\$ 5,328		5,328
Intergovernmental Receivable			
State	3,516		3,516
Federal	133,674		133,674
Inventories	20,134	-	20,134
Total Current Assets	<u>162,652</u>	<u>342,449</u>	<u>505,101</u>
Capital Assets			
Equipment	251,152		251,152
Less: Accumulated Depreciation	<u>(205,947)</u>	<u>-</u>	<u>(205,947)</u>
Total Capital Assets, Net	<u>45,205</u>	<u>-</u>	<u>45,205</u>
Total Assets	<u>207,857</u>	<u>342,449</u>	<u>550,306</u>
LIABILITIES			
Current Liabilities			
Cash Overdraft	29,396		29,396
Accounts Payable	11,922		11,922
Unearned Revenue	21,915	-	21,915
Total Current Liabilities	<u>63,233</u>	<u>-</u>	<u>63,233</u>
NET POSITION			
Net Investment in Capital Assets	45,205	-	45,205
Unrestricted	<u>99,419</u>	<u>342,449</u>	<u>441,868</u>
Total Net Position	<u>\$ 144,624</u>	<u>\$ 342,449</u>	<u>\$ 487,073</u>

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

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

	<u>Food Service</u>	<u>Community Programs</u>	<u>Business-Type Activities Enterprise Fund Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable programs	\$ 6,884		\$ 6,884
Daily Sales - Non-Reimbursable Programs	259	-	259
	<u>7,143</u>	<u>-</u>	<u>7,143</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	212,335		212,335
Cost of Sales - Non-Reimbursable	85,818		85,818
Salaries and Employee Benefits	159,685	\$ 7,347	167,032
Purchased Property Services	2,264		2,264
Other Purchased Services	3,390		3,390
Supplies and Materials	5,413		5,413
Depreciation	16,801		16,801
Miscellaneous	31,238	19,350	50,588
	<u>516,944</u>	<u>26,697</u>	<u>543,641</u>
Operating Income/(Loss)	<u>(509,801)</u>	<u>(26,697)</u>	<u>(536,498)</u>
NONOPERATING REVENUES/(EXPENSES)			
State Sources			
School Lunch Program	17,722		17,722
Federal Sources			
National School Lunch Program	331,622		331,622
Food Distribution Program	40,076		40,076
School Breakfast Program	175,074		175,074
Interest and Investment Revenue		132	132
Interest Expense	(527)	-	(527)
	<u>563,967</u>	<u>132</u>	<u>564,099</u>
Total Nonoperating Revenues	<u>563,967</u>	<u>132</u>	<u>564,099</u>
Change in Net Position	54,166	(26,565)	27,601
Total Net Position, Beginning of Year	<u>90,458</u>	<u>369,014</u>	<u>459,472</u>
Total Net Position, End of Year	<u>\$ 144,624</u>	<u>\$ 342,449</u>	<u>\$ 487,073</u>

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

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

	<u>Food Service</u>	<u>Community Programs</u>	Business-Type Activities Enterprise Fund Totals
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 8,316		\$ 8,316
Cash Payments for Employees' Salaries and Benefits	(159,685)	\$ (7,347)	(167,032)
Cash Payments to Suppliers for Goods and Services	(288,986)	-	(288,986)
Net Cash Provided/(Used) for Operating Activities	(440,355)	(7,347)	(447,702)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	395,217	-	395,217
Net Cash Provided/(Used) by Noncapital Financing Activities	395,217	-	395,217
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(2,491)		(2,491)
Principal Payment Capital Lease	(10,242)		(10,242)
Interest Paid- Capital Leases	(526)	-	(526)
Net Cash Used by Capital and Related Financing Activities	(13,259)	-	(10,768)
Cash Flows from Investing Activities			
Interest on Investments	-	132	132
Net Cash Provided by Investing Activities	-	132	132
Net Increase/(Decrease) in Cash and Cash Equivalents	(58,397)	(7,215)	(65,612)
Cash and Cash Equivalents, Beginning of Year	29,001	349,664	378,665
Cash and Cash Equivalents, End of Year	\$ (29,396)	\$ 342,449	\$ 313,053
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income (Loss)	\$ (509,801)	\$ (26,697)	\$ (536,498)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Noncash Federal Assistance - Food Distribution Program	40,076		40,076
Depreciation	16,801		16,801
Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable	3,827	19,350	23,177
(Increase)/Decrease in Inventory	1,690		1,690
Increase/(Decrease) in Accounts Payable	9,708		9,708
Increase/(Decrease) in Unearned Revenue	(2,656)	-	(2,656)
Total Adjustments	69,446	19,350	88,796
Net Cash Provided by (Used for) Operating Activities	\$ (440,355)	\$ (7,347)	\$ (447,702)
Non-Cash Financing Activities			
Food Distribution Program Commodities Received	\$ 40,076		

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Saddle Brook Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

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

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

B. New Accounting Standards

During fiscal year 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.

**SADDLE BROOK 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.

**SADDLE BROOK 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 and enterprise funds to be major funds.

The District reports the following major governmental funds:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

The *community program fund* accounts for the activities of the District's before and after school and summer camp programs.

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 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.

**SADDLE BROOK 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)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources. However, the District had no unused commodity inventory at year end.

**SADDLE BROOK 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. Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and their use is limited by state or county regulations for capital projects.

5. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15-20
Buildings and Building Improvements	30-40
Machinery and Equipment	5-20

6. Deferred Outflows/Inflows of Resources

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

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

**SADDLE BROOK 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. *Compensated Absences*

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

8. *Pensions*

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

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

9. *Long-Term Obligations*

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

Legally Restricted – Unexpended Additional Spending Proposal – This restriction was created in accordance with NJAC 6A:23A-12.13(a)11 to represent the unexpended proceeds of separate spending proposals approved by the voters in the 2019/2020 District budget that is required to be appropriated in the 2021/2022 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2).

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

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

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Unemployment Compensation – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 2A).

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

Scholarship – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

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

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

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Tuition Revenues and Expenditures

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

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

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 6, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$812,048. The increase was funded by the additional grant awards, the reappropriation of prior year general fund encumbrances, student activity revenues and scholarship donations.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Capital Reserve

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

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

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

Balance, July 1, 2020	\$ 447,203
Increased by:	
Deposits Approved by Board Resolution	<u>1,274,920</u>
Balance, June 30, 2021	<u>\$ 1,722,123</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects is \$4,134,000. \$162,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

**SADDLE BROOK 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

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

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

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

Balance, July 1, 2020	\$ 39,019
Increased by:	
Deposits Approved by Board Resolution	500,000
Balance, June 30, 2021	\$ 539,019

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,331,073.

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 \$5,136,594 and bank and brokerage firm balances of the Board’s deposits amounted to \$6,222,757. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

Depository Account

Insured	\$ 6,222,757
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**SADDLE BROOK 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)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board’s bank balances were exposed to custodial credit risk.

Investments

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

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

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

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 10,635		\$ 5,328	\$ 15,963
Intergovernmental				
Federal		\$ 134,668	133,674	268,342
State	<u>89,123</u>	<u>-</u>	<u>3,516</u>	<u>92,639</u>
Net Total Receivables	<u>\$ 99,758</u>	<u>\$ 134,668</u>	<u>\$ 142,518</u>	<u>\$ 376,944</u>

C. Unearned Revenue

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

General Fund	
Insurance Proceeds for Damages to be Repaired	\$ 12,356
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>26,665</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 39,021</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Balance, June 30, 2021</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 31,974			\$ 31,974
Construction in Progress	-	\$ 15,490	-	15,490
Total capital assets, not being depreciated	<u>31,974</u>	<u>15,490</u>	<u>-</u>	<u>47,464</u>
Capital assets, being depreciated:				
Land Improvements	664,343	23,307		687,650
Buildings and Building Improvements	44,700,930	45,660		44,746,590
Machinery and Equipment	3,591,458	28,310	\$ (2,860)	3,616,908
Total capital assets being depreciated	<u>48,956,731</u>	<u>97,277</u>	<u>(2,860)</u>	<u>49,051,148</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(281,160)	(25,533)		(306,693)
Land Improvements	(16,461,548)	(1,403,682)		(17,865,230)
Machinery and Equipment	(3,004,681)	(263,015)	2,860	(3,264,836)
Total accumulated depreciation	<u>(19,747,389)</u>	<u>(1,692,230)</u>	<u>2,860</u>	<u>(21,436,759)</u>
Total capital assets, being depreciated, net	<u>29,209,342</u>	<u>(1,594,953)</u>	<u>-</u>	<u>27,614,389</u>
Governmental activities capital assets, net	<u>\$ 29,241,316</u>	<u>\$ (1,579,463)</u>	<u>\$ -</u>	<u>\$ 27,661,853</u>

**SADDLE BROOK 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)

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
Business-Type activities:				
Capital assets, being depreciated:				
Machinery and Equipment	\$ 248,661	\$ 2,491	-	\$ 251,152
Total capital assets being depreciated	<u>248,661</u>	<u>2,491</u>	<u>-</u>	<u>251,152</u>
Less accumulated depreciation for:				
Machinery and Equipment	(189,146)	(16,801)	-	(205,947)
Total accumulated depreciation	<u>(189,146)</u>	<u>(16,801)</u>	<u>-</u>	<u>(205,947)</u>
Total capital assets, being depreciated, net	<u>59,515</u>	<u>(14,310)</u>	<u>-</u>	<u>45,205</u>
Business-type activities capital assets, net	<u>\$ 59,515</u>	<u>\$ (14,310)</u>	<u>\$ -</u>	<u>\$ 45,205</u>

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

Governmental activities:

Instruction

Regular	\$ 681,844
Special Education	297,400
Other Instruction	46,289
School-Sponsored Activities and Athletics	<u>37,257</u>
Total Instruction	<u>1,062,790</u>

Support Services

Student and Instruction Related Services	285,618
Educational Media	21,362
General and Business Administrative Services	30,178
School Administrative Services	129,004
Plant Operations and Maintenance	103,465
Pupil Transportation	17,346
Central Services	<u>42,467</u>
Total Support Services	<u>629,440</u>

Total Depreciation Expense - Governmental Activities \$ 1,692,230

Business-Type Activities:

Food Service Fund	<u>\$ 16,801</u>
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**SADDLE BROOK 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)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Middle School/High School Room Renovation	\$ 43,430
Parking Lot Resurfacing	<u>209,975</u>
	<u>\$ 253,405</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 15,310
General Fund	Capital Projects Fund	<u>6</u>
		<u>\$ 15,316</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

Interfund Transfers

	<u>Transfer Out:</u>
	Capital Projects Fund
Transfer In: General Fund	\$ <u>142</u>
Total	<u>\$ 142</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Lease Agreements

The District is leasing technology equipment, student transportation district vehicles, energy savings incentive program and food service equipment totaling \$5,421,964 under lease agreements. The leases are for terms of 4 to 18 years.

The unexpended proceeds from capital leases in the amount of \$138,597 at June 30, 2021 are held with the Fiscal Agent.

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</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2022	\$ 429,370
2023	357,935
2024	334,712
2025	342,804
2026	355,425
2027-2031	1,921,425
2032-2036	<u>1,777,587</u>
Total minimum lease payments	5,519,258
Less: amount representing interest	<u>974,442</u>
Present value of minimum lease payments	<u>\$ 4,544,816</u>
Capital Lease	\$ 4,388,084
Non-Capital Lease	<u>156,732</u>
	<u>\$ 4,544,816</u>

**SADDLE BROOK 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

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:

\$9,030,000, 2009 Refunding Bonds, due in annual installments of \$825,000 to \$840,000 through August 15, 2022, interest at 3% - 4%	\$ 1,665,000
\$2,955,000, 2012 Pension Refunding Bonds, due in annual installments of \$180,000 to \$240,000 through August 15, 2028, interest at 5.00% - 5.75%	1,655,000
\$3,530,000, 2012 Refunding Bonds, due in annual installments of \$390,000 to \$400,000 through February 15, 2024, interest at 4.25% - 4.375%	1,190,000
\$4,609,000, 2015 School Bonds, due in annual installments of \$340,000 to \$350,000 through February 15, 2030, interest at 2.00%-3.00%	<u>3,124,000</u>
	<u>\$ 7,634,000</u>

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

Governmental Activities:

Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,750,000	\$ 247,158	\$ 1,997,158
2023	1,755,000	188,221	1,943,221
2024	935,000	139,360	1,074,360
2025	545,000	104,820	649,820
2026	560,000	85,860	645,860
2027-2030	<u>2,089,000</u>	<u>149,190</u>	<u>2,238,190</u>
	<u>\$ 7,634,000</u>	<u>\$ 914,609</u>	<u>\$ 8,548,609</u>

**SADDLE BROOK 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)

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:

4% of Equalized Valuation Basis (Municipal)	\$ 101,859,514
Less: Net Debt	<u>7,634,000</u>
Remaining Borrowing Power	<u>\$ 94,225,514</u>

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, <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2021</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 9,374,000		\$ 1,740,000	\$ 7,634,000	\$ 1,750,000
Deferred Amounts					
Add: Premium	90,106		36,448	53,658	27,839
Less: Discount	<u>(11,809)</u>	<u>-</u>	<u>1,313</u>	<u>(10,496)</u>	<u>1,313</u>
Total Bonds Payable	9,452,297	-	1,777,761	7,677,162	1,779,152
Net Pension Liability	6,596,668		808,070	5,788,598	
Capital Leases	4,702,733		314,649	4,388,084	292,615
Compensated Absences	<u>532,245</u>	<u>-</u>	<u>11,814</u>	<u>520,431</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 21,283,943</u>	<u>\$ -</u>	<u>\$ 2,912,294</u>	<u>\$ 18,374,275</u>	<u>\$ 2,071,767</u>
Business-Type Activities:					
Capital Leases	<u>\$ 10,242</u>	<u>-</u>	<u>\$ 10,242</u>	<u>-</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 10,242</u>	<u>\$ -</u>	<u>\$ 10,242</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District provided traditional health coverage with the State Employee Health Benefit Program.

