

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

**Waldwick, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Waldwick Board of Education**

**Waldwick, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

# WALDWICK BOARD OF EDUCATION



JOHN GRIFFIN  
SCHOOL BUSINESS ADMINISTRATOR/  
BOARD SECRETARY

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

January 31, 2022

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the financial statements and required supplementary information as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of both the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to the single audits, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Waldwick School District is an independent reporting entity within the criteria adopted by the Governmental Accounts Standards Board (GASB) as established by NCGA. All funds of the District are included in this report. The Waldwick Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2020-2021 fiscal year with an average daily enrollment of 1,599 students, which is a decrease from the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last ten years.

## Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-21	1,599	-1%
2019-20	1,613	1%
2018-19	1,597	7%
2017-18	1,586	0%
2016-17	1,585	0%
2015-16	1,584	.4%
2014-15	1,577	-1.2%
2013-14	1,596	-1.4%
2012-13	1,618	1.6%
2011-12	1,593	0%



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

**3) MAJOR INITIATIVES:** All four schools continued the technology initiative with various devices purchased and installed in addition to a cloud management system installed. The school district continued its maintenance and construction program. The district completed multiple projects at the High School including the installation of new basketball backboards in the gym, dugouts at the softball field, HVAC in the Greenburg Center and floor tile installation in the girls' locker room. The built in cafeteria tables in the Crescent School multipurpose room were replaced as well as new counters and sinks installed in all classrooms. The maintenance garage had a new roof installed. The district had a construction referendum receive voter approval on April 20, 2021 for upgrades to all three school locations with the majority being for work at the high school and middle school.

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

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

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

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

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

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

**7) DEBT ADMINISTRATION:** At June 30, 2021, the District's long-term debt issue is for \$1,250,000 of general obligation bonds to provide funding for the school referendum.

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

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

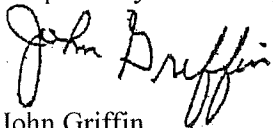
**10) OTHER INFORMATION:**

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

**11) ACKNOWLEDGMENTS:**

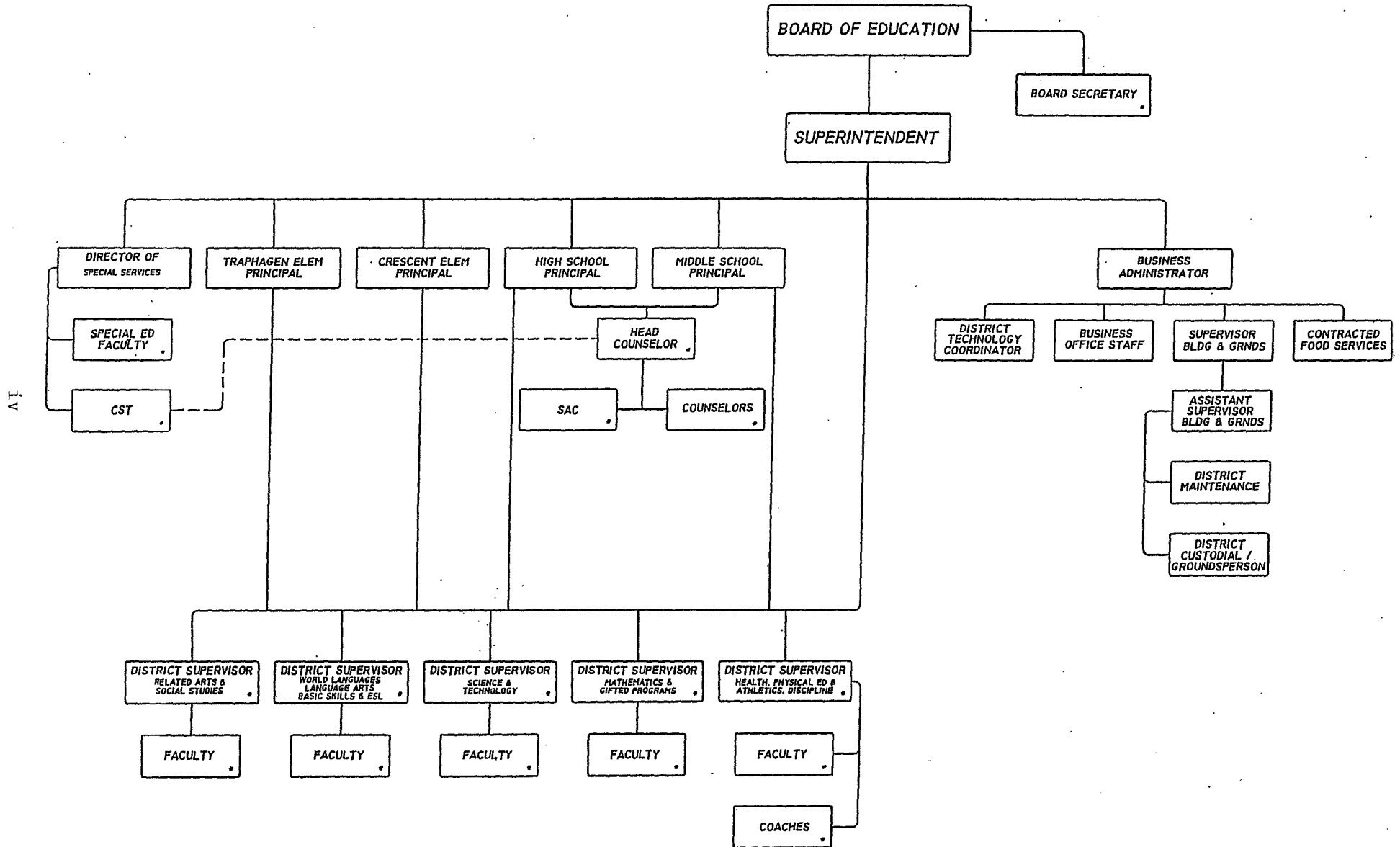
We would like to express our appreciation to the members of the Waldwick Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



John Griffin  
School Business Administrator/Board Secretary

# WALDWICK PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART



WALDWICK BOARD OF EDUCATION  
WALDWICK, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Marro, President	2023
Andrew Frey, Vice President	2024
Andrew Fowler	2022
Julie Mangler	2023
Mary Beth Nappi	2023
Timothy O'Hare	2024
Domenica Sherry	2022

Other Officials

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

John Griffin, School Business Administrator/Board Secretary

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

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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

**Attorney**

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

**Official Depository**

Valley Bank  
67 Franklin Turnpike  
Waldwick, NJ 07463

**Architect**

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

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
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 Trustees  
Waldwick Board of Education  
Waldwick, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick 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 Waldwick 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 Waldwick 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 Waldwick Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 Waldwick 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.



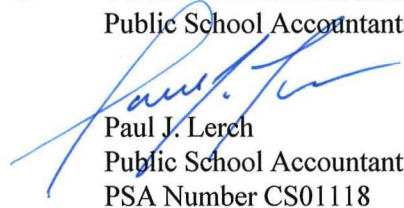
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2022 on our consideration of the Waldwick Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Waldwick Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
January 31, 2022

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

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

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

This discussion and analysis of the Waldwick School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 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 including the notes to the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- District-Wide - Overall revenues were \$45,302,201. General revenues accounted for \$32,038,074 or 71 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13,264,127 or 29 percent of total revenues of \$45,302,201.
- District-Wide - The School District had \$41,027,869 in expenses; only \$13,264,127 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$32,038,074 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Waldwick Board of Education's governmental funds reported combined ending fund balances of \$10,863,086 an increase of \$2,959,169 when compared with the beginning balance at July 1, 2020 restated balance of \$7,903,917.
- Fund Financials - At the end of June 30, 2021, the unassigned fund balance, on a GAAP basis, for the General Fund was \$897,774 an increase of \$595,922 in comparison with the prior year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Waldwick Board of Education’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Waldwick Board of Education, reporting the Waldwick Board of Education’s operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Waldwick Board of Education operates like a business.

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

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

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

## **Fund Financial Statements**

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

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

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

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

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

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

## **DISTRICT-WIDE FINANCIAL ANALYSIS OF THE WALDWICK BOARD OF EDUCATION AS A WHOLE**

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

Table A-2 provides a summary of the school district's net position for fiscal years 2021 and 2020. For 2021 and 2020 net position were \$21,883,366 and \$17,609,034 restated, respectively.

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>						
Current and Other Assets	\$ 11,603,318	\$ 8,257,232	\$ 73,207	\$ 130,346	\$ 11,676,525	\$ 8,387,578
Capital Assets	21,018,771	21,104,855	73,638	40,172	21,092,409	21,145,027
<b>Total Assets</b>	<b>32,622,089</b>	<b>29,362,087</b>	<b>146,845</b>	<b>170,518</b>	<b>32,768,934</b>	<b>29,532,605</b>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Net Pension Liability	496,385	869,421			496,385	2,497,361
Deferred Amounts on Debt Refunding	28,904	52,619	-	-	28,904	52,619
<b>Total Deferred Outflows of Resources</b>	<b>525,289</b>	<b>922,040</b>	<b>-</b>	<b>-</b>	<b>525,289</b>	<b>2,549,980</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>33,147,378</b>	<b>30,284,127</b>	<b>146,845</b>	<b>170,518</b>	<b>33,294,223</b>	<b>32,082,585</b>
<b>Liabilities</b>						
Current Liabilities	756,989	379,440		2,659	756,989	238,570
Non-Current Liabilities	7,892,320	9,599,999	-	-	7,892,320	9,599,999
<b>Total Liabilities</b>	<b>8,649,309</b>	<b>9,979,439</b>	<b>-</b>	<b>2,659</b>	<b>8,649,309</b>	<b>9,838,569</b>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	2,761,548	2,863,513	-	-	2,761,548	2,863,513
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>11,410,857</b>	<b>12,842,952</b>	<b>-</b>	<b>2,659</b>	<b>11,410,857</b>	<b>12,702,082</b>
<b>Net Position</b>						
Net Investment in Capital Assets	19,350,115	18,406,134	73,638	40,172	19,423,753	18,446,306
Restricted	8,455,575	4,845,755			8,455,575	4,845,755
Unrestricted	(6,069,169)	(5,810,714)	73,207	127,687	(5,995,962)	(5,683,027)
<b>Total Net Position</b>	<b>\$ 21,736,521</b>	<b>\$ 17,441,175</b>	<b>\$ 146,845</b>	<b>\$ 167,859</b>	<b>\$ 21,883,366</b>	<b>\$ 17,609,034</b>

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



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

**Governmental activities.** Governmental activities for 2021 increased the District's net position by \$4,295,346.

**Business-Type Activities.** The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$21,421. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in a decrease in net position of \$21,014.