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

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

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

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earnings</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 300,000	\$ 33,156	\$ 80		\$ 411,615
2020	54,146	30,766	173	\$ 111,038	78,381
2019	N/A	31,259	438	40,886	104,334

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.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

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.

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

The following represent the membership tiers for TPAF:

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

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

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

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

**SADDLE BROOK 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.

**SADDLE BROOK 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:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 388,317	\$ 3,693,785	\$ 5,716
2020	355,953	2,767,469	10,711
2019	369,577	2,575,479	49,141

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$1,405 and \$1,500, respectively for PERS and the State contributed \$2,094, \$2,501 and \$3,085, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,018,221 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$5,788,598 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 .03549 percent, which was a decrease of .00110 percent from its proportionate share measured as of June 30, 2019 of .03659 percent.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$143,497 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	\$ 105,401	\$ 20,471
Changes of Assumptions	187,789	2,423,741
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	197,859	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>356,525</u>
Total	<u>\$ 491,049</u>	<u>\$ 2,800,737</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	\$ (863,559)
2023	(767,384)
2024	(446,820)
2025	(192,981)
2026	<u>(38,944)</u>
	<u>\$ (2,309,688)</u>

**SADDLE BROOK 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.

**SADDLE BROOK 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%

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>7,286,879</u>	\$ <u>5,788,598</u>	\$ <u>4,517,265</u>

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

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,075,529 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$81,620,795. 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 .12395 percent, which was a decrease of .00432 percent from its proportionate share measured as of June 30, 2019 of .12827 percent.

**SADDLE BROOK 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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

**SADDLE BROOK BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

d. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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>\$ 95,873,183</u>	<u>\$ 81,620,795</u>	<u>\$ 69,786,579</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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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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	—
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.

**SADDLE BROOK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$1,157,574, \$1,026,680 and \$1,168,233, 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 \$4,315,444. 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 \$86,771,168. 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 .12796 percent, which was an increase of .00243 percent from its proportionate share measured as of June 30, 2019 of .12553 percent.

**SADDLE BROOK 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%.

**SADDLE BROOK 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.

**SADDLE BROOK 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>52,384,491</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,141,371
Interest on the Total OPEB Liability	1,882,991
Differences Between Expected and Actual Experience	15,977,032
Changes of Assumptions	15,850,111
Gross Benefit Payments	(1,510,615)
Contributions from the Member	45,787
Net Changes	<u>\$ 34,386,677</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 86,771,168</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.

**SADDLE BROOK 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	<u>\$ 104,607,122</u>	<u>\$ 86,771,168</u>	<u>\$ 72,825,170</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 70,044,613</u>	<u>\$ 86,771,168</u>	<u>\$ 106,688,777</u>

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.

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

NOTE 5 RESTATEMENT

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

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$257,649 from \$7,063,053 as previously reported to \$7,320,702 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, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$257,649 from \$1,218,490 as previously reported to \$1,476,139 as of June 30, 2020. General Fund fund balance increased \$78,381 from \$910,637 as previously reported to \$989,018 as of June 30, 2020. Special Revenue Fund fund balance increased \$179,268 from \$0 as previously reported to \$179,268 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 \$81,202 from \$81,202 as previously reported to \$0 as of June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

**SADDLE BROOK 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)

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.

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final Budget with Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 33,152,151		\$ 33,152,151	\$ 33,152,151	
Miscellaneous	390,656	-	390,656	265,407	\$ (125,249)
Sub-Total Local Sources	33,542,807	-	33,542,807	33,417,558	(125,249)
State Sources					
Special Education Aid	1,288,145	\$ (120,233)	1,167,912	1,167,912	-
Equalization Aid	17,740		17,740	17,740	-
Security Aid	43,806		43,806	43,806	-
Transportation Aid	234,147		234,147	234,147	-
Extraordinary Aid	375,000		375,000	576,011	201,011
On Behalf TPAF Pension Contribution- (Non-Budgeted)					-
Normal				3,624,818	3,624,818
NCGI Premium				68,967	68,967
Post Retirement Medical Contributions				1,157,574	1,157,574
Long-Term Disability				2,094	2,094
Reimbursed TPAF Social Security Contributions (Non Budgeted)	-	-	-	1,018,221	1,018,221
Sub-Total State Sources	1,958,838	(120,233)	1,838,605	7,911,290	6,072,685
Federal Sources					
Medicaid Assistance Program (SEMI)	27,125	-	27,125	7,652	(19,473)
Sub-Total Federal Sources	27,125	-	27,125	7,652	(19,473)
Total Revenues	35,528,770	(120,233)	35,408,537	41,336,500	5,927,963
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	56,670		56,670	56,670	-
Kindergarten	456,020		456,020	432,407	23,613
Grades 1-5	2,985,721	\$ (52,273)	2,933,448	2,924,012	9,436
Grades 6-8	1,522,912	178,967	1,701,879	1,424,795	277,084
Grades 9-12	2,631,078	18,201	2,649,279	2,627,758	21,521
Regular Programs- Home Instructions					
Salaries of Teachers	50,000	-	50,000	750	49,250
Purchased Professional-Educational Services	7,000	-	7,000		7,000
Regular Programs- Undistributed Instruction					
Other Salaries for Instruction	44,804	14,395	59,199	58,159	1,040
Purchased Professional-Educational Services	175,000	109,345	284,345	284,345	
Other Purchased Services	257,231	(16,521)	240,710	213,611	27,099
General Supplies	285,542	230,419	515,961	451,596	64,365
Textbooks	103,565	(41,840)	61,725	57,336	4,389
Other Objects	5,000	(3,561)	1,439	122	1,317
Total Regular Programs	8,580,543	437,132	9,017,675	8,531,561	486,114
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	156,710	57,418	214,128	185,008	29,120
Other Salaries for Instruction	105,460	21,101	126,561	100,454	26,107
Purchased Professional-Educational Services	40,000	(27,439)	12,561	7,843	4,718
Other Purchased Services	4,000	169	4,169	3,409	760
General Supplies	3,500	5,510	9,010	7,296	1,714
Total Learning and/or Language Disabilities	309,670	56,759	366,429	304,010	62,419

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		<u>Final Budget with Actual</u>
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Resource Room					
Salaries of Teachers	\$ 2,133,448	\$ (299,089)	\$ 1,834,359	\$ 1,834,359	-
Other Salaries for Instruction	670,817	(11,256)	659,561	646,652	\$ 12,909
General Supplies	7,842	3,050	10,892	6,901	3,991
Textbooks	800	39	839	839	-
Total Resource Room	<u>2,812,907</u>	<u>(307,256)</u>	<u>2,505,651</u>	<u>2,488,751</u>	<u>16,900</u>
Autism					
Salaries of Teachers	167,000	(6,731)	160,269	108,201	52,068
Other Salaries for Instruction	236,787	(8,354)	228,433	174,429	54,004
General Supplies	2,000	1,100	3,100	1,473	1,627
Total Autism Room	<u>405,787</u>	<u>(13,985)</u>	<u>391,802</u>	<u>284,103</u>	<u>107,699</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	51,240	2,706	53,946	53,946	-
Other Salaries for Instruction	24,226	(15,000)	9,226	3,001	6,225
General Supplies	1,000	1,045	2,045	1,530	515
Total Preschool Handicapped - Part - Time	<u>76,466</u>	<u>(11,249)</u>	<u>65,217</u>	<u>58,477</u>	<u>6,740</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	51,240	70,900	122,140	109,554	12,586
Other Salaries for Instruction	42,870	23,603	66,473	66,473	-
General Supplies	1,000	-	1,000	-	1,000
Total Preschool Handicapped - Full - Time	<u>95,110</u>	<u>94,503</u>	<u>189,613</u>	<u>176,027</u>	<u>13,586</u>
Home Instruction					
Purchased Professional Educational Services	7,000	2,653	9,653	1,890	7,763
Total Home Instruction	<u>7,000</u>	<u>2,653</u>	<u>9,653</u>	<u>1,890</u>	<u>7,763</u>
Total Special Education	<u>3,706,940</u>	<u>(178,575)</u>	<u>3,528,365</u>	<u>3,313,258</u>	<u>215,107</u>
Basic Skills/Remedial					
Salaries of Teachers	429,037	(45,221)	383,816	383,816	-
Supplies	1,200	16,112	17,312	17,239	73
Total Basic Skills/Remedial	<u>430,237</u>	<u>(29,109)</u>	<u>401,128</u>	<u>401,055</u>	<u>73</u>
Bilingual Education					
Salaries of Teachers	77,715	50,000	127,715	127,005	710
Supplies	1,500	-	1,500	-	1,500
Total Bilingual Education	<u>79,215</u>	<u>50,000</u>	<u>129,215</u>	<u>127,005</u>	<u>2,210</u>

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
School Sponsored Co/Extra Curricular Activities					
Salaries	\$ 137,400	\$ (29,925)	\$ 107,475	\$ 99,383	\$ 8,092
Purchased Services	4,000	120	4,120	2,640	1,480
Supplies		3,295	3,295	3,295	-
Other Objects	3,950	35,348	39,298	39,298	-
Total School Sponsored Co/Extra Curricular Activities	<u>145,350</u>	<u>8,838</u>	<u>154,188</u>	<u>144,616</u>	<u>9,572</u>
School Sponsored Athletics					
Salaries	332,242	-	332,242	311,771	20,471
Purchased Services	50,500	(8,097)	42,403	36,074	6,329
Supplies and Materials	48,750	(16,542)	32,208	27,745	4,463
Other Objects	15,500	270	15,770	7,270	8,500
Total School Sponsored Athletics	<u>446,992</u>	<u>(24,369)</u>	<u>422,623</u>	<u>382,860</u>	<u>39,763</u>
Total - Instruction	<u>13,389,277</u>	<u>263,917</u>	<u>13,653,194</u>	<u>12,900,355</u>	<u>752,839</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - General Ed		10,491	10,491	10,491	
Tuition to Other LEA's Within the State - Special	486,689	(230,956)	255,733	255,733	-
Tuition to County Vocational School Dist.-Regular	405,000	13,194	418,194	412,177	6,017
Tuition to County Vocational School Dist.-Special	418,085	219,727	637,812	626,262	11,550
Tuition to CSSD & Regional Day Schools	502,661	(151,306)	351,355	328,740	22,615
Tuition to Private Schools for Disabled Within the State	1,960,534	(131,514)	1,829,020	1,829,020	-
Tuition to Private Schools for Disabled Within the State	-	65,000	65,000	65,000	-
Total Tuition	<u>3,772,969</u>	<u>(205,364)</u>	<u>3,567,605</u>	<u>3,527,423</u>	<u>40,182</u>
Health Services					
Salaries	392,178	(57,100)	335,078	312,197	22,881
Purchased Prof. and. Tech services	15,000	29,644	44,644	44,644	-
Other Purchased Services	1,500	1,145	2,645	2,609	36
Supplies and Materials	4,875	6,753	11,628	5,217	6,411
Other Objects	2,300	285	2,585	2,585	-
Total Health Services	<u>415,853</u>	<u>(19,273)</u>	<u>396,580</u>	<u>367,252</u>	<u>29,328</u>
Speech, OT/PT and Related Services					
Salaries	685,515	107,344	792,859	792,859	-
Purchased Prof. Ed. Services	110,165	92,874	203,039	203,039	-
Supplies and Materials	4,300	-	4,300	2,818	1,482
Total Speech, OT/PT and Related Services	<u>799,980</u>	<u>200,218</u>	<u>1,000,198</u>	<u>998,716</u>	<u>1,482</u>
Other Support Services - Students - Extra. Serv.					
Salaries	242,910	(33,356)	209,554	188,205	21,349
Purchased Professional-Educational Services	910,757	(114,608)	796,149	529,261	266,888
Total Other Support Services - Students - Extra Serv.	<u>1,153,667</u>	<u>(147,964)</u>	<u>1,005,703</u>	<u>717,466</u>	<u>288,237</u>
Guidance					
Salaries of Other Professional Staff	570,652	-	570,652	554,323	16,329
Salaries of Secretarial and Clerical Assistants	59,207	34,514	93,721	93,615	106
Other Purchased Prof. and. Tech services	3,000	(1,056)	1,944	1,944	-
Other Purchased Services	34,625	(7,713)	26,912	23,478	3,434
Supplies and Materials	12,850	8,856	21,706	19,512	2,194
Other Objects	1,100	-	1,100	737	363
Total Guidance	<u>681,434</u>	<u>34,601</u>	<u>716,035</u>	<u>691,665</u>	<u>24,370</u>

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

	Budgeted Amounts			Actual	Variance
	Original	Adjustments	Final		Final Budget with Actual
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 843,262	\$ (11,382)	\$ 831,880	\$ 742,463	\$ 89,417
Salaries of Secretarial and Clerical Assistants	68,173	790	68,963	68,963	-
Purchased Prof. - Ed. Services	15,000	17,383	32,383	23,333	9,050
Other Purchased Services	800	-	800	-	800
Supplies and Materials	9,500	-	9,500	9,015	485
Total Child Study Team	936,735	6,791	943,526	843,774	99,752
Improvement of Instructional Svcs/ Other Support					
Svcs - Instructional Staff					
Salaries of Supervisor of Instruction	229,331	2,969	232,300	232,300	-
Salaries of Other Professional Staff	25,000	24,750	49,750	22,350	27,400
Other Salaries	5,000	10,514	15,514	15,514	-
Other Purchased Services	2,000	(1,385)	615	-	615
Other Objects	2,600	-	2,600	-	2,600
Total Improvement of Instructional Svcs	263,931	36,848	300,779	270,164	30,615
Educational Media Services/School Library					
Salaries	230,688	5,050	235,738	235,738	-
Other Purchased Services	1,320	(308)	1,012	-	1,012
Supplies and Materials	13,700	308	14,008	11,222	2,786
Other Objects	9,560	-	9,560	5,780	3,780
Total Educational Media Services/School Library	255,268	5,050	260,318	252,740	7,578
Instructional Staff Training Services					
Salaries of Other Professional Staff	122,210	6,607	128,817	128,817	-
Other Salaries	4,000	-	4,000	350	3,650
Purchased Prof.-Ed. Services	16,000	193	16,193	8,900	7,293
Other Purchased Services	49,000	(5,738)	43,262	20,337	22,925
Supplies and Materials	-	7,386	7,386	1,648	5,738
Other Objects	-	4,470	4,470	4,470	-
Total Instructional Staff Training Services	191,210	12,918	204,128	164,522	39,606
Support Services General Administration					
Salaries	340,790	(4,855)	335,935	333,034	2,901
Legal Services	50,000	44,649	94,649	94,649	-
Audit Fees	39,000	35,200	74,200	37,137	37,063
Other Purchased Professional Services	7,700	(2,613)	5,087	5,087	-
Communications/Telephone	147,335	(4,120)	143,215	138,170	5,045
BOE Other Purchased Services	8,000	(5,000)	3,000	900	2,100
Miscellaneous Purchased Services	68,600	(25,824)	42,776	42,011	765
General Supplies	6,200	1,053	7,253	3,895	3,358
BOE In-House Training/Meeting Supplies	3,000	(3,000)	-	-	-
Miscellaneous Expenditures	8,500	(452)	8,048	5,587	2,461
BOE Membership Dues and Fees	14,000	-	14,000	12,827	1,173
Total Support Services General Administration	693,125	35,038	728,163	673,297	54,866
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,109,648	10,254	1,119,902	1,119,902	-
Salaries of Secretarial and Clerical Assistants	349,130	(44,542)	304,588	303,735	853
Purchased Professional & Technical Services	3,000	-	3,000	109	2,891
Other Purchased Services	22,300	1,052	23,352	18,579	4,773
Supplies and Materials	39,010	27,822	66,832	35,252	31,580
Other Objects	19,300	(6,454)	12,846	11,846	1,000
Total Support Services School Administration	1,542,388	(11,868)	1,530,520	1,489,423	41,097

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

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Central Services					
Salaries	\$ 398,452	\$ (12,206)	\$ 386,246	\$ 386,246	
Purchased Professional Services	28,500	(2,850)	25,650	25,650	
Purchased Technical Services	5,400	(465)	4,935	4,935	
Miscellaneous Purchased Services	30,700	(7,628)	23,072	23,072	
Supplies and Materials	8,200	19,772	27,972	8,614	\$ 19,358
Other Objects	1,430	2,177	3,607	1,443	2,164
Total Central Services	472,682	(1,200)	471,482	449,960	21,522
Admin. Info. Tech.					
Salaries	82,400	-	82,400	82,400	-
Purchased Technical Services	95,000	(2,000)	93,000	93,000	-
Other Purchased Services	61,370	127,930	189,300	163,250	26,050
Supplies and Materials	36,565	23,976	60,541	39,072	21,469
Other Objects	84,567	(84,317)	250	250	-
Total Admin. Info. Tech.	359,902	65,589	425,491	377,972	47,519
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	292,185	49,671	341,856	242,570	99,286
General Supplies	26,500	(3,450)	23,050	8,925	14,125
Other Objects	5,000	-	5,000	-	5,000
Total Required Maintenance for School Facilities	323,685	46,221	369,906	251,495	118,411
Custodial Services					
Salaries	1,169,522	(50,000)	1,119,522	1,087,510	32,012
Salaries of Non-Instructional Aides	149,791	(130,000)	19,791	18,520	1,271
Purchased Professional & Technical Services	7,000	2,000	9,000	8,014	986
Cleaning, Repair and Maint. Services	79,600	(2,000)	77,600	61,469	16,131
Other Purchased Property Services	22,848	-	22,848	22,848	-
Insurance	215,500	10,401	225,901	225,901	-
Travel	1,500	-	1,500	82	1,418
General Supplies	110,000	10,380	120,380	119,222	1,158
Energy - Natural Gas	140,000	9,398	149,398	149,398	-
Energy - Electricity	235,000	26,908	261,908	261,908	-
Other Objects	1,000	526	1,526	1,151	375
Interest-Energy Savings Improvement Bonds	136,747	-	136,747	136,747	-
Principal-Energy Savings Improvement Bonds	165,000	-	165,000	165,000	-
Total Custodial Services	2,433,508	(122,387)	2,311,121	2,257,770	53,351
Care and Upkeep of Grounds					
Salaries	47,690	-	47,690	35,768	11,922
Cleaning, Repair and Maint. Svc	67,500	325,130	392,630	76,355	316,275
General Supplies	24,500	(11,819)	12,681	3,229	9,452
Total Care and Upkeep of Grounds	139,690	313,311	453,001	115,352	337,649

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

	Budgeted Amounts			Actual	Variance Final Budget with Actual
	Original	Adjustments	Final		
EXPENDITURES (Continued)					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation (Other Than Between Home and School)	\$ 221,428	-	\$ 221,428	\$ 191,427	\$ 30,001
Cleaning, Repair and Maintenance Services	30,000	\$ 8,000	38,000	35,337	2,663
Lease Purchase Payments - School Buses	20,633	-	20,633	20,633	-
Contracted Services (Other Than Between Home and School) - Vendors	139,000	54,075	193,075	193,075	-
Contracted Services (Between Home and School) - Vendors	2,000	-	2,000	-	2,000
Contracted Services (Special Ed Students) - Vendors	28,000	-	28,000	10,227	17,773
Contracted Services (Special Ed Students) -Joint Agreements	975,000	(214,076)	760,924	717,679	43,245
Contracted Services - Aid in Lieu of Payments	130,000	(4,300)	125,700	78,994	46,706
Transportation Supplies	19,000	4,320	23,320	5,164	18,156
Other Objects	2,800	(20)	2,780	1,617	1,163
Total Student Transportation Services	1,567,861	(152,001)	1,415,860	1,254,153	161,707
Unallocated Benefits					
Group Insurance - DCRP	10,000	-	10,000	5,716	4,284
Social Security Contributions	390,000	16,847	406,847	348,008	58,839
Other Retirement Contributions - PERS	395,000	26,605	421,605	421,605	-
Unemployment Compensation	30,000	270,000	300,000	-	300,000
Workmen's Compensation	180,000	(2,863)	177,137	177,137	-
Health Benefits	4,778,000	(592,883)	4,185,117	4,165,633	19,484
Tuition Reimbursement	57,000	(30,000)	27,000	21,707	5,293
Other Employee Benefits	4,000	41,050	45,050	44,991	59
Total Unallocated Benefits	5,844,000	(271,244)	5,572,756	5,184,797	387,959
On Behalf TPAF Pension Contributions- (Non-Budgeted)					
Normal	-	-	-	3,624,818	(3,624,818)
NCGI Premium	-	-	-	68,967	(68,967)
Post Retirement Medical Contribution	-	-	-	1,157,574	(1,157,574)
Long-Term Disability	-	-	-	2,094	(2,094)
On Behalf TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,018,221	(1,018,221)
Total On-Behalf Contributions	-	-	-	5,871,674	(5,871,674)
Total Undistributed Expenditures	21,847,888	(174,716)	21,673,172	25,759,615	(4,086,443)
Interest Earned on Maintenance Reserve	-	-	-	-	-
Total Current Expenditures	35,237,165	89,201	35,326,366	38,659,970	(3,333,604)

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	-	-	-	-	-
Equipment					
School Sponsored and Other Instructional Programs		\$ 14,272	\$ 14,272	\$ 14,272	-
Undistr. Expend.- Support Serv. - Regular		45,776	45,776		\$ 45,776
Undistr. Expend.- Admin Info. Tech.		26,310	26,310		26,310
Undistr. Expend-Operation & Maint of Plant Serv	\$ 20,000	(20,000)	-		
Undistr. Expend-Required Maint for School Facilities-Equip	-	12,797	12,797	12,797	-
Total Undistributed Expenditures	20,000	79,155	99,155	27,069	72,086
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	50,619	-	50,619	50,619	-
Total Facilities Acquisition and Construction Services.	50,619	-	50,619	50,619	-
Total Capital Outlay	70,619	79,155	149,774	77,688	72,086
Transfers to Charter Schools	220,986	39,641	260,627	260,627	-
Total Expenditures	35,528,770	207,997	35,736,767	38,998,285	(3,261,518)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(328,230)	(328,230)	2,338,215	2,666,445
Other Financing Sources(Uses)					
Lease Purchase Agreement (Non-Budget)				211,997	211,997
Transfer In From Capital Projects	-	-	-	142	142
Total Other Financing Sources(Uses)	-	-	-	212,139	212,139
Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Sources (Uses)	-	(328,230)	(328,230)	2,550,354	2,878,584
Fund Balances, Beginning of Year (Restated)	1,632,798	-	1,632,798	1,632,798	-
Fund Balances, End of Year	\$ 1,632,798	\$ (328,230)	\$ 1,304,568	\$ 4,183,152	\$ 2,878,584
Recapitulation					
Restricted Fund Balance:					
Legally Restricted- Additional Spending Proposal				\$ 1,785	
Capital Reserve				1,560,123	
Capital Reserve Designated for Subsequent Year's Expenditures				162,000	
Maintenance Reserve				539,019	
Unemployment				411,615	
Assigned Fund Balance:					
Year-end Encumbrances				649,307	
Unassigned Fund Balance				859,303	
				4,183,152	
Reconciliation to Governmental Fund Statements (GAAP)					
Last two State Aid Payments				106,445	
Extraordinary Aid Payment				576,011	
Fund Balances per Governmental Funds (GAAP)				\$ 3,500,696	

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

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance Final Budget with Actual</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Intergovernmental					
Local	\$ 1,170	\$ 135,263	\$ 136,433	\$ 270,398	\$ 133,965
State	1,130	82,313	83,443	1,034	(82,409)
Federal	612,700	386,475	999,175	880,086	(119,089)
Total Revenues	<u>\$ 615,000</u>	<u>\$ 604,051</u>	<u>\$ 1,219,051</u>	<u>\$ 1,151,518</u>	<u>\$ (67,533)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	\$ 225,000	\$ (46,872)	\$ 178,128	\$ 153,580	\$ 24,548
Purchased Prof. and Technical Services	1,170	15,874	17,044	250	16,794
Tuition	345,000	83,657	428,657	412,576	16,081
General Supplies	600	64,347	64,947	31,125	33,822
Textbooks	180	64	244	244	-
Student Activities/Athletics (Non-Budget)	-	-	-	263,102	(263,102)
Total Instruction	<u>571,950</u>	<u>117,070</u>	<u>689,020</u>	<u>860,877</u>	<u>(171,857)</u>
Support Services					
Other Salaries	3,050	37,358	40,408		40,408
Personal Services-Employee Benefits		57,705	57,705	57,705	-
Purchased Professional/Technical Services	13,000	66,403	79,403	-	79,403
Purchased Professional Educational Services	27,000	(3,000)	24,000	19,575	4,425
Other Purchased Services		1,747	1,747	547	1,200
Travel		12,629	12,629	9,310	3,319
Supplies and Materials	-	276,794	276,794	220,600	56,194
Scholarship Awards (Non-Budget)	-	-	-	-	-
Total Support Services	<u>43,050</u>	<u>449,636</u>	<u>492,686</u>	<u>307,737</u>	<u>184,949</u>
Equipment					
Non Instructional Equipment	-	37,345	37,345	37,345	-
Total Equipment	<u>-</u>	<u>37,345</u>	<u>37,345</u>	<u>37,345</u>	<u>-</u>
Total Expenditures	<u>615,000</u>	<u>604,051</u>	<u>1,219,051</u>	<u>1,205,959</u>	<u>13,092</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	-	-	-	(54,441)	(80,625)
Fund Balances, Beginning of Year (Restated)	<u>179,268</u>	<u>-</u>	<u>179,268</u>	<u>179,268</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 179,268</u>	<u>\$ -</u>	<u>\$ 179,268</u>	<u>\$ 124,827</u>	<u>\$ (80,625)</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**SADDLE BROOK BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 41,336,500	\$ 1,151,518
Differences- Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized- June 30, 2021 June 30, 2020		
State Aid payment and Extraordinary Aid (2019/2020) recognized for GAAP purposes, not recognized for budgetary statements.	643,780	
State Aid payment and Extraordinary Aid (2020/2021) recognized for budgetary purposes not recognized for GAAP statements	<u>(682,456)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 41,297,824</u>	<u>\$ 1,151,518</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 38,998,285	\$ 1,205,959
Difference- Budget to GAAP:		
Encumbrances for goods and services ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the goods and services are receive for financial reporting purposes- June 30 2021 June 30, 2020	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 38,998,285</u>	<u>\$ 1,205,959</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last 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)	0.03549 %	0.03659 %	0.03715 %	0.03739 %	0.03816 %	0.03861 %	0.03880 %	0.05007 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,788,598	\$ 6,596,668	\$ 7,315,729	\$ 8,703,658	\$ 11,301,231	\$ 8,666,481	\$ 7,264,044	\$ 9,551,078
District's Covered Payroll	\$ 2,344,325	\$ 2,506,364	\$ 2,392,364	\$ 2,515,519	\$ 2,443,192	\$ 2,534,706	\$ 2,616,572	\$ 2,500,603
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	246.9	263.2	305.8	346.0 %	462.6 %	341.9 %	277.6 %	382.0 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