Key elements of these increases and decreases are as follows:

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

Revenues	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues						
Charges for Services	\$ 36,666	\$ 78,156	\$ 195	\$ 260,197	\$ 36,861	\$ 338,353
Operating Grants and Contributions	13,205,907	9,484,316			13,205,907	9,484,316
Capital Grants and Contributions	21,359	85,348			21,359	85,348
General Revenues						
Property Taxes	31,649,407	30,968,296			31,649,407	30,968,296
Other	388,455	397,993	212	2,045	388,667	400,038
<b>Total Revenues</b>	<b>45,301,794</b>	<b>41,014,109</b>	<b>407</b>	<b>262,242</b>	<b>45,302,201</b>	<b>41,276,351</b>
<b>Expenses</b>						
Instruction						
Regular	17,448,115	15,203,662			17,448,115	15,203,662
Special Education	8,445,836	8,542,619			8,445,836	8,542,619
Other Instruction	1,383,582	1,278,528			1,383,582	1,278,528
School Sponsored Activities and Ath.	1,217,539	1,072,484			1,217,539	1,072,484
Support Services						
Student and Instruction Related Serv.	4,570,837	4,318,366			4,570,837	4,318,366
General Administrative Services	850,654	770,712			850,654	770,712
School Administrative Services	2,919,422	2,583,780			2,919,422	2,583,780
Central Services	1,137,739	948,010			1,137,739	948,010
Plant Operations and Maintenance	2,417,173	2,247,044			2,417,173	2,247,044
Pupil Transportation	525,203	678,017			525,203	678,017
Interest on Long-Term Debt	90,348	120,890			90,348	120,890
Food Service	-	-	21,421	245,926	21,421	245,926
<b>Total Expenses</b>	<b>41,006,448</b>	<b>37,764,112</b>	<b>21,421</b>	<b>245,926</b>	<b>41,027,869</b>	<b>38,010,038</b>
Change in Net Position	4,295,346	3,249,997	(21,014)	16,316	4,274,332	3,266,313
Net Position, Beginning of Year	17,441,175	13,710,665	167,859	151,543	17,609,034	13,862,208
Prior Period Adjustment	-	480,513	-	-	-	480,513
Net Position, End of Year	<u>\$ 21,736,521</u>	<u>\$ 17,441,175</u>	<u>\$ 146,845</u>	<u>\$ 167,859</u>	<u>\$ 21,883,366</u>	<u>\$ 17,609,034</u>

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

**Governmental activities.** The District’s total governmental revenues were \$45,301,794. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$32,037,862 or 71% of total revenues. Funding from state and federal sources capital grants/contributions and charges for services amounted to \$13,263,932 or 29%.

The District’s governmental expenses are predominantly related to instruction and support services. Instruction totaled \$28,495,072 (70%), student support services totaled \$12,421,028 (30%) and interest on long-term debt total \$90,348 (less than 1%) of total expenditures. (See Table A-3.)

**Table A-4  
Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2021 and 2020**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Total Net Cost Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 17,448,115	\$ 15,203,662	\$ 12,348,854	\$ 11,643,438
Special Education	8,445,836	8,542,619	4,450,801	5,288,097
Other Instruction	1,383,582	1,278,528	751,860	829,043
School Sponsored Activities and Athletics	1,217,539	1,072,484	818,323	832,690
Support Services				
Student and Instruction Related Svcs.	4,570,837	4,318,366	3,120,115	3,284,992
General Administrative Services	850,654	770,712	664,972	648,857
School Administrative Services	2,919,422	2,583,780	2,019,225	1,990,004
Central Services	1,137,739	948,010	1,045,885	938,364
Plant Operations and Maintenance	2,417,173	2,247,044	2,140,257	2,067,854
Pupil Transportation	525,203	678,017	291,876	472,063
Interest on Long-Term Debt	90,348	120,890	90,348	120,890
	\$ 41,006,448	\$ 37,764,112	\$ 27,742,516	\$ 28,116,292

## 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 \$10,863,086. At June 30, 2020, the fund balance as restated was \$7,903,917, therefore an increase of \$2,959,169 from the fiscal year ended June 30, 2020.

### 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 \$41,000,921 and expenditures were \$38,041,752.

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

	<b>Year Ended</b>	<b>Year Ended</b>	<b>Amount of</b>	<b>Percent</b>
	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>	<b><u>Increase</u></b>	<b><u>Change</u></b>
			<b><u>(Decrease)</u></b>	
Federal Sources	\$ 754,887	\$ 531,936	\$ 222,951	41.91%
State Sources	8,333,976	7,103,769	1,230,207	17.32%
Local Sources	<u>31,912,058</u>	<u>31,273,230</u>	<u>638,828</u>	2.04%
Total Revenues	<u>\$ 41,000,921</u>	<u>\$ 38,908,935</u>	<u>\$ 2,091,986</u>	5.38%

## The District's Funds (Continued)

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

	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Year Ended</u> <u>June 30, 2020</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 25,046,303	\$ 23,986,438	\$ 1,059,865	4.42%
Undistributed	11,021,252	10,786,217	235,035	2.18%
Capital Outlay	844,416	451,105	393,311	87.19%
Debt Service				
Principal	1,024,402	1,007,180	17,222	1.71%
Interest	<u>105,379</u>	<u>137,200</u>	<u>(31,821)</u>	-23.19%
Total Expenditures	<u>\$ 38,041,752</u>	<u>\$ 36,368,140</u>	<u>\$ 1,673,612</u>	4.60%

## General Fund Budgetary Highlights

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

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

- A decrease in out-of-district tuition costs.
- A decrease in energy costs partially due to the reduced use of facilities due to Covid-19.
- The deposit of \$1,929,154 into the district's Capital Reserve account.
- A deposit of \$600,000 into the District's Maintenance Reserve account.
- A decrease in special education related services due to Covid-19.
- An increase in extra-curricular supplies due to the establishment of an E-sports team.
- A decrease in transportation expenditures for out of district students due to the Covid-19 shut down of schools throughout the state.
- An increase in expenditures for Chromebooks to support remote learning due to the Covid-19 crises.
- An increase in expenditures for internet upgrades to support remote learning due to the Covid-19 crises.

**Capital Assets.** The Waldwick Board of Education’s investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$21,092,409 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-5**  
**Capital Assets**  
**(net of accumulated depreciation) at June 30, 2021 and 2020**

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Construction in Progress	\$ 317,275				\$ 317,275	\$ -
Land Improvements	1,986,196	\$ 1,925,535			1,986,196	1,925,535
Buildings and Building Improvements	31,432,595	31,375,653	\$ 50,546		31,483,141	31,375,653
Machinery and Equipment	<u>4,019,622</u>	<u>3,696,073</u>	<u>95,661</u>	<u>\$ 76,978</u>	<u>4,115,283</u>	<u>3,773,051</u>
 Total	 37,755,688	 36,997,261	 146,207	 76,978	 37,901,895	 37,074,239
 Less: Accumulated Depreciation	 <u>16,736,917</u>	 <u>15,892,406</u>	 <u>72,569</u>	 <u>36,806</u>	 <u>16,809,486</u>	 <u>15,929,212</u>
 Total	 <u>\$ 21,018,771</u>	 <u>\$ 21,104,855</u>	 <u>\$ 73,638</u>	 <u>\$ 40,172</u>	 <u>\$ 21,092,409</u>	 <u>\$ 21,145,027</u>

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

Debt Administration. As of June 30, 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$7,892,320 as stated in Table A-6.

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

	<u>Balance</u> <u>June 30, 2021</u>	<u>Balance</u> <u>June 30, 2020</u>
Serial Bonds (Including Original Issue Premium)	\$ 1,285,805	\$ 1,935,183
Capital Lease	411,755	816,157
Compensated Absences Payable	650,992	593,092
Net Pension Liability	<u>5,543,768</u>	<u>6,255,567</u>
 Total	 <u>\$ 7,892,320</u>	 <u>\$ 9,599,999</u>

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

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

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

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

## **FOR THE FUTURE**

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

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

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

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

**BASIC FINANCIAL STATEMENTS**



**WALDWICK BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 11,505,489	\$ 73,207	\$ 11,578,696
Accounts Receivables, net	97,829		97,829
Capital Assets, net			
Not Being Depreciated	317,275		317,275
Being Depreciated	<u>20,701,496</u>	<u>73,638</u>	<u>20,775,134</u>
Total Assets	<u>32,622,089</u>	<u>146,845</u>	<u>32,768,934</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Amounts on Net Pension Liability	496,385		496,385
Deferred Amounts on Refunding of Debt	<u>28,904</u>	<u>-</u>	<u>28,904</u>
Total Deferred Outflows of Resources	<u>525,289</u>	<u>-</u>	<u>525,289</u>
Total Assets and Deferred Outflows of Resources	<u>33,147,378</u>	<u>146,845</u>	<u>33,294,223</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Intergovernmentals	110,700		110,700
Other	610,948		
Unearned Revenue	18,584		18,584
Accrued Liabilities:			
Interest Payable	16,757		
Noncurrent Liabilities			
Due Within One Year	1,036,755		1,036,755
Due Beyond One Year	<u>6,855,565</u>	<u>-</u>	<u>6,855,565</u>
Total Liabilities	<u>8,649,309</u>	<u>-</u>	<u>8,021,604</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Amounts on Net Pension Liability	<u>2,761,548</u>	<u>-</u>	<u>2,761,548</u>
Total Liabilities and Deferred Inflows of Resources	<u>11,410,857</u>	<u>-</u>	<u>10,783,152</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	19,350,115	73,638	19,423,753
Restricted for			
Capital Projects	5,227,121		5,227,121
Other Purposes	3,228,454		3,228,454
Unrestricted (Deficit)	<u>(6,069,169)</u>	<u>73,207</u>	<u>(5,995,962)</u>
Total Net Position	<u>\$ 21,736,521</u>	<u>\$ 146,845</u>	<u>\$ 21,883,366</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 17,448,115	\$ 36,666	5,041,236	\$ 21,359	\$ (12,348,854)		\$ (12,348,854)
Special Education	8,445,836		3,995,035		(4,450,801)		(4,450,801)
Other Instruction	1,383,582		631,722		(751,860)		(751,860)
School Sponsored Activities and Athletics	1,217,539		399,216		(818,323)		(818,323)
Support Services:							
Student and Instruction Related Services	4,570,837		1,450,722		(3,120,115)		(3,120,115)
General Administrative Services	850,654		185,682		(664,972)		(664,972)
School Administrative Services	2,919,422		900,197		(2,019,225)		(2,019,225)
Central Services	1,137,739		91,854		(1,045,885)		(1,045,885)
Plant Operations and Maintenance	2,417,173		276,916		(2,140,257)		(2,140,257)
Pupil Transportation	525,203		233,327		(291,876)		(291,876)
Interest on Long-Term Debt	90,348	-	-	-	(90,348)	-	(90,348)
<b>Total Governmental Activities</b>	<b>41,006,448</b>	<b>36,666</b>	<b>13,205,907</b>	<b>21,359</b>	<b>(27,742,516)</b>	<b>-</b>	<b>(27,742,516)</b>
<b>Business-Type Activities:</b>							
Food Service	21,421	195	-	-	-	\$ (21,226)	(21,226)
<b>Total Business-Type Activities</b>	<b>21,421</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,226)</b>	<b>(21,226)</b>
<b>Total Government</b>	<b>\$ 41,027,869</b>	<b>\$ 36,861</b>	<b>\$ 13,205,907</b>	<b>\$ 21,359</b>	<b>(27,742,516)</b>	<b>(21,226)</b>	<b>(27,763,742)</b>
<b>General Revenues:</b>							
Property Taxes:							
					30,967,007		30,967,007
					682,400		682,400
					257,458		257,458
					1,021	212	1,233
					129,976	-	129,976
<b>Total General Revenues</b>					<b>32,037,862</b>	<b>212</b>	<b>32,038,074</b>
<b>Change in Net Position</b>					<b>4,295,346</b>	<b>(21,014)</b>	<b>4,274,332</b>
<b>Net Position, July 1 (Restated)</b>					<b>17,441,175</b>	<b>167,859</b>	<b>17,609,034</b>
<b>Net Position, June 30</b>					<b>\$ 21,736,521</b>	<b>\$ 146,845</b>	<b>\$ 21,883,366</b>