**SADDLE BROOK 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	\$ 388,317	\$ 355,953	\$ 369,577	\$ 346,373	\$ 338,988	\$ 349,095	\$ 337,940	\$ 276,809
Contributions in Relation to the Contractually Required Contribution	<u>388,317</u>	<u>355,953</u>	<u>369,577</u>	<u>346,373</u>	<u>338,988</u>	<u>349,095</u>	<u>337,940</u>	<u>276,809</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,507,859	\$ 2,344,325	\$ 2,506,364	\$ 2,392,364	\$ 2,515,519	\$ 2,443,192	\$ 2,534,706	\$ 2,616,572
Contributions as a Percentage of Covered Payroll	17 %	14 %	15 %	14 %	14 %	14 %	13 %	11 %

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

**SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF 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)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 81,620,795</u>	<u>\$ 78,717,780</u>	<u>\$ 77,466,577</u>	<u>\$ 85,210,558</u>	<u>\$ 98,556,805</u>	<u>\$ 78,882,614</u>	<u>\$ 67,404,965</u>	<u>\$ 61,071,128</u>
Total	<u>\$ 81,620,795</u>	<u>\$ 78,717,780</u>	<u>\$ 77,466,577</u>	<u>\$ 85,210,558</u>	<u>\$ 98,556,805</u>	<u>\$ 78,882,614</u>	<u>\$ 67,404,965</u>	<u>\$ 61,071,128</u>
District's Covered Payroll	\$ 13,821,287	\$ 13,539,223	\$ 13,174,271	\$ 13,288,124	\$ 9,078,798	\$ 12,460,264	\$ 12,232,668	\$ 11,975,438
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
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.

**SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 2,141,371	\$ 2,066,017	\$ 2,287,177	\$ 2,717,386
Interest On OPEB Liability	1,882,991	2,335,934	2,441,635	2,123,633
Differences Between Expected and Actual Experience	15,977,032	(10,304,962)	(4,029,569)	-
Changes of Assumptions	15,850,111	781,057	(6,778,214)	(8,808,156)
Gross Benefit Payments	(1,510,615)	(1,608,048)	(1,579,426)	(1,691,487)
Contribution from the Member	<u>45,787</u>	<u>47,667</u>	<u>54,587</u>	<u>62,285</u>
Net Change in Total OPEB Liability	34,386,677	(6,682,335)	(7,603,810)	(5,596,339)
Total OPEB Liability - Beginning	<u>52,384,491</u>	<u>59,066,826</u>	<u>66,670,636</u>	<u>72,266,975</u>
Total OPEB Liability - Ending	<u>\$ 86,771,168</u>	<u>\$ 52,384,491</u>	<u>\$ 59,066,826</u>	<u>\$ 66,670,636</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>86,771,168</u>	<u>52,384,491</u>	<u>59,066,826</u>	<u>66,670,636</u>
Total OPEB Liability - Ending	<u>\$ 86,771,168</u>	<u>\$ 52,384,491</u>	<u>\$ 59,066,826</u>	<u>\$ 66,670,636</u>
District Covered Payroll	<u>\$ 16,165,612</u>	<u>\$ 16,045,587</u>	<u>\$ 15,566,635</u>	<u>\$ 15,803,643</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.

**SADDLE BROOK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 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

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

	<u>Title I</u>	<u>Title II A</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>IDEIA Basic Reg. Prog.</u>	<u>Textbooks</u>	<u>Non-Public Auxiliary ESL</u>	<u>Handicapped Speech</u>	<u>Totals (Page 2)</u>	<u>Total</u>
REVENUES										
Intergovernmental										
Local									\$ 270,398	\$ 270,398
State						\$ 244	\$ 243	\$ 547		1,034
Federal	\$ 211,902	\$ 19,943	\$ 55	\$ 15,950	\$ 412,576	-	-	-	219,660	880,086
Total Revenues	\$ 211,902	\$ 19,943	\$ 55	\$ 15,950	\$ 412,576	\$ 244	\$ 243	\$ 547	\$ 490,058	\$ 1,151,518
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 153,580									\$ 153,580
Purchased Prof. and Technical Services									\$ 250	250
Tuition					\$ 412,576				-	412,576
General Supplies	617		\$ 55	\$ 1,041					29,412	31,125
Textbooks						\$ 244			-	244
Student Activities/Athletics	-	-	-	-	-	-	-	-	263,102	263,102
Total Instruction	154,197	-	55	1,041	412,576	244	-	-	292,764	860,877
Support Services										
Personal Services Employee-Benefits	57,705									57,705
Purchased Prof. Educational Services		\$ 9,600		9,732			\$ 243			19,575
Other Purchased Services								\$ 547		547
Travel		9,310								9,310
Supplies and Materials		1,033		5,177					214,390	220,600
Scholarship Awards	-	-	-	-	-	-	-	-	-	-
Total Support Services	57,705	19,943	-	14,909	-	-	243	547	214,390	307,737
Equipment										
Non Instructional Equipment	-	-	-	-	-	-	-	-	37,345	37,345
Total Equipment	-	-	-	-	-	-	-	-	37,345	37,345
Total Expenditures	211,902	19,943	55	15,950	412,576	244	243	547	544,499	1,205,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	(54,441)	(54,441)
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	179,268	179,268
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,827	\$ 124,827

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

	ESSER Emergency Relief Fund CARES	Coronavirus Relief Fund	Bergen County Coronavirus Relief Fund	Local Programs	Student Activities/ Athletics	Scholarship	Totals (Page 2)
REVENUES							
Intergovernmental							
Local				\$ 61,737	\$ 208,658	\$ 3	\$ 270,398
State							
Federal	\$ 82,339	\$ 81,127	\$ 56,194	-	-	-	219,660
Total Revenues	<u>\$ 82,339</u>	<u>\$ 81,127</u>	<u>\$ 56,194</u>	<u>\$ 61,737</u>	<u>\$ 208,658</u>	<u>\$ 3</u>	<u>\$ 490,058</u>
EXPENDITURES							
Instruction							
Purchased Prof. and Technical Services				\$ 250			250
Tuition							-
General Supplies	\$ 2,500		\$ 20,000	6,912			29,412
Textbooks							-
Student Activities/Athletics	-	-	-	-	\$ 263,102	-	263,102
Total Instruction	<u>2,500</u>	<u>-</u>	<u>20,000</u>	<u>7,162</u>	<u>263,102</u>	<u>-</u>	<u>292,764</u>
Support Services							
Other Salaries							-
Personal Services Employee-Benefits							-
Purchased Prof. Educational Services							-
Other Purchased Services							-
Travel							-
Supplies and Materials	79,839	\$ 81,127	\$ 36,194	17,230			214,390
Scholarship Awards	-	-	-	-	-	-	-
Total Support Services	<u>79,839</u>	<u>81,127</u>	<u>36,194</u>	<u>17,230</u>	<u>-</u>	<u>-</u>	<u>214,390</u>
Equipment							
Non Instructional Equipment	-	-	-	37,345	-	-	37,345
Total Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,345</u>	<u>-</u>	<u>-</u>	<u>37,345</u>
Total Expenditures	<u>82,339</u>	<u>81,127</u>	<u>56,194</u>	<u>61,737</u>	<u>263,102</u>	<u>-</u>	<u>544,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(54,444)	3	(54,441)
Fund Balance, Beginning of Year (Restated)	-	-	-	-	176,446	2,822	179,268
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,002</u>	<u>\$ 2,825</u>	<u>\$ 124,827</u>

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

NOT APPLICABLE

**SADDLE BROOK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Balance, July 1, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2021</u>
Elementary Schools	\$ 20,936	\$ 8,372	\$ 10,373	\$ 18,935
Middle/High School	149,425	174,533	221,061	102,897
Athletics	<u>6,085</u>	<u>25,753</u>	<u>31,668</u>	<u>170</u>
 Total All Schools	 <u>\$ 176,446</u>	 <u>\$ 208,658</u>	 <u>\$ 263,102</u>	 <u>\$ 122,002</u>

CAPITAL PROJECTS FUND

SADDLE BROOK BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Year</u>	<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures</u>		<u>Cancellation</u>	<u>Balance, June 30, 2021</u>
			<u>Prior Year</u>	<u>Current Year</u>		
2014/15	HVAC Project at the Middle/High School and Elementary Schools	\$ 456,002 **	\$ 455,905			\$ 97
2014/15	Various Facility Improvements to the Middle/High School and Elementary Schools	4,936,625	4,683,070			253,555
2017/18	Energy Savings Incentive Program	4,773,978 *	4,752,181			21,797
2018/19	Storage Room Renovations, Office Renovations, Replacement Interior/Exterior Doors, Security Cameras, Door Locks and Gates	300,000	267,137	\$ 32,863		-
2021-22	Partial Roof Replacement - Franklin School	<u>162,000</u>	<u>-</u>	<u>15,490</u>	<u>-</u>	<u>146,510</u>
		<u>\$ 10,628,605</u>	<u>\$ 10,158,293</u>	<u>\$ 48,353</u>	<u>\$ -</u>	<u>\$ 421,959</u>

8

Reconciliation to GAAP Basis

	Project Balances	\$ 421,959
	Less Unearned Revenue:	
	Unrealized Capital Reserve Funds-2021-22	(162,000)
	Unfunded- Amount not Realized on SDA Grant	(11)
	Debt Authorized, Not Issued	<u>(393)</u>
	Fund Balance (GAAP)	<u>\$ 259,555</u>

*- Modified for interest earnings
 **- Modified for Prior Year Cancellation

Reconciliation to Fund Balance

	Reserve for Encumbrances	\$ 75,230
	Available for Capital Projects	<u>184,325</u>
	Total Fund Balance - Restricted for Capital Projects	<u>\$ 259,555</u>

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

Revenues and Other Financing Sources

Interest Earned on Investments	\$ 142
Interest Earned on Lease Proceeds	56
	198
Total Revenues and Other Financing Sources	198

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	5,040
Construction Services	43,313
Transfer to General Fund	142
	48,495
Total Expenditures and Other Financing Uses	48,495
Excess (deficiency) of Revenues and other Financing Sources over (under) Expenditures and Other Financing Uses	(48,297)
Fund Balance- Beginning of Year	307,852
Fund Balance- Ending of Year	\$ 259,555

Reconciliation of GAAP

Fund Balance, End of Year - Budgetary Basis	\$ 259,555
Fund Balance, End of Year - GAAP	\$ 259,555