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

**FUND FINANCIAL STATEMENTS**

WALDWICK BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 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>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 11,306,102	\$ 199,387			\$ 11,505,489
Due from Other Funds		2,895			2,895
Intergovernmental Accounts Receivable	71,764	25,615			97,379
Other Accounts Receivable	450	-	-	-	450
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 11,378,316</u>	<u>\$ 227,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,606,213</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Due to Other Funds	\$ 2,895				\$ 2,895
Payables to Other Governments	8,676	\$ 102,024			110,700
Payroll Deductions and Withholdings Payable	11,500				11,500
Unemployment Compensation Claims Payable	49,004				49,004
Deposits Payable	1,002				1,002
Accounts Payable	148,148	84,019	\$ 317,275		549,442
Unearned Revenue	5,500	13,084	-	-	18,584
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>226,725</u>	<u>199,127</u>	<u>317,275</u>	<u>-</u>	<u>743,127</u>
Fund Balances:					
Restricted:					
Capital Reserve	5,544,396				5,544,396
Maintenance Reserve	1,350,000				1,350,000
Excess Surplus	1,300,000				1,300,000
Excess Surplus - Designated for Subsequent Year's Expenditures	1,346,582				1,346,582
Unemployment Compensation	442,173				442,173
Capital Projects			(317,275)		(317,275)
Scholarships		18,611			18,611
Student Activities		10,159			10,159
Assigned:					
Year-End Encumbrances	202,134				202,134
Designated for Subsequent Year's Expenditures	108,532				108,532
Unassigned	857,774	-	-	-	857,774
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>11,151,591</u>	<u>28,770</u>	<u>(317,275)</u>	<u>-</u>	<u>10,863,086</u>
Total Liabilities and Fund Balances	<u>\$ 11,378,316</u>	<u>\$ 227,897</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**Total Governmental Fund Balances (Exhibit B-1)** \$ 10,863,086

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the capital assets is \$37,755,688 and the accumulated depreciation is \$16,736,917. 21,018,771

Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements

Deferred Outflows of Resources	\$ 496,385	
Deferred Inflows of Resources	<u>(2,761,548)</u>	(2,265,163)

Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds (16,757)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the state of net position and deferred over future years 28,904

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

Bonds Payable, Including Premium	(1,285,805)	
Capital Leases Payable	(411,755)	
Compensated Absences	(650,992)	
Net Pension Liability	<u>(5,543,768)</u>	<u>(7,892,320)</u>

**Net Position of Governmental Activities (Exhibit A-1)** \$ 21,736,521

**WALDWICK 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>
<b>REVENUES:</b>					
Local Property Tax Levy	\$ 30,967,007			\$ 682,400	\$ 31,649,407
Tuition Charges	36,666				36,666
Other Restricted Miscellaneous Revenues	1,021				1,021
Unrestricted Miscellaneous Revenues	129,976				129,976
Federal Sources	35,643	\$ 719,244			754,887
State Sources	8,153,401	180,575			8,333,976
Local Sources	-	94,988	-	-	94,988
	<u>39,323,714</u>	<u>994,807</u>	<u>-</u>	<u>682,400</u>	<u>41,000,921</u>
Total Revenues					
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	15,115,008	102,544			15,217,552
Special Education Instruction	7,138,373	389,395			7,527,768
Other Instruction	976,933	246,159			1,223,092
School-Sponsored Activities and Athletics	984,233	93,658			1,077,891
Support Services and Undistributed Costs:					
Student and Instruction Related Services	3,845,546	122,061			3,967,607
General Administrative Services	766,791				766,791
School Administrative Services	2,512,848				2,512,848
Central Services	1,029,079				1,029,079
Plant Operations and Maintenance	2,234,860				2,234,860
Pupil Transportation	510,067				510,067
Capital Outlay	475,560	51,581	\$ 317,275		844,416
Debt Service:					
Principal	404,402			620,000	1,024,402
Interest and Other Charges	42,979	-	-	62,400	105,379
	<u>36,036,679</u>	<u>1,005,398</u>	<u>317,275</u>	<u>682,400</u>	<u>38,041,752</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,287,035</u>	<u>(10,591)</u>	<u>(317,275)</u>	<u>-</u>	<u>2,959,169</u>
Net Change in Fund Balances	3,287,035	(10,591)	(317,275)	-	2,959,169
Fund Balance, July 1 (Restated)	<u>7,864,556</u>	<u>39,361</u>	<u>-</u>	<u>-</u>	<u>7,903,917</u>
Fund Balance (Deficit), June 30	<u>\$ 11,151,591</u>	<u>\$ 28,770</u>	<u>\$ (317,275)</u>	<u>\$ -</u>	<u>\$ 10,863,086</u>

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

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

**Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 2,959,169

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the period

Depreciation Expense	\$ (926,270)	
Capital Outlays	<u>844,416</u>	(81,854)

Issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Repayments		
Bond Principal	620,000	
Lease Principal	404,402	
Amortization of Bond Premium	29,378	
Amortization of Deferred Amounts on Refunding	(23,715)	
Accrued Interest	<u>9,368</u>	1,039,433

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

Loss on Disposal of Capital Assets		(4,230)
------------------------------------	--	---------

In the statement of activities, certain operating expenses, (e.g., pensions, compensated absence and interest on debt), are measured by the amounts incurred during the year.

In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.

Decrease in Net Pension Liability	440,728	
Increase Compensated Absences	<u>(57,900)</u>	<u>382,828</u>

**Change in net position of governmental activities (Exhibit A-2)** \$ 4,295,346

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ <u>73,207</u>
Total Current Assets	<u>73,207</u>
Noncurrent Assets:	
Capital Assets	146,207
Less: Accumulated Depreciation	<u>(72,569)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>73,638</u>
Total Noncurrent Assets	<u>73,638</u>
Total Assets	<u>146,845</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	73,638
Unrestricted	<u>73,207</u>
Total Net Position	<u>\$ <u>146,845</u></u>

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



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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>OPERATING REVENUES:</b>	
Charges for Services	
Daily Sales - Non-Reimbursable Programs	\$ 195
Total Operating Revenues	<u>195</u>
<b>OPERATING EXPENSES:</b>	
Other Purchased Services	2,643
Supplies and Materials	729
Depreciation	3,918
Cost of Sales / Goods Sold:	
Non-Reimbursable Program	10,257
Miscellaneous	<u>788</u>
Total Operating Expenses	<u>18,335</u>
Operating Income (Loss)	<u>(18,140)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest and Investment Revenue	212
Loss on Disposal of Assets	<u>(3,086)</u>
Total Nonoperating Revenues (Expenses)	<u>(2,874)</u>
Change in Net Position	(21,014)
Net Position, July 1	<u>167,859</u>
Net Position, June 30	<u>\$ 146,845</u>

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers and Other Funds	\$ 195
Payments to Suppliers	<u>(6,819)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(6,624)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	<u>(40,470)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(40,470)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on Deposits	<u>212</u>
Net Cash Provided by Investing Activities	<u>212</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(46,882)
Cash and Cash Equivalents, Beginning of Year	<u>120,089</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 73,207</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities:</b>	
Operating Income (Loss)	\$ (18,140)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	3,918
(Increase) Decrease in Inventories	10,257
Increase (Decrease) in Accounts Payable	<u>(2,659)</u>
Total Adjustments	<u>11,516</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (6,624)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Waldwick Board of Education this includes general operations, food service and student related activities of the District.

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

**B. New Accounting Standards**

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.

**WALDWICK 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.

**WALDWICK 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. The District does not have any Fiduciary Funds.

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

**WALDWICK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 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 fund which is organized to be self-supporting through user charges:

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

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

**Reclassifications**

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

**D. Measurement Focus and Basis of Accounting**

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

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

**WALDWICK 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.



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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. *Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20-50
Machinery - Equipment	5-20

**5. *Deferred Outflows/Inflows of Resources***

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or 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.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements**

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

**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.

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

*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).

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

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

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

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

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

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**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.

***10. Fund Balance Policies***

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

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

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures***

*Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs.

*Tuition Expenditures* - Tuition charges for the fiscal years 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 are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

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

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$584,670. The increase was funded by the reappropriation of prior year general fund encumbrances, additional grant awards and the inclusion of student activities and scholarships transactions.

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

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

**B. Capital Reserve**

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

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

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

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

**B. Capital Reserve (Continued)**

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

Balance, July 1, 2020		\$ 3,615,242
Increased by:		
Budget Appropriations	\$ 563,471	
Deposits Approved by Board Resolution	<u>1,365,683</u>	
Total Increases		<u>1,929,154</u>
Balance, June 30, 2021		<u>\$ 5,544,396</u>

The June 30, 2021 LRFPS balance of local support costs of uncompleted capital projects is \$11,005,620.

**C. Deficit Fund Equity**

The District has an accumulated deficit in fund balance of \$317,275 in the Capital Projects Fund as of June 30, 2021. This deficit is the result of the Board incurring expenditures for the 2021 bond referendum, which was prior to the sale of school bonds or receipt of state aid. As the Board permanently finances these appropriations or receives state aid, the District will realize as revenues the proceeds of the financing or state aid. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**D. 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	\$ 750,000
Increased by:	
Deposits Approved by Board Resolution	<u>600,000</u>
Balance, June 30, 2021	<u>\$ 1,350,000</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,359,261.