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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Interest Earned on Investments	\$ 30,741	\$ 56	\$ 30,797	\$ 30,797
Lease Proceeds	4,743,181		4,743,181	4,743,181
	<u>4,773,922</u>	<u>56</u>	<u>4,773,978</u>	<u>4,773,978</u>
Total Revenues				
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	47,500		47,500	47,500
Construction Services	4,704,681	-	4,704,681	4,726,478
	<u>4,752,181</u>	<u>-</u>	<u>4,752,181</u>	<u>4,773,978</u>
Total Expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 21,741</u>	<u>\$ 56</u>	<u>\$ 21,797</u>	<u>\$ -</u>
Additional project information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 4,743,181			
Additional Authorized Cost	\$ 30,797			
Revised Authorized Cost	\$ 4,773,978			
Percentage Increase over Original Authorized Cost	1%			
Percentage completion	100%			
Original target completion date	6/30/19			
Revised target completion date	6/30/2019			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
STORAGE ROOM RENOVATION, OFFICE RENOVATIONS, REPLACEMENT INTERIOR/EXTERIOR DOORS
SECURITY CAMERAS, DOOR LOCKS AND GATES
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				
Transfer from Capital Reserve	\$ 300,000		\$ 300,000	\$ 300,000
Total Revenues	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	13,500		13,500	15,000
Construction Services	<u>253,637</u>	<u>\$ 32,863</u>	<u>286,500</u>	<u>285,000</u>
Total Expenditures	<u>267,137</u>	<u>32,863</u>	<u>300,000</u>	<u>300,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 32,863</u>	<u>\$ (32,863)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	Not Applicable			
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 300,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 300,000			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	12/31/19			
Revised target completion date	12/31/2020			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
HVAC PROJECT AT THE MIDDLE/HIGH SCHOOL AND ELEMENTARY SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Other Funds	\$ 284,760		\$ 284,760	\$ 284,760
State Sources - SDA Grants	171,242		171,242	171,242
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	456,002	-	456,002	456,002
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	34,305		34,305	34,402
Construction Services	421,600		421,600	421,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	455,905	-	455,905	456,002
Excess (deficiency) of revenues over (under) expenditures	<hr/> <u>\$ 97</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 97</u>	<hr/> <u>\$ -</u>
Additional project information:				
Project Number	4610-080-14-61HK		4610-090-14-G1HM	
	4610-085-14-G1HL		4610-050-14-G2ZH	
Grant Date	1/1/2016			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 474,600			
Additional Authorized Cost	(18,598)			
Revised Authorized Cost	\$ 456,002			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	12/31/15			
Revised target completion date	12/31/15			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS FACILITY IMPROVEMENTS AT THE HIGH SCHOOL, FRANKLIN ELEMENTARY SCHOOL, HELEN
SMITH SCHOOL AND LONG MEMORIAL SCHOOL
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				
State Sources - SDA Grants	\$ 327,221		\$ 327,221	\$ 327,221
Bond Proceeds	4,609,000		4,609,000	4,609,393
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,936,221	-	4,936,221	4,936,614
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	376,579		376,579	450,000
Construction Services	3,800,180		3,800,180	3,926,625
Equipment/Supply Purchases	505,907		505,907	560,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	4,682,666	-	4,682,666	4,936,625
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 253,555</u>	<u>\$ -</u>	<u>\$ 253,555</u>	<u>\$ (11)</u>
Additional project information:				
Project Number	4610-080-14-61HK		4610-090-14-G1HM	
	4610-085-14-G1HL		4610-050-14-G2ZH	
Grant Date	1/1/2016			
Bond Authorization Date	12/9/14			
Bonds Authorized	\$ 4,609,393			
Bonds Issued	\$ 4,609,000			
Original Authorized Cost	\$ 4,936,625			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 4,936,625			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date	8/31/17			
Revised target completion date	8/31/17			

**SADDLE BROOK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
PARTIAL ROOF REPLACEMENT
FRANKLIN SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	-	-	\$ 162,000
Total Revenues	-	-	-	162,000
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services		\$ 5,040	\$ 5,040	12,000
Construction Services	-	10,450	10,450	150,000
Equipment/Supply Purchases	-	-	-	
Transfer Out	-	-	-	-
Total Expenditures	-	15,490	15,490	162,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (15,490)	\$ (15,490)	\$ -
Additional project information:				
Project Number	Not Applicable	Capital Reserve Budgeted in 21/22	162,000	
Grant Date	Not Applicable			
Bond Authorization Date	Not Applicable		\$ 146,510	
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 162,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 162,000			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		5%		
Original target completion date	8/31/21			
Revised target completion date	9/30/21			

PROPRIETARY FUNDS

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

SCHEDULE G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

SCHEDULE G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

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

THIS STATEMENT IS NOT APPLICABLE

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

THIS STATEMENT IS NOT APPLICABLE

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

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Decreased</u>	<u>Balance, June 30, 2021</u>
97 Refunding Bonds	12/29/2009	\$ 9,030,000	8/15/2021	\$ 840,000	3.00-4.00%	\$ 2,520,000	\$ 855,000	\$ 1,665,000
			8/15/2022	825,000				
Pension Refunding Bonds	8/23/2012	2,955,000	8/15/2021	180,000	5.00-5.75%	1,830,000	175,000	1,655,000
			8/15/2022	185,000				
			8/15/2023	190,000				
			8/15/2024	200,000				
			8/15/2025	210,000				
			8/15/2026	220,000				
			8/15/2027	230,000				
			8/15/2028	240,000				
Refunding Bonds	8/23/2012	3,530,000	2/15/2022	390,000	4.25-4.375%	1,565,000	375,000	1,190,000
			2/15/2023-24	400,000				
School Improvements	6/23/2015	4,609,000	2/15/2022	340,000	2.00-3.00%	<u>3,459,000</u>	<u>335,000</u>	<u>3,124,000</u>
			2/15/2023-25	345,000				
			2/15/2026-29	350,000				
			2/15/2030	349,000				
						<u>\$ 9,374,000</u>	<u>\$ 1,740,000</u>	<u>\$ 7,634,000</u>

**SADDLE BROOK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
<u>Business Type Activities</u>						
2017/18 Dishwasher	\$ 39,957	1.95%	\$ 10,242	-	\$ 10,242	\$ -
Sub-Total Business Type Activities			<u>10,242</u>	<u>-</u>	<u>10,242</u>	<u>-</u>
<u>Governmental Activities</u>						
2017/18 Vehicles	205,000	2.86%	83,319		41,064	42,255
2017/18 Technology Equipment	129,894	3.31%	32,986		32,986	-
2017/18 Energy Savings Incentive Program	4,743,181	3.14%	4,395,000		165,000	4,230,000
2018/19 Technology Equipment	141,657	4.22%	71,017		34,774	36,243
2019/20 Network Servers/Switches	162,275	3.45%	120,411		40,825	79,586
2020/21 Technology Chromebooks	117,456	2.89%		\$ 117,456	30,629	86,827
2020/21 Technology Chromebooks	94,541	3.32%		94,541	24,636	69,905
			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-Total Governmental Activities			<u>4,702,733</u>	<u>211,997</u>	<u>369,914</u>	<u>4,544,816</u>
Total Leases			<u>\$ 4,712,975</u>	<u>\$ 211,997</u>	<u>\$ 380,156</u>	<u>\$ 4,544,816</u>

**SADDLE BROOK BOARD OF EDUCATION
LONG TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget with Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,913,116		\$ 1,913,116	\$ 1,913,116	
State Sources					
Debt Service Aid	<u>131,256</u>	<u>-</u>	<u>131,256</u>	<u>131,256</u>	<u>-</u>
Total Revenues	<u>2,044,372</u>	<u>-</u>	<u>2,044,372</u>	<u>2,044,372</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Interest	304,373		304,373	304,372	
Principal	<u>1,740,000</u>	<u>-</u>	<u>1,740,000</u>	<u>1,740,000</u>	<u>-</u>
Total Expenditures	<u>2,044,373</u>	<u>-</u>	<u>2,044,373</u>	<u>2,044,372</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures/(Uses)	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
<u>Analysis of Fund Balance</u>					
Available for Future Debt Service Expenditures				\$ 1	
Designated for Subsequent Years Expenditures				<u> </u>	
				<u>\$ 1</u>	

STATISTICAL SECTION

This part of the Saddle Brook 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.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 10,633,082	\$ 11,584,587	\$ 12,219,781	\$ 13,285,344	\$ 13,325,442	\$ 14,372,017	\$ 15,212,448	\$ 16,326,024	\$ 17,295,781	\$ 15,662,961
Restricted	557,869	582,557	406,245	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925
Unrestricted	<u>(2,560,621)</u>	<u>(3,047,648)</u>	<u>(12,691,298)</u>	<u>(12,700,774)</u>	<u>(11,252,684)</u>	<u>(11,441,911)</u>	<u>(12,172,449)</u>	<u>(11,933,506)</u>	<u>(10,753,696)</u>	<u>(7,957,505)</u>
Total Governmental Activities Net Position	\$ 8,630,330	\$ 9,119,496	\$ (65,272)	\$ 1,436,908	\$ 3,285,358	\$ 3,538,879	\$ 3,600,199	\$ 4,658,867	\$ 7,320,702	\$ 10,764,381
Business-Type Activities										
Net Investment in Capital Assets	\$ 70,867	\$ 86,582	\$ 80,164	\$ 77,931	\$ 71,968	\$ 62,177	\$ 84,901	\$ 77,883	\$ 59,515	\$ 45,205
Unrestricted	<u>438,869</u>	<u>584,111</u>	<u>687,093</u>	<u>467,341</u>	<u>254,008</u>	<u>369,976</u>	<u>425,297</u>	<u>432,110</u>	<u>399,957</u>	<u>441,868</u>
Total Business-Type Activities Net Position	\$ 509,736	\$ 670,693	\$ 767,257	\$ 545,272	\$ 325,976	\$ 432,153	\$ 510,198	\$ 509,993	\$ 459,472	\$ 487,073
District-Wide										
Net Investment in Capital Assets	\$ 10,703,949	\$ 11,671,169	\$ 12,299,945	\$ 13,363,275	\$ 13,397,410	\$ 14,434,194	\$ 15,297,349	\$ 16,403,907	\$ 17,355,296	\$ 15,708,166
Restricted	557,869	582,557	406,245	852,338	1,212,600	608,773	560,200	266,349	778,617	3,058,925
Unrestricted	<u>(2,121,752)</u>	<u>(2,463,537)</u>	<u>(12,004,205)</u>	<u>(12,233,433)</u>	<u>(10,998,676)</u>	<u>(11,071,935)</u>	<u>(11,747,152)</u>	<u>(11,501,396)</u>	<u>(10,353,739)</u>	<u>(7,515,637)</u>
Total District Net Position	\$ 9,140,066	\$ 9,790,189	\$ 701,985	\$ 1,982,180	\$ 3,611,334	\$ 3,971,032	\$ 4,110,397	\$ 5,168,860	\$ 7,780,174	\$ 11,251,454

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,351,485	\$ 11,962,134	\$ 12,048,752	\$ 13,052,983	\$ 14,493,146	\$ 15,212,598	\$ 16,139,527	\$ 14,969,825	\$ 13,579,814	\$ 15,721,930
Special Education	6,786,763	6,837,218	6,896,661	7,069,375	7,508,957	8,025,261	8,506,016	9,130,491	10,287,230	9,955,484
Community Services										
Other Instruction	787,007	849,883	853,366	870,994	915,587	1,191,767	1,555,684	1,259,840	925,579	1,336,941
School Sponsored Activities And Athletics	606,482	576,247	650,225	763,574	905,379	1,067,496	1,105,156	905,800	965,905	1,238,234
Support Services:										
Student & Instruction Related Services	4,201,866	4,655,461	4,818,320	6,385,729	7,312,644	8,171,404	8,532,183	8,192,138	6,704,800	7,055,026
Educational Media/School Library	249,830	169,616	180,622	206,409	154,639	364,953	260,098	409,473	368,060	463,264
General Administration	671,312	730,165	668,506	812,107	828,035	821,461	914,590	965,972	974,810	998,376
School Administrative Services	1,617,711	1,602,154	1,653,247	1,941,042	2,169,252	2,319,019	2,495,385	2,318,553	2,553,369	2,820,239
Central Services	626,992	670,372	732,490	746,421	755,517	765,904	835,222	862,647	927,934	1,104,472
Plant Operations And Maintenance	2,844,156	3,155,476	3,259,360	3,263,019	3,174,210	3,409,846	3,466,751	2,855,380	2,954,417	3,031,711
Pupil Transportation	877,950	1,062,029	1,099,945	1,116,615	1,296,918	1,380,806	1,599,634	1,734,536	1,539,611	1,380,283
Interest On Long-Term Debt	886,699	752,752	600,608	534,472	562,191	638,892	592,762	613,821	538,144	483,887
Total Governmental Activities Expenses	31,508,253	33,023,507	33,462,102	36,762,740	40,076,475	43,369,407	46,003,008	44,218,476	42,319,673	45,589,847
Business-Type Activities:										
Food Service	461,322	400,397	449,462	477,628	554,745	561,537	567,765	632,843	538,480	517,471
Community School	364,493	399,150	432,793	333,191	372,345	352,638	414,642	519,756	137,472	26,697
Total Business-Type Activities Expense	825,815	799,547	882,255	810,819	927,090	914,175	982,407	1,152,599	675,952	544,168
Total District Expenses	\$ 32,334,068	\$ 33,823,054	\$ 34,344,357	\$ 37,573,559	\$ 41,003,565	\$ 44,283,582	\$ 46,985,415	\$ 45,371,075	\$ 42,995,625	\$ 46,134,015
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction			\$ 11,600	\$ 90,450	\$ 66,064	\$ 23,047	\$ 82,927	\$ 120,269	\$ 222,929	\$ 79,875
Special Education	\$ 21,350	\$ 166,678	78,638	78,130	48,763	186,962	136,655	30,000		
Plant Operations And Maintenance			132,960	163,230	174,714	99,560	100,860	37,500		246,006
Operating Grants And Contributions	4,077,462	4,603,526	4,366,581	7,585,134	10,056,924	11,557,269	12,961,957	10,678,829	9,654,843	13,307,845
Capital Grants And Contributions	13,188	2,525	-	-	517,061	-	-	50,435	86,544	-
Total Governmental Activities Program Revenues	4,112,000	4,772,729	4,589,779	7,916,944	10,863,526	11,866,838	13,282,399	10,917,033	9,964,316	13,633,726
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 342,896	\$ 295,518	\$ 330,252	\$ 333,462	\$ 401,699	\$ 394,300	\$ 389,037	\$ 450,618	\$ 317,238	\$ 7,143
Community Programs	479,136	513,314	483,290	395,188	386,879	457,549	480,207	500,105	129,289	
Operating Grants And Contributions	177,101	147,968	160,687	156,827	158,822	168,082	190,917	201,356	178,781	564,494
Total Business Type Activities Program Revenues	999,133	956,800	974,229	885,477	947,400	1,019,931	1,060,161	1,152,079	625,308	571,637
Total District Program Revenues	\$ 5,111,133	\$ 5,729,529	\$ 5,564,008	\$ 8,802,421	\$ 11,810,926	\$ 12,886,769	\$ 14,342,560	\$ 12,069,112	\$ 10,589,624	\$ 14,205,363