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

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

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$2,646,582. Of this amount, \$1,346,582 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$1,300,000 will be appropriated in the 2022/2023 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$11,578,696 and bank and brokerage firm balances of the Board's deposits amounted to \$11,818,414. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 11,818,414</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board's bank balances were exposed to custodial credit risk.



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

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

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

**Investments**

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

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

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

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A20-37). The District does not have an investment policy that would further limit its investment choices.

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

**B. Receivables**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal		\$ 25,615	\$ 25,615
State	\$ 71,764	-	71,764
Local	450	-	450
	<u>          </u>	<u>          </u>	<u>          </u>
Net Total Receivables	<u>\$ 72,214</u>	<u>\$ 25,615</u>	<u>\$ 97,829</u>

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

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

**C. Unearned Revenue**

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

	<u>Total</u>
General Fund	
Preschool Tuition	\$ 5,500
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>13,084</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 18,584</u>

**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>Deletions</u>	<u>Balance, June 30, 2021</u>
<b>Governmental activities:</b>				
Capital Assets, Not Being Depreciated				
Construction In Progress	<u>-</u>	<u>\$ 317,275</u>	<u>-</u>	<u>\$ 317,275</u>
 Total Capital Assets, Not Being Depreciated	 <u>-</u>	 <u>317,275</u>	 <u>-</u>	 <u>317,275</u>
Capital Assets, Being Depreciated:				
Land Improvements	\$ 1,925,535	60,661		1,986,196
Buildings and Building Improvements	31,375,653	56,942		31,432,595
Machinery and Equipment	<u>3,696,073</u>	<u>409,538</u>	<u>\$ (85,989)</u>	<u>4,019,622</u>
 Total Capital Assets Being Depreciated	 <u>36,997,261</u>	 <u>527,141</u>	 <u>(85,989)</u>	 <u>37,438,413</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,339,117)	(53,812)		(1,392,929)
Buildings and Building Improvements	(11,989,925)	(768,657)		(12,758,582)
Machinery and Equipment	<u>(2,563,364)</u>	<u>(103,801)</u>	<u>81,759</u>	<u>(2,585,406)</u>
 Total Accumulated Depreciation	 <u>(15,892,406)</u>	 <u>(926,270)</u>	 <u>81,759</u>	 <u>(16,736,917)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>21,104,855</u>	 <u>(399,129)</u>	 <u>(4,230)</u>	 <u>20,701,496</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 21,104,855</u>	 <u>\$ (81,854)</u>	 <u>\$ (4,230)</u>	 <u>\$ 21,018,771</u>

**WALDWICK 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	Adjustments	Balance, June 30, 2021
<b>Business-Type activities:</b>					
Capital Assets, Being Depreciated:					
Buildings and Building Improvements		\$ 40,470		\$ 10,076	\$ 50,546
Machinery and Equipment	\$ 76,978	-	-	18,683	95,661
	<u>76,978</u>	<u>40,470</u>	<u>-</u>	<u>28,759</u>	<u>146,207</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements		(1,079)		(1,593)	(2,672)
Machinery and Equipment	(36,806)	(2,839)	-	(30,252)	(69,897)
	<u>(36,806)</u>	<u>(3,918)</u>	<u>-</u>	<u>(31,845)</u>	<u>(72,569)</u>
Total Capital Assets, Being Depreciated, Net	<u>40,172</u>	<u>36,552</u>	<u>-</u>	<u>(3,086)</u>	<u>73,638</u>
Business-Type Activities Capital Assets, Net	\$ 40,172	\$ 36,552	\$ -	\$ (3,086)	\$ 73,638

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 415,766
Special	171,123
Other Instruction	29,915
School-Sponsored/Activities & Athletics	<u>26,030</u>
Total Instruction	<u>642,834</u>
Support Services	
Student and Instruction Related Services	112,439
School Administration Services	15,632
General Administration Services	75,783
Central Services	28,645
Plant Operations and Maintenance	46,947
Pupil Transportation	<u>3,990</u>
Total Support Services	<u>283,436</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 926,270</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 3,918</u>

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

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

**E. Interfund Receivables, Payables, and Transfers**

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	\$ 2,895
		<u>\$ 2,895</u>

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

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

**F. Leases**

**Capital Leases**

The District has entered into a capital lease for the financing of the new Traphagon Building #11 in the amount of \$2,000,000. The lease term is for 5 years.

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

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 417,353
Total Lease Payments	417,353
Less: Amount Representing Interest	<u>(5,598)</u>
Present Value of Remaining Lease Payments	<u>\$ 411,755</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

Bonds payable at June 30, 2021 is comprised of the following issue:

\$5,170,000, Refunding School Bonds, due in annual installments of \$625,000 through September 15, 2022, interest at 4.00%	<u>\$ 1,250,000</u>
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**WALDWICK BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2022	\$ 625,000	\$ 37,500	\$ 662,500
2023	<u>625,000</u>	<u>12,500</u>	<u>637,500</u>
	<u>\$ 1,250,000</u>	<u>\$ 50,000</u>	<u>\$ 1,300,000</u>

**Statutory Borrowing Power**

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

4% of Equalized Valuation Basis (Municipal)	\$ 67,766,670
Less: Net Debt	<u>1,250,000</u>
Remaining Borrowing Power	<u>\$ 66,516,670</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, July 1, 2020	Increased	Decreased	Balance, June 30, 2021	Due Within One Year
<b>Governmental activities:</b>					
Bonds Payable	\$ 1,870,000		\$ 620,000	\$ 1,250,000	\$ 625,000
Add: Original Issue Premium	<u>65,183</u>	<u>-</u>	<u>29,378</u>	<u>35,805</u>	<u>-</u>
Total Bonds Payable	1,935,183	-	649,378	1,285,805	625,000
Capital Leases Payable	816,157		404,402	411,755	411,755
Compensated Absences	593,092	\$ 99,132	41,232	650,992	
Net Pension Liability	<u>6,255,567</u>	<u>-</u>	<u>711,799</u>	<u>5,543,768</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 9,599,999</u>	<u>\$ 99,132</u>	<u>\$ 1,806,811</u>	<u>\$ 7,892,320</u>	<u>\$ 1,036,755</u>

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

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

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

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 Group are on file with the School's Business Administrator.

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

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

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earning</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 82,272	\$ 1,021	\$ 33,269	442,173
2020	56,763		54,192	441,152
2019	46,291		56,113	438,581

**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.

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

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS 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.



**WALDWICK 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)**

**Other Pension Funds**

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

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

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

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 371,893	\$ 3,779,676	\$ 23,375
2020	337,699	2,786,462	16,641
2019	353,176	2,520,798	14,344

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$1,031 and \$1,086, respectively for PERS and the State contributed \$1,746, \$1,914 and \$2,157, 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 \$1,045,820 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 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.

**WALDWICK 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)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$5,543,768 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 .034000 percent, which was a decrease of .00072 percent from its proportionate share measured as of June 30, 2019 of .03472 percent.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$68,875 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 100,943	\$ 19,605
Changes of Assumptions	179,846	2,321,228
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	189,490	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>26,106</u>	<u>420,715</u>
Total	<u>\$ 496,385</u>	<u>\$ 2,761,548</u>

**WALDWICK 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)**

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	\$ (820,376)
2023	(780,565)
2024	(465,275)
2025	(164,804)
2026	(34,143)
Thereafter	<u>-</u>
	<u>\$ (2,265,163)</u>

***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.

**WALDWICK 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, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	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%

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Discount Rate (Continued)*

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

*Sensitivity of Net Pension Liability*

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,978,679</u>	\$ <u>5,543,768</u>	\$ <u>4,326,207</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, 2019 was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

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

**WALDWICK 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 \$5,110,361 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 \$82,180,949. 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 .12480 percent, which was a decrease of .00074 percent from its proportionate share measured as of June 30, 2019 of .12554 percent.



**WALDWICK 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.

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF’s target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

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

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 96,531,149</u>	<u>\$ 82,180,949</u>	<u>\$ 70,265,516</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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://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	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	216,804
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

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

**WALDWICK 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)**

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 an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. 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 \$1,184,492, \$1,033,726 and \$1,143,430, 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 \$4,154,680. 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 \$80,795,609. 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 .12 percent, which was no change from its proportionate share measured as of June 30, 2019 of .12 percent.

**WALDWICK 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%.

**WALDWICK 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:

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



**WALDWICK 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>49,560,811</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,060,598
Interest on the Total OPEB Liability	1,783,085
Differences Between Expected and Actual Experience	13,996,485
Changes of Assumptions	14,758,581
Gross Benefit Payments	(1,406,585)
Contributions from the Member	<u>42,634</u>
<b>Net Changes</b>	<b>\$ <u>31,234,798</u></b>
Balance, June 30, 2020 Measurement Date	\$ <u><u>80,795,609</u></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.

**WALDWICK 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:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 97,403,277</u>	<u>\$ 80,795,609</u>	<u>\$ 67,810,012</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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 66,571,981</u>	<u>\$ 80,795,609</u>	<u>\$ 99,624,772</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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**F. Subsequent Events**

**Serial Bonds**

On August 18, 2021 the District issued \$30,550,000 in School District Bonds. These Bonds were issued in order to permanently finance expenditures related to the 2021 referendum for various capital improvement projects. The District awarded the said sale of bonds to Citigroup at an interest rate of 1.00% to 2.25%. These Bonds dated August 18, 2021 will mature over 24 years with the first maturity due July 15, 2023.

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Waldwick Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Waldwick 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 \$480,513 from \$16,960,662 as previously reported to \$17,441,175 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 \$480,513 from \$7,423,404 as previously reported to \$7,903,917 as of June 30, 2020. General Fund fund balance increased \$441,152 from \$7,723,404 as previously reported to 7,864,556 as of June 30, 2020. Special Revenue Fund fund balance increased \$39,361 from \$0 as previously reported to \$39,361 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 \$480,513 from \$480,513 as previously reported to \$0- as of June 30, 2020.