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (27,396,253)	\$ (28,250,778)	\$ (28,872,323)	\$ (28,845,796)	\$ (29,212,949)	\$ (31,502,569)	\$ (32,720,609)	\$ (33,301,443)	\$ (32,355,357)	\$ (31,956,121)
Business-Type Activities	<u>173,318</u>	<u>157,253</u>	<u>91,974</u>	<u>74,658</u>	<u>20,310</u>	<u>105,756</u>	<u>77,754</u>	<u>(520)</u>	<u>(50,644)</u>	<u>27,469</u>
Total District-Wide Net Expense	<u>\$ (27,222,935)</u>	<u>\$ (28,093,525)</u>	<u>\$ (28,780,349)</u>	<u>\$ (28,771,138)</u>	<u>\$ (29,192,639)</u>	<u>\$ (31,396,813)</u>	<u>\$ (32,642,855)</u>	<u>\$ (33,301,963)</u>	<u>\$ (32,406,001)</u>	<u>\$ (31,928,652)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 26,287,326	\$ 26,813,073	\$ 27,349,334	\$ 28,167,707	\$ 28,731,061	\$ 29,445,682	\$ 30,456,166	\$ 32,248,065	\$ 32,503,109	\$ 33,152,151
Taxes Levied For Debt Service	1,757,115	1,755,618	1,710,837	1,649,344	1,705,944	1,965,189	1,990,669	1,904,563	1,949,921	1,913,116
State Aid Restricted for Debt Service						113,132	132,623	132,197	131,742	131,256
Unrestricted Grants And Contributions		19,845	18,490	49,046	51,727	72,630	70,104	21,034	18,060	17,547
Miscellaneous Income	406,789	151,408	159,972	181,879	332,368	159,457	132,367	54,252	156,711	185,730
Transfers	-	-	-	300,000	240,299	-	-	-	-	-
Total Governmental Activities	<u>28,451,230</u>	<u>28,739,944</u>	<u>29,238,633</u>	<u>30,347,976</u>	<u>31,061,399</u>	<u>31,756,090</u>	<u>32,781,929</u>	<u>34,360,111</u>	<u>34,759,543</u>	<u>35,399,800</u>
Business-Type Activities:										
Investment Earnings	4,456	3,704	4,590	3,357	693	421	291	315	123	132
Transfers	-	-	-	(300,000)	(240,299)	-	-	-	-	-
Total Business-Type Activities	<u>4,456</u>	<u>3,704</u>	<u>4,590</u>	<u>(296,643)</u>	<u>(239,606)</u>	<u>421</u>	<u>291</u>	<u>315</u>	<u>123</u>	<u>132</u>
Total District-Wide	<u>\$ 28,455,686</u>	<u>\$ 28,743,648</u>	<u>\$ 29,243,223</u>	<u>\$ 30,051,333</u>	<u>\$ 30,821,793</u>	<u>\$ 31,756,511</u>	<u>\$ 32,782,220</u>	<u>\$ 34,360,426</u>	<u>\$ 34,759,666</u>	<u>\$ 35,399,932</u>
Change in Net Position										
Governmental Activities	\$ 1,054,977	\$ 489,166	\$ 366,310	\$ 1,502,180	\$ 1,848,450	\$ 253,521	\$ 61,320	\$ 1,058,668	\$ 2,404,186	\$ 3,443,679
Business-Type Activities	<u>177,774</u>	<u>160,957</u>	<u>96,564</u>	<u>(221,985)</u>	<u>(219,296)</u>	<u>106,177</u>	<u>78,045</u>	<u>(205)</u>	<u>(50,521)</u>	<u>27,601</u>
Total District	<u>\$ 1,232,751</u>	<u>\$ 650,123</u>	<u>\$ 462,874</u>	<u>\$ 1,280,195</u>	<u>\$ 1,629,154</u>	<u>\$ 359,698</u>	<u>\$ 139,365</u>	<u>\$ 1,058,463</u>	<u>\$ 2,353,665</u>	<u>\$ 3,471,280</u>

Source: District Financial Records

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable		\$ 9,896								
Restricted	\$ 1,045,250	901,128	\$ 350,353	\$ 1,116,002	\$ 1,627,653	\$ 604,496	\$ 583,606	\$ 175,268	\$ 566,388	\$ 2,674,542
Assigned	214,731	55,821	347,374	91,144	257,231	513,084	59,920	327,103	116,232	649,307
Unassigned	<u>269,582</u>	<u>216,853</u>	<u>78,156</u>	<u>245,876</u>	<u>320,382</u>	<u>301,696</u>	<u>8,364</u>	<u>(427,865)</u>	<u>306,398</u>	<u>176,847</u>
Total General Fund	<u>\$ 1,529,563</u>	<u>\$ 1,183,698</u>	<u>\$ 775,883</u>	<u>\$ 1,453,022</u>	<u>\$ 2,205,266</u>	<u>\$ 1,419,276</u>	<u>\$ 651,890</u>	<u>\$ 74,506</u>	<u>\$ 989,018</u>	<u>\$ 3,500,696</u>
All Other Governmental Funds										
Restricted	\$ 73,434	\$ 129,324	\$ 103,451	\$ 3,097,043	\$ 2,044,951	\$ 674,650	\$ 3,044,768	\$ 365,194	\$ 487,121	\$ 384,383
Total All Other Governmental Funds	<u>\$ 73,434</u>	<u>\$ 129,324</u>	<u>\$ 103,451</u>	<u>\$ 3,097,043</u>	<u>\$ 2,044,951</u>	<u>\$ 674,650</u>	<u>\$ 3,044,768</u>	<u>\$ 365,194</u>	<u>\$ 487,121</u>	<u>\$ 384,383</u>

Source: District Financial Records

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

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 28,044,441	\$ 28,568,691	\$ 29,060,171	\$ 29,817,051	\$ 30,437,005	\$ 31,410,871	\$ 32,446,835	\$ 34,152,628	\$ 34,453,030	\$ 35,065,267
Tuition Charges	21,350	-								
Miscellaneous	448,436	358,841	418,705	547,987	662,118	500,473	459,387	479,974	503,366	536,003
State Sources	3,407,977	4,048,867	3,776,008	4,069,361	5,109,811	5,076,643	5,617,672	6,475,589	6,974,343	8,004,904
Federal Sources	641,026	536,274	573,528	578,247	659,198	651,305	731,290	703,052	744,360	887,738
Total Revenue	32,563,230	33,512,673	33,828,412	35,012,646	36,868,132	37,639,292	39,255,184	41,811,243	42,675,099	44,493,912
Expenditures										
Instruction										
Regular Instruction	10,908,573	11,485,480	11,501,438	11,376,047	11,719,848	11,868,889	12,684,761	13,148,737	12,333,776	13,582,540
Special Education Instruction	6,643,431	6,684,032	6,741,817	6,529,061	6,565,040	6,833,081	7,351,453	8,428,256	9,736,994	8,929,880
Community Services										
Other Instruction	757,796	816,870	816,378	765,585	762,347	934,784	1,237,698	1,112,622	856,572	1,177,311
School Sponsored Activities and Athletics	587,366	555,419	625,855	681,983	754,665	863,254	893,454	799,006	889,307	1,109,750
Support Services:										
Student and Inst. Related Services	4,049,884	4,481,753	4,704,765	5,596,623	5,947,295	6,437,937	6,803,132	7,246,521	6,179,682	6,070,054
Educational Media/School Library	242,307	164,472	175,117	184,966	130,420	288,648	202,276	356,193	334,067	389,596
General Administration	657,379	711,693	649,438	745,186	726,370	716,162	791,601	883,601	918,869	894,304
School Administrative Services	1,556,846	1,539,886	1,578,393	1,684,969	1,744,073	1,782,540	1,924,973	2,015,198	2,316,673	2,375,359
Central Services	603,337	644,220	701,620	729,688	731,149	734,759	774,007	815,906	904,383	996,400
Plant Operations And Maintenance	2,775,183	3,075,452	3,168,527	3,213,058	3,079,838	3,286,589	3,177,522	2,689,084	2,886,043	2,768,408
Pupil Transportation	872,650	1,051,699	1,090,970	1,111,689	1,279,453	1,361,936	1,546,724	1,700,541	1,527,009	1,336,139
Capital Outlay	219,683	1,197,480	629,502	1,846,081	2,060,468	2,425,781	2,996,119	3,256,022	529,119	112,767
Debt Service:										
Bond Issuance Costs		104,064								
Principal	1,183,872	1,330,913	1,416,460	1,485,936	1,518,985	1,738,870	1,900,292	2,095,778	2,079,320	2,054,649
Advanced Refunding Escrow		258,111		-						
Interest and Other Charges	731,069	677,679	608,913	542,429	528,883	664,859	536,569	643,795	566,770	499,812
Total Expenditures	31,789,376	34,779,223	34,409,193	36,493,301	37,548,834	39,938,089	42,820,581	45,191,260	42,058,584	42,296,969
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	773,854	(1,266,550)	(580,781)	(1,480,655)	(680,702)	(2,298,797)	(3,565,397)	(3,380,017)	616,515	2,196,943
Other Financing Sources (Uses)										
Cancellation of Prior Year Accounts Payable							11,506			
Capital Leases (Non-Budget)							413,442		162,275	
Cancellation of Prior SDA Revenue								(18,598)		
Discount on Refunding Bonds		(22,313)								
Premium on Refunding Bonds		421,413								
Proceeds From Borrowing		6,485,000		4,609,000			4,743,181			
Transfer to Escrow Agent for Payment of Debt		(6,515,000)								
Lease Purchase Agreement	139,689	607,475	147,093	242,386	140,555	142,506				211,997
Transfers In	652	493	432	301,126	304,968	861,201	130,285	300,614	345	142
Transfers Out	(652)	(493)	(432)	(1,126)	(64,669)	(861,201)	(130,285)	(300,614)	(345)	(142)
Total Other Financing Sources (Uses)	139,689	976,575	147,093	5,151,386	380,854	142,506	5,168,129	123,059	162,275	211,997
Net Change in Fund Balances	\$ 913,543	\$ (289,975)	\$ (433,688)	\$ 3,670,731	\$ (299,848)	\$ (2,156,291)	\$ 1,602,732	\$ (3,256,958)	\$ 778,790	\$ 2,408,940
Debt Service as a Percentage of										
Noncapital Expenditures	6.07%	7.06%	6.00%	5.85%	5.77%	6.41%	6.12%	6.53%	6.37%	6.06%

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

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Other Programs/ Rent</u>	<u>Insurance/ Other Refunds</u>	<u>E-Rate</u>	<u>Gate Receipts</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 21,350	\$ 17,082	\$ 44,058	\$ 137,593	\$ 10,733	\$ 5,774	\$ 190,897	\$ 427,487
2013	10,000	14,530	156,678	79,261		4,567	52,557	317,593
2014	90,238	13,612	69,100	77,753		6,186	125,849	382,738
2015	168,580	15,862	163,230	83,823		4,083	76,985	512,563
2016	114,827	14,570	209,714	171,364	23,184	5,318	62,724	601,701
2017	210,009	20,451	99,710	86,332	19,053	4,882	22,820	463,257
2018	219,582	12,868	102,748	30,643	24,879	4,856	24,238	419,814
2019	150,269	12,584	37,500	15,074	-	4,637	182,529	402,593
2020	222,929	8,805	27,907	72,088	600	5,381	42,519	380,229
2021	76,922	4,730		105,677			78,078	265,407