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

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

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

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 30,967,007		\$ 30,967,007	\$ 30,967,007	
Tuition from Individuals	24,000	\$ 16,266	40,266	36,666	\$ (3,600)
Other Restricted Miscellaneous Revenues			1,021	1,021	
Unrestricted Miscellaneous Revenues	179,897	-	179,897	129,976	(49,921)
<b>Total - Local Sources</b>	<b>31,170,904</b>	<b>16,266</b>	<b>31,187,170</b>	<b>31,134,670</b>	<b>(52,500)</b>
Federal Sources:					
Medicaid Reimbursements	22,649	-	22,649	35,643	12,994
<b>Total - Federal Sources</b>	<b>22,649</b>	<b>-</b>	<b>22,649</b>	<b>35,643</b>	<b>12,994</b>
State Sources:					
Categorical Special Education Aid	1,090,126		1,090,126	1,090,126	
Equalization Aid	396,045	(135,871)	260,174	260,174	
Categorical Security Aid	125,909		125,909	125,909	
Categorical Transportation Aid	199,527		199,527	199,527	
Extraordinary Aid	251,938		251,938	563,448	311,510
Additional Nonpublic Transportation Aid		20,264	20,264	20,264	
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				3,709,105	3,709,105
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				70,571	70,571
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,184,492	1,184,492
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,746	1,746
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,045,820	1,045,820
<b>Total - State Sources</b>	<b>2,063,545</b>	<b>(115,607)</b>	<b>1,947,938</b>	<b>8,271,182</b>	<b>6,323,244</b>
<b>Total Revenues</b>	<b>33,257,098</b>	<b>(99,341)</b>	<b>33,157,757</b>	<b>39,441,495</b>	<b>6,283,738</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Regular Programs:					
Instruction:					
Salaries of Teachers					
Kindergarten	501,053	2,340	503,393	495,920	7,473
Grades 1-5	3,060,449	(18,068)	3,042,381	2,854,294	188,087
Grades 6-8	2,276,214	(3,785)	2,272,429	2,134,313	138,116
Grades 9-12	3,044,331	(34,647)	3,009,684	2,979,488	30,196
Home Instruction:					
Salaries of Teachers	10,000		10,000	1,035	8,965
Purchased Professional - Educational Services	13,600		13,600	2,332	11,268
Undistributed Instruction:					
Purchased Professional - Educational Services	40,000	14,410	54,410	48,863	5,547
Purchased Technical Services	1,500	2,692	4,192	3,928	264
Other Purchased Services	54,566	(7,202)	47,364	43,290	4,074
General Supplies	418,750	138,840	557,590	536,328	21,262
Textbooks	25,250		25,250	22,726	2,524
Other Objects	5,750	-	5,750	2,057	3,693
<b>Total Regular Programs</b>	<b>9,451,463</b>	<b>94,580</b>	<b>9,546,043</b>	<b>9,124,574</b>	<b>421,469</b>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 438,376	\$ (46,063)	\$ 392,313	\$ 371,632	\$ 20,681
Other Salaries for Instruction	396,180	(68,364)	327,816	308,203	19,613
Purchased Professional - Educational Services	3,000		3,000	495	2,505
General Supplies	3,600	1,800	5,400	1,520	3,880
Other Objects	1,000	(300)	700	200	500
<b>Total Learning and/or Language Disabilities</b>	<b>842,156</b>	<b>(112,927)</b>	<b>729,229</b>	<b>682,050</b>	<b>47,179</b>
Resource Room:					
Salaries of Teachers	1,738,785	39,568	1,778,353	1,743,851	34,502
Other Salaries for Instruction	575,542	(76,973)	498,569	434,411	64,158
General Supplies	3,900		3,900	1,715	2,185
Other Objects	750	-	750	-	750
<b>Total Resource Room</b>	<b>2,318,977</b>	<b>(37,405)</b>	<b>2,281,572</b>	<b>2,179,977</b>	<b>101,595</b>
Autism:					
Salaries of Teachers	70,030	45,175	115,205	102,376	12,829
Other Salaries for Instruction	20,512	101,597	122,109	111,724	10,385
Purchased Professional-Educational Services		1,892	1,892	1,892	-
General Supplies	-	399	399	300	99
<b>Total Autism</b>	<b>90,542</b>	<b>149,063</b>	<b>239,605</b>	<b>216,292</b>	<b>23,313</b>
Preschool Disabilities - Part - Time:					
Salaries of Teachers	110,995	1,362	112,357	112,357	
Other Salaries for Instruction	65,337	(6,259)	59,078	57,064	2,014
General Supplies	900	-	900	-	900
<b>Total Preschool Disabilities - Part - Time</b>	<b>177,232</b>	<b>(4,897)</b>	<b>172,335</b>	<b>169,421</b>	<b>2,914</b>
Preschool Disabilities - Full - Time:					
Salaries of Teachers	27,640	213	27,853	27,853	
Other Salaries for Instruction	10,206	321	10,527	526	10,001
<b>Total Preschool Disabilities - Full - Time</b>	<b>37,846</b>	<b>534</b>	<b>38,380</b>	<b>28,379</b>	<b>10,001</b>
Home Instruction:					
Salaries of Teachers	10,000		10,000		10,000
Purchased Professional-Educational Services	-	2,702	2,702	2,702	-
<b>Total Home Instruction</b>	<b>10,000</b>	<b>2,702</b>	<b>12,702</b>	<b>2,702</b>	<b>10,000</b>
<b>Total Special Education - Instruction</b>	<b>3,476,753</b>	<b>(2,930)</b>	<b>3,473,823</b>	<b>3,278,821</b>	<b>195,002</b>
Basic Skills/Remedial:					
Salaries of Teachers	395,836	16,037	411,873	400,935	10,938
General Supplies	700	-	700	420	280
<b>Total Basic Skills/Remedial</b>	<b>396,536</b>	<b>16,037</b>	<b>412,573</b>	<b>401,355</b>	<b>11,218</b>
Bilingual Education:					
Salaries of Teachers	185,205	25,080	210,285	208,129	2,156
Other Salaries for Instruction	20,512		20,512		20,512
General Supplies	400	-	400	253	147
<b>Total Bilingual Education</b>	<b>206,117</b>	<b>25,080</b>	<b>231,197</b>	<b>208,382</b>	<b>22,815</b>



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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
Instruction (Continued)					
School Sponsored Co-Curricular Activities:					
Salaries	\$ 176,301	\$ (28,649)	\$ 147,652	\$ 141,399	\$ 6,253
Purchased Services	3,000	(450)	2,550	1,950	600
Supplies and Materials	4,000	31,539	35,539	34,763	776
Other Objects	3,400	(50)	3,350	2,525	825
<b>Total School Sponsored Co-Curricular Activities</b>	<b>186,701</b>	<b>2,390</b>	<b>189,091</b>	<b>180,637</b>	<b>8,454</b>
School Sponsored Athletics - Instruction:					
Salaries	386,957	(2,500)	384,457	339,226	45,231
Purchased Services	67,800	(2,701)	65,099	44,086	21,013
Supplies and Materials	42,000	9,164	51,164	45,348	5,816
Other Objects	7,350	-	7,350	7,105	245
<b>Total School Sponsored Athletics - Instruction</b>	<b>504,107</b>	<b>3,963</b>	<b>508,070</b>	<b>435,765</b>	<b>72,305</b>
Summer School - Instruction:					
Salaries	31,350	-	31,350	24,462	6,888
Other Salaries for Instruction	39,759	-	39,759	24,881	14,878
<b>Total Summer School - Instruction</b>	<b>71,109</b>	<b>-</b>	<b>71,109</b>	<b>49,343</b>	<b>21,766</b>
<b>Total - Instruction</b>	<b>14,292,786</b>	<b>139,120</b>	<b>14,431,906</b>	<b>13,678,877</b>	<b>\$ 753,029</b>
Undistributed Expenditures:					
Tuition:					
Tuition to Other LEA's Within the State - Special	1,000,000	-	1,000,000	630,641	369,359
Tuition to County Vocational School District - Regular	154,702	19,349	174,051	164,376	9,675
Tuition to County Vocational School District - Special	-	43,254	43,254	41,719	1,535
Tuition to CSSD and Regional Day Schools	950,000	(62,603)	887,397	708,611	178,786
Tuition to Private Schools for the Disabled - Within State	1,477,169	(2,702)	1,474,467	1,086,679	387,788
Tuition - Other	40,000	(2,760)	37,240	11,228	26,012
<b>Total Tuition</b>	<b>3,621,871</b>	<b>(5,462)</b>	<b>3,616,409</b>	<b>2,643,254</b>	<b>973,155</b>
Attendance and Social Work:					
Salaries	70,130	2,622	72,752	72,751	1
<b>Total Attendance and Social Work</b>	<b>70,130</b>	<b>2,622</b>	<b>72,752</b>	<b>72,751</b>	<b>1</b>
Health Services:					
Salaries	235,481	6,924	242,405	240,340	2,065
Purchased Professional and Technical Services	16,645	(4,455)	12,190	12,132	58
Supplies and Materials	3,050	124	3,174	3,099	75
Other Objects	2,000	(2,000)	-	-	-
<b>Total Health Services</b>	<b>257,176</b>	<b>593</b>	<b>257,769</b>	<b>255,571</b>	<b>2,198</b>
Speech, OT, PT and Related Services:					
Salaries	381,478	(2,424)	379,054	305,760	73,294
Purchased Professional -Educational Services	175,000	(1,892)	173,108	72,712	100,396
Supplies and Materials	250	5,610	5,860	5,800	60
<b>Total Speech, OT, PT and Related Services</b>	<b>556,728</b>	<b>1,294</b>	<b>558,022</b>	<b>384,272</b>	<b>173,750</b>
Guidance:					
Salaries of Other Professional Staff	439,385	4,487	443,872	443,872	-
Salaries of Secretarial and Clerical Assistants	123,960	922	124,882	124,882	-
Other Purchased Professional -Technical Services	39,000	(2,765)	36,235	24,573	11,662
Supplies and Materials	6,500	(1,713)	4,787	1,980	2,807
Other Objects	-	30	30	30	-
<b>Total Guidance</b>	<b>608,845</b>	<b>961</b>	<b>609,806</b>	<b>595,337</b>	<b>14,469</b>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
Undistributed Expenditures (Continued)					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 587,695	\$ 1,450	\$ 589,145	\$ 556,568	\$ 32,577
Salaries of Secretarial and Clerical Assistants	97,234	2,796	100,030	100,030	
Purchased Professional-Educational Services	18,947		18,947	18,947	
Other Purchased Professional -Technical Services	16,000		16,000	15,706	294
Miscellaneous Purchased Services	3,100		3,100	2,455	645
Supplies and Materials	5,000	6,373	11,373	9,625	1,748
Other Objects	1,200	150	1,350	1,245	105
<b>Total Child Study Teams</b>	<b>729,176</b>	<b>10,769</b>	<b>739,945</b>	<b>704,576</b>	<b>35,369</b>
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	286,480		286,480	286,418	62
Travel	100		100		100
Other Objects	2,200	-	2,200	1,940	260
<b>Total Improvement of Instruction Services:</b>	<b>288,780</b>	<b>-</b>	<b>288,780</b>	<b>288,358</b>	<b>422</b>
Educational Media Services / School Library:					
Salaries	88,375	335	88,710	88,710	
Salaries of Technology Coordinators	71,918	(3,750)	68,168	68,000	168
Supplies and Materials	16,500	(4,098)	12,402	10,212	2,190
<b>Total Educational Media Services / School Library</b>	<b>176,793</b>	<b>(7,513)</b>	<b>169,280</b>	<b>166,922</b>	<b>2,358</b>
Instructional Staff Training Services:					
Other Salaries		2,080	2,080	1,950	130
Other Purchased Services	24,500	(2,230)	22,270	55	22,215
<b>Total Instructional Staff Training Services</b>	<b>24,500</b>	<b>(150)</b>	<b>24,350</b>	<b>2,005</b>	<b>22,345</b>
Support Services - General Administration:					
Salaries	303,264	15,000	318,264	318,264	
Legal Services	70,000	(12,729)	57,271	36,995	20,276
Audit Fees	39,000	52,072	91,072	38,165	52,907
Architectural / Engineering Services	25,000	22,860	47,860	36,108	11,752
Other Purchased Professional Services	5,540	12,729	18,269	18,269	
Purchased Technical Services	12,000		12,000	11,647	353
Communications / Telephone	55,500	(10,700)	44,800	37,456	7,344
BOE Other Purchased Services	3,300		3,300		3,300
Miscellaneous Purchased Services	67,192		67,192	57,316	9,876
General Supplies	8,500	(150)	8,350	4,659	3,691
Miscellaneous Expenditures	5,000		5,000	4,661	339
BOE Membership Dues and Fees	12,250	-	12,250	11,988	262
<b>Total Support Services - General Administration</b>	<b>606,546</b>	<b>79,082</b>	<b>685,628</b>	<b>575,528</b>	<b>110,100</b>
Support Services - School Administration:					
Salaries of Principals/Asst. Principals	1,258,182		1,258,182	1,226,953	31,229
Salaries of Secretarial and Clerical Assistants	319,580	40	319,620	316,008	3,612
Purchased Professional and Technical Services	1,500		1,500	570	930
Other Purchased Services	9,300	780	10,080	7,630	2,450
Supplies and Materials	18,500	8,523	27,023	26,235	788
Other Objects	13,000	(63)	12,937	8,202	4,735
<b>Total Support Services School Administration</b>	<b>1,620,062</b>	<b>9,280</b>	<b>1,629,342</b>	<b>1,585,598</b>	<b>43,744</b>
Central Services:					
Salaries	530,168	(15,000)	515,168	477,666	37,502
Purchased Professional Services		850	850	595	255
Purchased Technical Services	44,050	(850)	43,200	40,911	2,289
Miscellaneous Purchased Services	8,200		8,200	6,956	1,244
Supplies and Materials	12,933		12,933	4,392	8,541
Interest on Capital Lease Agreement	12,951		12,951	12,951	
Other Objects	2,136	-	2,136	1,240	896
<b>Total Central Services</b>	<b>610,438</b>	<b>(15,000)</b>	<b>595,438</b>	<b>544,711</b>	<b>50,727</b>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
Undistributed Expenditures (Continued)					
Administration Information Technology:					
Salaries	\$ 105,405	\$ 600	\$ 106,005	\$ 105,555	\$ 450
Purchased Professional Services	3,000		3,000		3,000
Other Purchased Services	97,250	3,150	100,400	97,482	2,918.00
Supplies and Materials	6,000	4,317	10,317	4,907	5,410
<b>Total Administration Information Technology</b>	<b>211,655</b>	<b>8,067</b>	<b>219,722</b>	<b>207,944</b>	<b>11,778</b>
Required Maintenance for School Facilities:					
Salaries	145,288	1,726	147,014	146,957	57
Cleaning, Repair and Maintenance	197,000	(49,704)	147,296	135,819	11,477
General Supplies	51,000	(9,595)	41,405	41,396	9
<b>Total Required Maintenance for School Facilities</b>	<b>393,288</b>	<b>(57,573)</b>	<b>335,715</b>	<b>324,172</b>	<b>11,543</b>
Custodial Services:					
Salaries	870,512	(28,916)	841,596	808,880	32,716
Purchased Professional & Technical Services	26,000	3,886	29,886	28,504	1,382
Cleaning, Repair and Maintenance Services		114	114	114	
Other Purchased Property Services	30,000		30,000	18,781	11,219
Insurance	195,498	15,334	210,832	208,593	2,239
Travel	2,000		2,000	950	1,050
General Supplies	51,000	(34,931)	16,069	15,615	454
Energy (Natural Gas)	150,000		150,000	91,152	58,848
Energy (Electricity)	286,000	(5,865)	280,135	182,465	97,670
Energy (Gasoline)	2,000		2,000	1,633	367
Other Objects	1,248	1,000	2,248	1,452	796
<b>Total Custodial Services</b>	<b>1,614,258</b>	<b>(49,378)</b>	<b>1,564,880</b>	<b>1,358,139</b>	<b>206,741</b>
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance	60,727	10,915	71,642	60,176	11,466
General Supplies	20,120	(1,546)	18,574	17,428	1,146
<b>Total Care and Upkeep of Grounds</b>	<b>80,847</b>	<b>9,369</b>	<b>90,216</b>	<b>77,604</b>	<b>12,612</b>
Security					
General Supplies	25,000	-	25,000	690	24,310
<b>Total Security</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>	<b>690</b>	<b>24,310</b>
<b>Total Operation and Maintenance of Plant Services</b>	<b>2,113,393</b>	<b>(97,582)</b>	<b>2,015,811</b>	<b>1,760,605</b>	<b>255,206</b>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	24,879	7,400	32,279	25,600	6,679
Salaries for Pupil Transportation (Between Home and School) - Special Education	61,255		61,255	30,002	31,253
Salaries for Pupil Transportation (Other than Between Home and School)	63,255	(7,400)	55,855	25,639	30,216
Cleaning, Repair and Maintenance Services	17,757		17,757	11,131	6,626
Contracted Services (Other Than Between Home and School) - Vendors	6,200	(3,000)	3,200	720	2,480
Contracted Services (Regular Students) - ESCs & CTSA's	99,950	(4,000)	95,950	78,025	17,925
Contracted Services (Special Education Students) - ESCs & CTSA's	514,961	(18,000)	496,961	253,507	243,454
Contracted Services - Aid in Lieu of Payments - Non-Public	46,000	4,000	50,000	38,400	11,600
Travel - Workshops		1,629	1,629	1,629	
Transportation Supplies	14,400	(1,629)	12,771	4,955	7,816
Other Objects	1,413	-	1,413	150	1,263
<b>Total Student Transportation Services</b>	<b>850,070</b>	<b>(21,000)</b>	<b>829,070</b>	<b>469,758</b>	<b>359,312</b>

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES</b>					
<b>Current Expense</b>					
Undistributed Expenditures (Continued)					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 2,000		\$ 2,000	\$ 1,440	\$ 560
Social Security Contributions	352,572		352,572	301,225	51,347
Other Retirement Contributions - PERS	398,509	\$ (6,007)	392,502	371,893	20,609
Other Retirement Contributions - DCRP	18,000	5,500	23,500	23,375	125
Workmen's Compensation	113,595	(15,334)	98,261	79,462	18,799
Health Benefits	5,148,119	(80,306)	5,067,813	4,238,388	829,425
Tuition Reimbursement	50,000	6,875	56,875	24,251	32,624
Other Employee Benefits	104,021		104,021	94,862	9,159
Unused Sick Payment to Terminated / Retired Staff	30,000	11,232	41,232	41,232	-
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>6,216,816</b>	<b>(78,040)</b>	<b>6,138,776</b>	<b>5,176,128</b>	<b>962,648</b>
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				3,709,105	(3,709,105)
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				70,571	(70,571)
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,184,492	(1,184,492)
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,746	(1,746)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,045,820	(1,045,820)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,011,734</b>	<b>(6,011,734)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>6,216,816</b>	<b>(78,040)</b>	<b>6,138,776</b>	<b>11,187,862</b>	<b>(5,049,086)</b>
<b>Total Undistributed Expenditures</b>	<b>18,562,979</b>	<b>(112,079)</b>	<b>18,450,900</b>	<b>21,445,052</b>	<b>(2,994,152)</b>
<b>Total General Current Expense</b>	<b>\$ 32,855,765</b>	<b>\$ 27,041</b>	<b>\$ 32,882,806</b>	<b>\$ 35,123,929</b>	<b>\$ (2,241,123)</b>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
<b>Capital Outlay:</b>					
Equipment:					
Grades 1-5		\$ 16,004	\$ 16,004	\$ 16,004	
Grades 6-8		12,682	12,682	12,682	
Grades 9-12		3,626	3,626	3,626	
Athletic Equipment		5,861	5,861	5,861	
Undistributed Expenditures:					
Administration Information Technology	\$ 200,000	(36,917)	163,083	161,050	\$ 2,033
Care and Upkeep of Grounds	25,000	140,982	165,982	29,481	136,501
School Transportation Services	10,000	(10,000)			
Required Maintenance School Facilities	-	31,121	31,121	31,121	-
<b>Total Equipment</b>	<u>235,000</u>	<u>163,359</u>	<u>398,359</u>	<u>259,825</u>	<u>138,534</u>
Facilities Acquisition and Construction Services:					
Construction Services	425,000	(135,871)	289,129	215,735	73,394
Lease Purchase Agreements	404,402		404,402	404,402	
Assessment for Debt Service on SDA Funding	30,028	-	30,028	30,028	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>859,430</u>	<u>(135,871)</u>	<u>723,559</u>	<u>650,165</u>	<u>73,394</u>
Increase in Capital Reserve	563,471	-	563,471	-	563,471
<b>Total Capital Outlay</b>	<u>1,657,901</u>	<u>27,488</u>	<u>1,685,389</u>	<u>909,990</u>	<u>775,399</u>
Transfer of Funds to Charter Schools	-	2,760	2,760	2,760	-
<b>Total Expenditures</b>	<u>34,513,666</u>	<u>57,289</u>	<u>34,570,955</u>	<u>36,036,679</u>	<u>(1,465,724)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,256,568)	(156,630)	(1,413,198)	3,404,816	4,818,014
Fund Balance, July 1 (Restated)	8,401,509	-	8,401,509	8,401,509	-
<b>Fund Balance, June 30</b>	<u>\$ 7,144,941</u>	<u>\$ (156,630)</u>	<u>\$ 6,988,311</u>	<u>\$ 11,806,325</u>	<u>\$ 4,818,014</u>
<b>RECAPITULATION:</b>					
Restricted:					
Capital Reserve				\$ 5,544,396	
Maintenance Reserve				1,350,000	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				1,346,582	
Current Year				1,300,000	
Unemployment Compensation				442,173	
Assigned:					
Year-End Encumbrances				202,134	
Designated for Subsequent Year's Expenditures				108,532	
Unassigned:				<u>1,512,508</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>				11,806,325	
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ 563,448		
State Aid Not Recognized on GAAP Basis			<u>91,286</u>		
				<u>654,734</u>	
<b>Fund Balance Per Governmental Funds (GAAP)</b>				<u>\$ 11,151,591</u>	