Source: District financial records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 18,354,500	\$ 1,485,483,200			\$ 378,682,945	\$ 303,470,900	\$ 81,712,700	\$ 2,267,704,245	\$ 1,889,310	\$ 2,269,593,555	\$ 2,410,380,131	\$ 1.247
2013 (1)	14,930,800	1,219,248,600			347,277,600	269,651,600	75,505,900	1,926,614,500		1,926,614,500	2,467,388,148	1.085
2014	14,556,100	1,219,569,100			341,476,130	292,991,600	74,807,500	1,943,400,430		1,943,400,430	2,256,345,441	1.515
2015	14,008,800	1,222,483,400			339,519,730	266,955,200	74,807,500	1,917,774,630		1,917,774,630	2,215,506,762	1.571
2016	13,162,800	1,223,588,478			325,081,430	255,316,500	74,827,500	1,891,976,708		1,891,976,708	2,383,260,542	1.635
2017 (1)	12,074,400	1,363,043,700			383,379,800	293,200,400	105,751,000	2,157,449,300		2,157,449,300	2,246,927,349	1.480
2018	16,983,100	1,392,621,000			424,447,100	312,272,800	110,151,000	2,256,475,000		2,256,475,000	2,340,819,556	1.466
2019	15,969,100	1,419,509,900			439,282,700	313,346,000	114,155,600	2,302,263,300		2,302,263,300	2,374,347,788	1.500
2020	16,490,700	1,460,120,100			440,054,700	313,636,000	130,621,000	2,360,922,500		2,360,922,500	2,461,909,765	1.472
2021	15,622,800	1,513,675,100			403,610,700	329,655,200	132,350,200	2,394,914,000		2,394,914,000	2,561,036,258	1.478

Source: County Abstract of Ratables

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a Tax rates are per \$100

(1) Town Revaluation

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

Calendar Year	Total	Local School District	Municipality	County (1)
2012	\$ 2.185	\$ 1.247	\$ 0.705	\$ 0.233
2013 (2)	1.890	1.085	0.596	0.209
2014	2.620	1.515	0.838	0.267
2015	2.715	1.571	0.870	0.274
2016	2.865	1.635	0.926	0.304
2017 (2)	2.578	1.480	0.837	0.261
2018	2.537	1.466	0.827	0.244
2019	2.593	1.500	0.843	0.250
2020	2.529	1.472	0.811	0.246
2021	2.604	1.478	0.857	0.269

(1) County tax rate includes open space tax.

(2) Town revaluation

Source: Tax Duplicate, Township of Saddle Brook

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Park 80 West	\$ 98,399,200	4.11%		
A.O. Associates	56,177,000	2.35%		
Tri-State Commercial Realty, LLC	45,908,300	1.92%		
Midland Holding CO	31,752,100	1.33%		
Saddle Brook Mayhill Assoc.,LLC	31,049,100	1.30%		
CPT NJ 301 Mayhill LLC	24,563,300	1.03%		
Kessler Institute	17,500,000	0.73%		
Arrow Fasteners	17,812,300	0.74%		
Peykar Brothers Realty	17,414,200	0.73%		
Nights Vision Saddle Brook LLC DE	16,861,400	0.70%		
L&L Park 80 LLC			\$ 125,895,400	5.55%
Midland Holding Co.			30,736,100	1.35%
Tri State Realty			30,507,000	1.34%
CP Saddle Brook, LLC			30,200,000	1.33%
Arrow Fasteners			26,488,900	1.17%
A.O. Associates			21,729,000	0.96%
Kessler Institute			15,500,000	0.68%
A.O. Associates			21,729,000	0.96%
Brook Associates. C/O Rosehart			10,100,600	0.45%
Mayhill St. Associates			18,060,000	0.80%
	<u>\$ 357,436,900</u>	<u>13.49%</u>	<u>\$ 330,946,000</u>	<u>14.58%</u>

Source: Municipal Tax Assessor

**SADDLE BROOK BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 28,044,441	\$ 28,044,441	100.00%	
2013	28,568,691	28,568,691	100.00%	
2014	29,060,171	29,060,171	100.00%	
2015	29,817,051	29,817,051	100.00%	
2016	30,437,005	30,437,005	100.00%	
2017	31,410,811	31,410,811	100.00%	
2018	32,446,835	32,446,835	100.00%	
2019	34,152,628	34,152,628	100.00%	
2020	34,453,030	34,453,030	100.00%	
2021	35,065,267	35,065,267	100.00%	

Source: District's records

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Loans	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 16,125,000	\$ 18,403	\$ 180,314			\$ 16,323,717	13,822	\$ 1,181
2013	14,990,000	9,200	571,079			15,570,279	13,860	1,123
2014	13,805,000		495,912			14,300,912	13,878	1,030
2015	17,189,000		477,362			17,666,362	13,918	1,269
2016	15,929,000		358,932			16,287,932	13,911	1,171
2017	14,454,000		237,568			14,691,568	13,928	1,055
2018	12,789,000		5,158,899		\$ 29,245	17,977,144	13,876	1,296
2019	11,094,000		4,899,778		19,982	16,013,760	13,562	1,181
2020	9,374,000		4,702,733		10,242	14,086,975	13,562	1,039
2021	7,634,000		4,388,084			12,022,084	13,591	885

Source: District financial records and NJ Dept. of Education

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2012	\$ 16,125,000		\$ 16,125,000	0.71%	\$ 1,164
2013	14,990,000		14,990,000	0.78%	1,077
2014	13,805,000		13,805,000	0.71%	992
2015	17,189,000		17,189,000	0.90%	1,229
2016	15,929,000		15,929,000	0.84%	1,155
2017	14,454,000		14,454,000	0.67%	1,038
2018	12,789,000	\$ 79,734	12,709,263	0.56%	916
2019	11,094,000	536	11,093,464	0.48%	818
2020	9,374,000		9,374,000	0.40%	691
2021	7,634,000		7,634,000	0.32%	562

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**SADDLE BROOK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING DEBT
FOR YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Township of Saddle Brook School District	\$ 21,485,000
Township of Saddle Brook	<u>61,475,521</u>
	<u>\$ 82,960,521</u>
Overlapping debt Apportioned to the Municipality:	
Bergen County (3);(A):	
County of Bergen (A)	<u>20,096,870</u>
Total Direct and Overlapping Debt	<u>\$ 103,057,391</u>

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

Sources:

- (1) Township of Saddle Brook Annual Debt Statement
- (3) Bergen County Debt Statement 12/31/2020

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

Legal Debt Margin Calculation for Calendar Year 2020

	Equalized valuation basis
	2020 \$ 2,691,430,119
	2019 2,531,072,230
	2018 <u>2,416,961,225</u>
	<u>\$ 7,639,463,574</u>
Average equalized valuation of taxable property	\$ 2,546,487,858
Debt limit (4 % of average equalization value)	101,859,514 ^a
Total Net Debt Applicable to Limit	<u>7,634,000</u>
Legal debt margin	<u>\$ 94,225,514</u>

	Calendar Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 97,094,580	\$ 95,888,201	\$ 92,339,508	\$ 89,959,797	\$ 91,343,919	\$ 92,366,187	\$ 94,549,128	\$ 94,772,364	\$ 97,875,732	\$ 101,859,514
Total Net Debt Applicable to Limit	<u>13,453,885</u>	<u>15,279,482</u>	<u>11,295,482</u>	<u>10,235,482</u>	<u>13,749,393</u>	<u>12,129,393</u>	<u>11,279,393</u>	<u>9,764,404</u>	<u>7,544,404</u>	<u>7,634,000</u>
Legal Debt Margin	<u>\$ 83,640,695</u>	<u>\$ 80,608,719</u>	<u>\$ 81,044,026</u>	<u>\$ 79,724,315</u>	<u>\$ 77,594,526</u>	<u>\$ 80,236,794</u>	<u>\$ 83,269,735</u>	<u>\$ 85,007,960</u>	<u>\$ 90,331,328</u>	<u>\$ 94,225,514</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.86%	15.93%	12.23%	11.38%	15.05%	13.13%	11.93%	10.30%	7.71%	7.49%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (1)</u>	<u>Population</u>
2012	11.1%	\$ 71,789	13,822
2013	8.2%	71,100	13,860
2014	6.7%	73,637	13,878
2015	5.3%	76,821	13,918
2016	5.3%	77,901	13,911
2017	4.9%	81,483	13,928
2018	4.9%	86,404	13,876
2019	4.1%	89,456	13,568
2020	3.3%	89,456 *	13,591
2021	12.3%	89,456 *	13,591

Source: United States Bureau of Census
School District Records

* Estimate

(1) Represents the County of Bergen's per Capita Income

N/A - Not Available

**SADDLE BROOK BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	99	102	104	107	108	110	112	104	104	105
Special Education	40	44	45	46	47	48	49	47	47	47
Other Special Education	6	6	6	6	6	6	6	5	5	5
Support Services:										
General Administration	2	2	2	2	2	2	2	3	3	3
School Administrative Services	11	11	11	11	11	11	11	13	13	13
Central Services	6	6	6	6	6	6	6	4	4	4
Plant Operations And Maintenance	24	24	24	24	24	24	24	31	31	31
Pupil Transportation	3	3	3	3	3	3	3	3	3	3
Other Support Services	37	39	39	41	42	45	61	70	69	69
Total	<u>228</u>	<u>237</u>	<u>240</u>	<u>246</u>	<u>249</u>	<u>255</u>	<u>274</u>	<u>280</u>	<u>279</u>	<u>280</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2012	1,759	\$ 29,654,752	\$ 16,859	5.28%	153	1:20	1:20	1:19	1,700	1,612	-1.96%	94.82%
2013	1,748	31,210,976	17,855	5.91%	153	1:20	1:20	1:19	1,675	1,590	-1.47%	94.92%
2014	1,738	31,754,318	18,271	2.33%	155	1:20	1:20	1:19	1,649	1,561	-1.55%	94.66%
2015	1,720	32,618,855	18,964	3.80%	157	1:20	1:20	1:19	1,683	1,590	2.06%	94.47%
2016	1,753	33,440,498	19,076	0.59%	159	1:20	1:20	1:19	1,716	1,630	1.96%	94.99%
2017	1,723	35,108,579	20,376	6.82%	161	1:20	1:20	1:19	1,689	1,598	-1.57%	94.61%
2018	1,770	37,387,601	21,123	3.66%	162	1:20	1:20	1:19	1,724	1,616	2.07%	93.74%
2019	1,789	39,195,665	21,909	3.72%	156	1:20	1:20	1:19	1,761	1,661	2.15%	94.32%
2020	1,786	38,883,375	21,771	-0.63%	156	1:20	1:20	1:19	1,737	1,666	-1.36%	95.91%
2021	1,707	39,629,741	23,216	6.64%	157	1:20	1:20	1:19	1,662	1,605	-4.32%	96.57%

Sources: District records

- Note:
- a Enrollment based on annual October district count. (includes sent to out of district schools)
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.
 - d Average daily enrollment and attendance does not include students sent to out of district schools

**SADDLE BROOK BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
<u>Helen I Smith</u>										
Square Feet	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345	48,345
Capacity (students)	316	316	316	316	316	316	316	316	316	316
Enrollment	311	291	275	283	295	305	309	313	296	294
<u>Franklin</u>										
Square Feet	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855	41,855
Capacity (students)	293	293	293	293	293	293	293	293	293	293
Enrollment	258	276	279	298	298	304	314	319	310	270
<u>Long Memorial</u>										
Square Feet	32,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247	33,247
Capacity (students)	278	278	278	278	278	278	278	278	278	278
Enrollment	309	333	305	294	278	270	272	270	278	285
<u>Middle School/High School</u>										
Square Feet	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351	140,351
Capacity (students)	865	865	865	865	865	865	865	865	865	865
Enrollment	800	759	777	766	789	784	778	785	802	776
<u>Other</u>										
<u>Washington</u>										
Square Feet	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333	22,333
Enrollment	25	36	36	42	70	55	59	54	60	42

Number of Schools at June 30, 2021

Elementary = 3

Jr/Senior High School = 1

Other = 1

Source: District Records

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

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
School Facilities										
Washington School	\$ 48,966	\$ 65,795	\$ 62,037	\$ 34,765	\$ 33,139	\$ 48,642	\$ 61,755	\$ 30,792	\$ 20,637	\$ 39,672
Franklin School	53,969	93,575	80,026	39,640	82,168	43,679	52,551	26,240	39,143	38,165
Long Memorial School	29,944	82,607	80,678	117,714	81,199	47,347	42,905	21,071	74,442	17,758
Helen I. Smith School	67,449	93,110	57,165	63,371	60,281	50,811	42,586	77,663	33,297	26,791
High School/Middle School	<u>110,505</u>	<u>205,581</u>	<u>98,547</u>	<u>230,073</u>	<u>138,063</u>	<u>210,069</u>	<u>165,851</u>	<u>87,316</u>	<u>144,368</u>	<u>129,109</u>
Grand Total	<u>\$ 310,833</u>	<u>\$ 540,668</u>	<u>\$ 378,453</u>	<u>\$ 485,563</u>	<u>\$ 394,850</u>	<u>\$ 400,548</u>	<u>\$ 365,648</u>	<u>\$ 243,082</u>	<u>\$ 311,887</u>	<u>\$ 251,495</u>