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

	<u>Original Budget</u>	<u>Budget Transfers / Modification</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 494,836	\$ 355,187	\$ 850,023	\$ 719,244	\$ (130,779)
State Sources	215,984	66,615	282,599	180,575	(102,024)
Local Sources	-	105,579	105,579	94,988	(10,591)
Total Revenues	<u>710,820</u>	<u>527,381</u>	<u>1,238,201</u>	<u>994,807</u>	<u>(243,394)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	24,949	2,772	27,721	4,230	23,491
Purchased Services	147,323	54,273	201,596	111,570	90,026
Tuition	322,831	66,564	389,395	389,395	-
Textbooks	11,670	2,930	14,600	13,413	1,187
Instructional Supplies	52,253	43,972	96,225	90,200	6,025
Student Activities	-	93,658	93,658	93,658	-
Total Instruction	<u>559,026</u>	<u>264,169</u>	<u>823,195</u>	<u>702,466</u>	<u>120,729</u>
Support Services:					
Purchased Professional Technical Service	65,114	54,804	119,918	78,831	41,087
Other Purchased Services	51,445	17,859	69,304	9,200	60,104
Supplies and Materials	12,735	152,346	165,081	155,565	9,516
Scholarship Awarded	-	7,755	7,755	7,755	-
Total Support Services	<u>129,294</u>	<u>232,764</u>	<u>362,058</u>	<u>251,351</u>	<u>110,707</u>
Facilities Acquisition and Constructions Services:					
Non-Instructional Equipment	<u>22,500</u>	<u>30,448</u>	<u>52,948</u>	<u>51,581</u>	<u>1,367</u>
Total Facilities Acquisition and Construction Services	<u>22,500</u>	<u>30,448</u>	<u>52,948</u>	<u>51,581</u>	<u>1,367</u>
Total Expenditures	<u>710,820</u>	<u>527,381</u>	<u>1,238,201</u>	<u>1,005,398</u>	<u>232,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,591)</u>	<u>(10,591)</u>
Fund Balance, July 1 (Restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,361</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,770</u>	<u>\$ (10,591)</u>

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

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

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	(C-1) \$ 39,441,495	(C-2) \$ 994,807
State Aid payments and Extraordinary Aid (2019/2020) recognized for GAAP purposes, not recognized for budgetary statements.	536,953	
State Aid payments and Extraordinary Aid (2020/2021) not recognized for GAAP purposes, recognized for budgetary statements.	<u>(654,734)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>39,323,714</u>	(B-2) \$ <u>994,807</u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-series)	(C-1) \$ <u>36,036,679</u>	(C-2) \$ <u>1,005,398</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	(B-2) \$ <u>36,036,679</u>	(B-2) \$ <u>1,005,398</u>



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

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

**Public Employees Retirement System**

Last 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)	0.03400%	0.03472%	0.03551%	0.03702%	0.03736%	0.03608%	0.04300%	0.03836% %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,543,768</u>	<u>\$ 6,255,567</u>	<u>\$ 6,991,073</u>	<u>\$ 8,617,972</u>	<u>\$ 11,064,930</u>	<u>\$ 8,098,239</u>	<u>\$ 8,050,372</u>	<u>\$ 7,330,857</u>
District's Covered-Employee Payroll	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>	<u>\$ 2,844,778</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	224.16%	254.51%	283.23%	354.00%	444.53%	331.04%	310.95%	257.70% %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

WALDWICK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last 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	\$ 371,893	\$ 337,699	\$ 353,176	\$ 353,844	\$ 340,437	\$ 310,153	\$ 354,468	\$ 297,337
Contributions in Relation to the Contractually Required Contribution	<u>371,893</u>	<u>337,699</u>	<u>353,176</u>	<u>353,844</u>	<u>340,437</u>	<u>310,153</u>	<u>354,468</u>	<u>297,337</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	<u>\$ 2,429,436</u>	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>
Contributions as a Percentage of Covered-Employee Payroll	15.31%	13.65%	14.37%	14.34%	13.98%	12.46%	14.49%	11.48%

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

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

**Teachers Pension and Annuity Fund**

Last 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>\$ 82,180,949</u>	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
Total	<u>\$ 82,180,949</u>	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
District's Covered-Employee Payroll	<u>\$ 13,872,087</u>	<u>\$ 13,844,809</u>	<u>\$ 13,526,956</u>	<u>\$ 12,982,675</u>	<u>\$ 13,078,937</u>	<u>\$ 12,992,364</u>	<u>\$ 12,145,441</u>	<u>\$ 12,331,615</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

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

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

**WALDWICK BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Change of Benefit Terms:** None.

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

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

Last Four Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 2,060,598	\$ 1,965,009	\$ 2,217,096	\$ 2,676,238
Interest on Total OPEB Liability	1,783,085	2,155,076	2,267,074	1,955,616
Changes of Benefit Terms			-	
Differences Between Expected and Actual Experience	13,996,485	(8,274,788)	(4,182,552)	
Changes of Assumptions	14,758,581	738,956	(6,248,735)	(8,073,783)
Gross Benefit Payments	(1,406,585)	(1,521,369)	(1,456,049)	(1,431,551)
Contributions from the Member	42,634	45,098	50,323	52,713
<b>Net Change in Total OPEB Liability</b>	<u>31,234,798</u>	<u>(4,892,018)</u>	<u>(7,352,843)</u>	<u>(4,820,767)</u>
<b>Total OPEB Liability - Beginning</b>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>	<u>66,626,439</u>
<b>Total OPEB Liability - Ending</b>	<u>80,795,609</u>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>80,795,609</u>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
Total OPEB Liability - Ending	<u>80,795,609</u>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>
District's Covered-Employee Payroll	<u>\$ 16,345,240</u>	<u>\$ 16,302,682</u>	<u>\$ 15,995,328</u>	<u>\$ 15,417,110</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Employee Payroll	0%	0%	0%	0%

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

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

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

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

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

	Every Student Succeeds Act (E. S. S. A.)				I. D. E. A.		Total Exhibit E-1a	Total Exhibit E-1b	Total
	Title I Part A	Title II Part A	Title III Immigrant	Title IV	Part B Basic	Part B Preschool			
<b>REVENUES:</b>									
Federal Sources	\$ 82,708	\$ 16,991	\$ 1,356	\$ 11,742	\$ 390,824	\$ 15,346	\$ 200,277	\$ 180,575	\$ 719,244
State Sources									180,575
Local Sources	-	-	-	-	-	-	94,988	-	94,988
Total Revenues	82,708	16,991	1,356	11,742	390,824	15,346	295,265	180,575	994,807
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	4,230								4,230
Purchased Services				1,376				110,194	111,570
Tuition					374,049	15,346			389,395
Textbooks								13,413	13,413
Instructional Supplies	78,478		1,356	10,366	-	-			90,200
Student Activities	-	-	-	-	-	-	93,658	-	93,658
Total Instruction	82,708	-	1,356	11,742	374,049	15,346	93,658	123,607	702,466
Support Services:									
Purchased Professional Technical Service		7,791			16,775		31,388	22,877	78,831
Other Purchased Services		9,200					-	-	9,200
Supplies and Materials							151,696	3,869	155,565
Scholarship Awarded	-	-	-	-	-	-	7,755	-	7,755
Total Support Services	-	16,991	-	-	16,775	-	190,839	26,746	251,351
Facilities Acquisition and Constructions Services:									
Non-Instructional Equipment	-	-	-	-	-	-	21,359	30,222	51,581
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	21,359	30,222	51,581
Total Expenditures	82,708	16,991	1,356	11,742	390,824	15,346	305,856	180,575	1,005,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	(10,591)	-	(10,591)
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	39,361	-	39,361
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,770	\$ -	\$ 28,770

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

	Education Stabilization Fund		Coronavirus Relief Fund		Student Activities / Athletics	Scholarship	Local	Total Exhibit E-1a
	CARES Emergency Relief	Bergen County CARES Act	Coronavirus Relief Fund	Non-Public Digital Divide				
<b>REVENUES:</b>								
Federal Sources	\$ 119,737	\$ 29,888	\$ 40,603	\$ 10,049				\$ 200,277
State Sources	-	-	-	-	\$ 90,021	\$ 801	\$ 4,166	-
Local Sources	-	-	-	-				94,988
<b>Total Revenues</b>	<u>119,737</u>	<u>29,888</u>	<u>40,603</u>	<u>10,049</u>	<u>90,021</u>	<u>801</u>	<u>4,166</u>	<u>295,265</u>
<b>EXPENDITURES:</b>								
Instruction:								
Student Activities	-	-	-	-	93,658	-	-	93,658
<b>Total Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,658</u>	<u>-</u>	<u>-</u>	<u>93,658</u>
Support Services:								
Purchased Professional Technical Service		29,888	1,500					31,388
Supplies and Materials	102,544		39,103	10,049				151,696
Scholarship Awarded	-	-	-	-		7,755	-	7,755
<b>Total Support Services</b>	<u>102,544</u>	<u>29,888</u>	<u>40,603</u>	<u>10,049</u>	<u>-</u>	<u>7,755</u>	<u>-</u>	<u>190,839</u>
Facilities Acquisition and Constructions Services:								
Non-Instructional Equipment	17,193	-	-	-	-	-	4,166	21,359
<b>Total Facilities Acquisition and Construction Services</b>	<u>17,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,166</u>	<u>21,359</u>
<b>Total Expenditures</b>	<u>119,737</u>	<u>29,888</u>	<u>40,603</u>	<u>10,049</u>	<u>93,658</u>	<u>7,755</u>	<u>4,166</u>	<u>305,856</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(3,637)	(6,954)	-	(10,591)
Fund Balance, July 1 (Restated)	-	-	-	-	13,796	25,565	-	39,361
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 10,159	\$ 18,611	\$ -	\$ 28,770