Source: School District's Financial Statements

SADDLE BROOK BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Insurance Co.		
Property -Blanket Building and Contents	\$ 66,383,036	(1) \$ 5,000
Electronic Data Processing equipment	5,000,000	5,000
Valuable Papers	5,000,000	1,000
General Liability - National Union Fire Insurance Co.		
Aggregate/Each Occurrence	2,000,000/1,000,000	2,500
Educator's Legal Liability- XL Catlin		
Educators Legal	1,000,000	20,000
Employment Practices		25,000
Commercial Automobile Liability - Great American Insurance Co.		
Combined Single Limit	1,000,000	2,500
Comprehensive		1,000
Collision		1,000
Commercial Umbrella - National Union Fire Insurance Co.		
	9,000,000	10,000
Excess Liability - Starstone/Markel (Not Shared)		
	30,000,000	
Excess Liability - Fireman's Fund (Shared 1/2 Fund)		
	25,000,000	
Public Employees' Blanket Bond (Crime) - Selective Way Ins. Co.		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty - Excess	500,000	100,000
Forgery and Alterations	100,000	1,000
Cyber Liability - Indian Harbor Insurance Co.		
	1,000,000/2,000,000	
Group Aggregate	6,000,000	100,000
Environmental - ACE/Chubb		
	2,000,000/4,000,000	15,000
Group Aggregate	20,000,000	
Public Official Bond-Treasurer - Selective Insurance Company		
	275,000	
Public Official Bond-Business Administrator - Selective Insurance Co.		
	275,000	
Workmen's Compensation - Reinsurance - Safety National Ins. Co.		
	1,000,000	
Boiler & Machinery - National Union Fire Insurance Co.		
	66,383,036	5,000
Athletic Accident - Zurich Insurance Co. (80% Co-insurance)		
	5,000,000	250
Accident Policy for Volunteers (Chubb)		
	250,000	
Flood- Selective Insurance Company		
High School/Administration- Building	500,000	5,000
High School/Administration- Contents	500,000	5,000

Source: School District's records

(1) Pool limit

SINGLE AUDIT SECTION



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Saddle Brook Board of Education's basic financial statements and have issued our report thereon dated March 14, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Saddle Brook Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Saddle Brook Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 14, 2022



LERCH, VINCI & HIGGINS, ~~LLP~~ EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Saddle Brook Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Saddle Brook Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

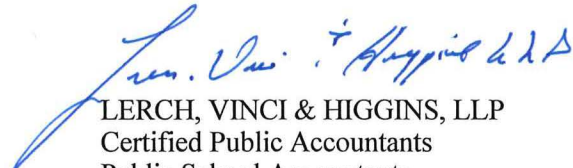
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Saddle Brook 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 March 14, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
March 14, 2022

SADDLE BROOK 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 Period	Award Amount	Balance July 1, 2020	Deferred Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2021			GAAP Receivable
											(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
General Fund														
Medicaid Assistance Program (SEMI)	93.778	2105NJSMAP	7/1/20-6/30/21	\$ 7,652	-	-	-	\$ 7,652	\$ 7,652	-	-	-	-	-
Total U.S. Department of Education					-	-	-	7,652	7,652	-	-	-	-	-
U.S. Department of Agriculture														
Passed-through State Department of Education														
National School Lunch Program														
Non-Cash Assistance	10.555	211NJ304N1099	9/1/20-6/30/21	40,076				40,076	40,076					
Cash Assistance	10.555	211NJ304N1099	9/1/20-6/30/21	331,622				224,005	331,622			\$ (107,617)		\$ (107,617)
Cash Assistance	10.555	201NJ304N1099	9/1/19-6/30/20	118,717	\$ (7,906)			7,906						
School Breakfast Program	10.553	211NJ304N1099	9/1/20-6/30/21	175,074	-	-	-	149,017	175,074	-	-	(26,057)	-	(26,057)
Total U.S. Department of Agriculture- Cluster					(7,906)	-	-	421,004	546,772	-	-	(133,674)	-	(133,674)
U.S. Department of Education														
Passed-through State Department of Education														
ESEA Title I														
ESEA Title I	84.010	S010A200030	7/1/19-9/30/20	232,975	(105,837)	\$ (837)	\$ 837	105,837						-
ESEA Title I	84.010	S010A200030	7/1/20-9/30/21	234,138		837	(837)	150,674	211,902	\$ 837		(84,301)	\$ 23,910	(60,391)
ESEA Title I SIA	84.010	S010A200030	7/1/19-9/30/20	22,700	(26,199)	(26,907)	26,907	26,199				-		-
ESEA Title I SIA	84.010	S010A200030	7/1/20-9/30/21	28,000		26,907	(26,907)					(54,907)	54,907	-
ESEA Title IIA	84.367A	S367A200029	7/1/19-9/30/20	31,704	(15,620)	(2,306)	2,306	15,620				(2,306)		-
ESEA Title IIA	84.367A	S367A200029	7/1/20-9/30/21	36,823		2,306	(2,306)	21,523	19,943	1,200		(15,300)	20,386	
ESEA Title III, Immigrant	84.365A	S365A200030	7/1/19-9/30/20	3,295		(6,854)	6,854							
ESEA Title III, Immigrant	84.365A	S365A200030	7/1/20-9/30/21	3,316		6,854	(6,854)	2,240	55			(7,930)	10,115	
ESEA Title IV	84.424A	S424A200031	7/1/19-9/30/20	14,519	(2,615)	(7,353)	7,353	2,615						-
ESEA Title IV	84.424A	S424A200031	7/1/20-9/30/21	17,205		7,353	(7,353)	11,914	15,950			(12,644)	8,608	(4,036)
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	7/1/19-9/30/20	385,060	(122,473)			122,473						-
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	7/1/20-9/30/21	412,576				363,284	412,576			(49,292)	-	(49,292)
I.D.E.A. Part B, Basic Regular	84.027A	H027A110100	9/1/11-8/31/12	377,056	(15,680)			15,680						-
I.D.E.A. Part B, Preschool	84.173	H173A200114	7/1/20-9/30/21	16,081				-				(16,081)	16,081	
IDEA Cluster Program									412,576					
Coronavirus Relief Aid	21.019		3/12/20-12/30/20	81,127				81,127	81,127					
Elementary and Secondary School Emergency Relief (ESSER)														
Coronavirus Aid, Relief and Economic Security (CARE) Act														
CARES Emergency Relief Fund	84.425D	S425D200027	3/13/20-9/30/22	253,739				117,584	138,533			(136,155)	115,206	(20,949)
Elementary and Secondary School Emergency Relief (ESSER II)														
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act														
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	767,459								(767,459)	767,459	
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	49,252								(49,252)	49,252	
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000								(45,000)	45,000	
Total U.S. Department of Education					(288,424)	-	-	1,036,770	880,086	2,037		(1,240,627)	1,110,924	(134,668)
Total Federal Awards Subject to a Single Audit					\$ (296,330)	\$ -	\$ -	\$ 1,465,426	\$ 1,434,510	\$ 2,037		\$ (1,374,301)	\$ 1,110,924	\$ (268,342)

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Adjustments represent prior year payables cancelled.

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2020				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2021			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount				(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	7/1/19-6/30/20	\$ 1,111,906	\$ (68,758)			\$ 68,758									
Special Education Aid	20-495-034-5120-089	7/1/20-6/30/21	1,167,912				1,082,756	\$ 1,167,912		\$ (85,156)				\$ 1,167,912		
Equalization Aid	21-495-034-5120-078	7/1/19-6/30/20	17,740	(871)			871							-		
Equalization Aid	20-495-034-5120-078	7/1/20-6/30/21	17,740				16,676	17,740		(1,064)				17,740		
Security Aid	21-495-034-5120-084	7/1/19-6/30/20	43,806	(2,611)			2,611							-		
Security Aid	20-495-034-5120-084	7/1/20-6/30/21	43,806				40,612	43,806		(3,194)				43,806		
								<u>1,229,458</u>						-		
State Aid Public Cluster																
Extraordinary Aid	21-100-034-5120-044	7/1/19-6/30/20	556,744	(556,744)			556,744							-		
Extraordinary Aid	20-100-034-5120-044	7/1/20-6/30/21	576,011					576,011		(576,011)				576,011		
Transportation Aid	21-495-034-5120-014	7/1/19-6/30/20	234,147	(14,796)			14,796							-		
Transportation Aid	20-495-034-5120-014	7/1/20-6/30/21	234,147				217,116	234,147		(17,031)				234,147		
								<u>234,147</u>						-		
Transportation Aid Cluster																
On-Behalf Payments																
TPAF Pension and Annuity Aid																
Normal	21-495-034-5094-002	7/1/20-6/30/21	3,624,818				3,624,818	3,624,818						3,624,818		
NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	68,967				68,967	68,967						68,967		
Post Retirement Medical Contribution	21-495-034-5094-001	7/1/20-6/30/21	1,157,574				1,157,574	1,157,574						1,157,574		
Long-Term Disability	21-495-034-5094-004	7/1/20-6/30/21	2,094				2,094	2,094						2,094		
TPAF Social Security	20-495-034-5094-003	7/1/20-6/30/21	1,018,221				967,675	1,018,221		(50,546)				\$ (50,546)	1,018,221	
TPAF Social Security	21-495-034-5094-003	7/1/19-6/30/20	1,029,683	(49,897)	-	-	49,897	-	-	-	-	-	-	-	-	
Total General Fund				<u>(693,677)</u>	-	-	-	<u>7,871,965</u>	<u>7,911,290</u>	-	-	<u>(733,002)</u>	-	-	<u>(50,546)</u>	<u>7,911,290</u>
Special Revenue Fund																
Nonpublic Aid																
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	244				\$ 244	\$ 244						244		
Security	21-100-034-5120-509	7/1/20-6/30/21	700				700						\$ 700			
Security	20-100-034-5120-509	7/1/19-6/30/20	600			\$ 600			\$ 600							
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	408				408							408		
Auxiliary Services																
English as a Second Language	20-100-034-5120-067	7/1/19-6/30/20	827	(82)		827	82			827				-		
Handicapped Services																
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	243				243	243						243		
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	2,734	(273)		2,734	273			2,734				-		
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	547				547	547						-	547	
Total Special Revenue Fund				<u>(355)</u>	-	<u>4,161</u>	-	<u>2,497</u>	<u>1,034</u>	-	<u>4,161</u>	-	-	<u>1,108</u>	-	<u>1,034</u>

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SADDLE BROOK 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 at July 1, 2020				Cash Received	Budgetary Expenditures	Adjustment	Repayment of Prior Years' Balances	Balance, June 30, 2021			MEMO		
				(Accounts Receivable)	Unearned Revenue	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Agriculture																	
Enterprise Fund																	
National School Lunch Program																	
State Share	21-100-010-3350-023	7/1/20-6/30/21	\$ 17,723					\$ 14,206	\$ 17,722				\$ (3,516)			\$ (3,516)	\$ 17,722
State Share	20-100-010-3350-023	7/1/19-6/30/20	4,234	\$ (82)	-	-	-	82	-	-	-	-	-	-	-	-	-
Total Enterprise Fund				(82)	-	-	-	14,288	17,722	-	-	-	(3,516)	-	-	(3,516)	17,722
Debt Service Fund																	
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	\$ 131,256	-	-	-	-	131,256	131,256	-	-	-	-	-	-	-	131,256
Total Debt Service Fund				-	-	-	-	131,256	131,256	-	-	-	-	-	-	-	131,256
Total State Financial Assistance- Determination for Single Audit				\$ (694,114)	\$ -	\$ 4,161	\$ -	\$ 8,020,006	\$ 8,061,302	\$ -	\$ 4,161	\$ (736,518)	\$ -	\$ 1,108	\$ (54,062)	\$ 8,061,302	
Less: On -Behalf TPAF Pension System Contributions																	
Normal									(3,624,818)								
NCGI Premium									(68,967)								
Post Retirement Medical Contribution									(1,157,574)								
Long-Term Disability									(2,094)								
Total State Financial Assistance Subject to Major Program Determination									\$ 3,207,849								

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

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Saddle Brook 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 \$38,676 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 7,652	\$ 7,872,614	\$ 7,880,266
Special Revenue Fund	880,086	1,034	881,120
Debt Service Fund		131,256	131,256
Food Service Fund	<u>546,772</u>	<u>17,722</u>	<u>564,494</u>
Total Financial Assistance	<u>\$ 1,434,510</u>	<u>\$ 8,022,626</u>	<u>\$ 9,457,136</u>

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,018,221 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$3,693,785, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,157,574 and TPAF Long-Term Disability Insurance in the amount of \$2,094 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 elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

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

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) Of U.S. Uniform Guidance _____ yes X none reported

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

Auditee qualified as low-risk auditee? X yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>10.553</u>	<u>211NJ304N1099</u>	<u>National School Breakfast Program</u>
<u>10.555</u>	<u>211NJ304N1099</u>	<u>National School Lunch Program</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Part I – Summary of Auditor’s Results

State Awards Section

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

Internal Control over compliance:

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

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

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

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

Auditee qualified as low-risk auditee? X yes no

Identification of major programs:

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

**SADDLE BROOK 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.

**SADDLE BROOK 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 federal and state programs, as required by to be reported by CFR 200 and section 516 of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and New Jersey OMB's Circular Letter 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**SADDLE BROOK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 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*, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and New Jersey OMB's Circular 15-08, as amended.

STATUS OF PRIOR YEAR FINDINGS

There were none.