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

	Non-Public State Aid			Auxiliary (Chapter 192)		Handicapped Service (Chapter 193)			Total Exhibit E-1b
	Textbook	Nursing Services	Security	Compensatory Education	Nonpublic ESL	Examination & Classification	Corrective Speech	Supplementary Instruction	
<b>REVENUES:</b>									
State Sources	\$ 13,413	\$ 22,877	\$ 34,091	\$ 38,145	\$ 12,496	\$ 18,583	\$ 23,970	\$ 17,000	\$ 180,575
Total Revenues	13,413	22,877	34,091	38,145	12,496	18,583	23,970	17,000	180,575
<b>EXPENDITURES:</b>									
Instruction:									
Purchased Services				38,145	12,496	18,583	23,970	17,000	110,194
Textbooks	13,413	-	-	-	-	-	-	-	13,413
Total Instruction	13,413	-	-	38,145	12,496	18,583	23,970	17,000	123,607
Support Services:									
Purchased Professional Technical Service		22,877							22,877
Supplies and Materials	-	-	3,869	-	-	-	-	-	3,869
Total Support Services	-	22,877	3,869	-	-	-	-	-	26,746
Facilities Acquisition and Constructions Services:									
Non-Instructional Equipment	-	-	30,222	-	-	-	-	-	30,222
Total Facilities Acquisition and Construction Services	-	-	30,222	-	-	-	-	-	30,222
Total Expenditures	13,413	22,877	34,091	38,145	12,496	18,583	23,970	17,000	180,575
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

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

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2021</u>
		<u>Prior Periods</u>	<u>Current Year</u>	
2020-21 School Improvement Project	\$ 30,550,000	\$ -	\$ 317,275	\$ 30,232,725
	<u>\$ 30,550,000</u>	<u>\$ -</u>	<u>\$ 317,275</u>	<u>\$ 30,232,725</u>
				Project Balance \$ 30,232,725
				Less: Authorized But Not Issued <u>(30,550,000)</u>
				Fund Balance - Budgetary Basis, June 30, 2021 <u>\$ (317,275)</u>
				Fund Balance - GAAP Basis, June 30, 2021 <u>\$ (317,275)</u>

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

<b>Expenditures and Other Financing Uses</b>	
Facilities Acquisition and Construction Services	
Architectural/Engineering Services	\$ <u>317,275</u>
 Total Expenditures and Other Financing Uses	 <u>317,275</u>
 Excess (Deficit) of Revenues over (under) Expenditures	 <u>(317,275)</u>
 Fund Balance- Ending	 <u>\$ (317,275)</u>
 Reconciliation to GAAP:	
 Project Fund Balances- Budgetary	 <u>\$ (317,275)</u>
 GAAP Fund Balance- Ending	 <u>\$ (317,275)</u>



**WALDWICK BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HIGH SCHOOL, MIDDLE SCHOOL, TRAPHAGEN AND CRESCENT ELEMENTARY SCHOOL IMPROVEMENTS  
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>
<b>Revenues and Other Financing Sources</b>				
Serial Bonds Proceed	-	-	-	\$ 30,550,000
Total Revenues and Other Financing Sources	-	-	-	30,550,000
<b>Expenditures and Other Financing Uses</b>				
Legal Services				284,900
Architectural / Engineering Services		\$ 317,275	\$ 317,275	3,063,965
Other Purchased Professional and Technical Services				766,135
Construction Services				26,312,000
General Supplies	-	-	-	123,000
Total Expenditures and Other Financing Uses	-	317,275	317,275	30,550,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ -	\$ (317,275)	\$ (317,275)	\$ -

**Additional Project Information:**

Project Number	5410-030-20-1000
Grant Date	Not Applicable
Bond Authorization Date	August 3, 2021
Bonds Authorized	\$ 30,550,000
Bonds Issued	August 18, 2021
Authorized Cost	\$ 30,550,000
Percentage Completion	0%
Target Completion Date	September 30, 2023

**PROPRIETARY FUNDS**

**EXHIBIT G-1**

**WALDWICK BOARD OF EDUCATION  
PROPRIETARY FUND  
COMBINING SCHEDULE OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**WALDWICK 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 Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
Refunding School Bonds	12/6/2011	\$ 5,170,000	9/15/2021	625,000	4.00 %			
			9/15/2022	625,000	4.00			
						\$ 1,870,000	\$ 620,000	\$ 1,250,000
						<u>\$ 1,870,000</u>	<u>\$ 620,000</u>	<u>\$ 1,250,000</u>
							Paid By Budget Appropriation	<u>\$ 620,000</u>

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

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<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
<b><u>Capital Leases</u></b>					
Traphagen Building #11	\$ 2,000,000	1.81%	\$ 816,157	\$ 404,402	\$ 411,755
Total			<u>\$ 816,157</u>	<u>\$ 404,402</u>	<u>\$ 411,755</u>

**WALDWICK BOARD OF EDUCATION  
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 With Final Budget</u>
<b>REVENUES:</b>					
Local Property Tax Levy	\$ 682,400	-	\$ 682,400	\$ 682,400	-
Total Revenues	<u>682,400</u>	<u>-</u>	<u>682,400</u>	<u>682,400</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal	620,000		620,000	620,000	
Interest	<u>62,400</u>	<u>-</u>	<u>62,400</u>	<u>62,400</u>	<u>-</u>
Total Expenditures	<u>682,400</u>	<u>-</u>	<u>682,400</u>	<u>682,400</u>	<u>-</u>
Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	-	
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## STATISTICAL SECTION

This part of the Waldwick Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2012	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 10,331,874	\$ 12,009,130	\$ 12,509,265	\$ 13,234,026	\$ 13,514,313	\$ 13,888,639	\$ 16,853,079	\$ 17,868,898	\$ 18,406,134	\$ 19,350,115
Restricted	1,146,499	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575
Unrestricted	1,848,115	1,622,051	(5,870,944)	(6,146,959)	(6,042,517)	(6,646,260)	(8,629,162)	(6,719,457)	(5,810,714)	(6,069,169)
<b>Total Governmental Activities Net Position</b>	<u>\$ 13,326,488</u>	<u>\$ 14,142,400</u>	<u>\$ 7,253,481</u>	<u>\$ 8,227,227</u>	<u>\$ 9,571,956</u>	<u>\$ 10,072,539</u>	<u>\$ 10,964,556</u>	<u>\$ 13,710,665</u>	<u>\$ 17,441,175</u>	<u>\$ 21,736,521</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 11,957	\$ 10,562	\$ 9,167	\$ 13,873	\$ 19,924	\$ 33,703	\$ 35,137	\$ 39,130	\$ 40,172	\$ 73,638
Unrestricted	30,087	40,101	56,424	62,032	72,227	50,954	89,771	112,413	127,687	73,207
<b>Total Business-Type Activities Net Position</b>	<u>\$ 42,044</u>	<u>\$ 50,663</u>	<u>\$ 65,591</u>	<u>\$ 75,905</u>	<u>\$ 92,151</u>	<u>\$ 84,657</u>	<u>\$ 124,908</u>	<u>\$ 151,543</u>	<u>\$ 167,859</u>	<u>\$ 146,845</u>
<b>District-Wide</b>										
Investment in Capital Assets	\$ 10,343,831	\$ 12,019,692	\$ 12,518,432	\$ 13,247,899	\$ 13,534,237	\$ 13,922,342	\$ 16,888,216	\$ 17,908,028	\$ 18,446,306	\$ 19,423,753
Restricted	1,146,499	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575
Unrestricted	1,878,202	1,662,152	(5,814,520)	(6,084,927)	(5,970,290)	(6,595,306)	(8,539,391)	(6,607,044)	(5,683,027)	(5,995,962)
<b>Total District Net Position</b>	<u>\$ 13,368,532</u>	<u>\$ 14,193,063</u>	<u>\$ 7,319,072</u>	<u>\$ 8,303,132</u>	<u>\$ 9,664,107</u>	<u>\$ 10,157,196</u>	<u>\$ 11,089,464</u>	<u>\$ 13,862,208</u>	<u>\$ 17,609,034</u>	<u>\$ 21,883,366</u>

Source: District's Financial Records

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

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities:</b>										
<b>Instruction:</b>										
Regular	\$ 11,187,989	\$ 11,801,806	\$ 12,138,523	\$ 14,109,146	\$ 14,895,765	\$ 16,752,442	\$ 17,096,355	\$ 15,969,264	\$ 15,203,662	\$ 17,448,115
Special Education	5,422,297	6,138,484	6,420,299	7,175,056	7,120,068	7,751,562	8,650,460	8,658,956	8,542,619	8,445,836
Other Instruction	931,835	1,218,791	1,089,432	1,317,451	1,327,565	1,390,437	1,495,761	1,376,681	1,278,528	1,383,582
School Sponsored Activities and Athletics	803,976	853,495	778,886	897,075	961,012	1,100,894	1,131,571	1,097,167	1,072,484	1,217,539
<b>Support Services:</b>										
Student and Instruction Related Services	3,379,220	3,421,190	3,507,437	4,051,175	4,613,436	5,123,674	5,505,003	4,653,046	4,318,366	4,570,837
General Administration Services	655,836	749,144	756,375	632,699	724,919	817,703	767,480	758,818	770,712	850,654
School Administrative Services	1,405,377	1,654,444	1,610,925	1,971,077	2,089,066	2,359,692	2,636,863	2,746,545	2,583,780	2,919,422
Central Services	798,542	775,651	777,340	883,974	507,806	564,502	1,048,027	750,827	948,010	1,137,739
Plant Operations and Maintenance	2,185,014	2,135,670	2,140,290	2,198,405	2,153,455	2,449,697	2,268,926	2,346,799	2,247,044	2,417,173
Pupil Transportation	662,474	649,994	697,149	600,407	974,052	1,032,221	739,605	954,389	678,017	525,203
Interest on Long-Term Debt	328,639	180,582	228,193	208,039	188,767	168,553	176,810	150,866	120,890	90,348
<b>Total Governmental Activities Expenses</b>	<b>27,761,199</b>	<b>29,579,251</b>	<b>30,144,849</b>	<b>34,044,504</b>	<b>35,555,911</b>	<b>39,511,377</b>	<b>41,516,861</b>	<b>39,463,358</b>	<b>37,764,112</b>	<b>41,006,448</b>
<b>Business-Type Activities:</b>										
Food Service	214,037	211,302	232,605	232,419	234,946	273,127	288,188	324,237	245,926	21,421
<b>Total Business-Type Activities Expense</b>	<b>214,037</b>	<b>211,302</b>	<b>232,605</b>	<b>232,419</b>	<b>234,946</b>	<b>273,127</b>	<b>288,188</b>	<b>324,237</b>	<b>245,926</b>	<b>21,421</b>
<b>Total District Expenses</b>	<b>\$ 27,975,236</b>	<b>\$ 29,790,553</b>	<b>\$ 30,377,454</b>	<b>\$ 34,276,923</b>	<b>\$ 35,790,857</b>	<b>\$ 39,784,504</b>	<b>\$ 41,805,049</b>	<b>\$ 39,787,595</b>	<b>\$ 38,010,038</b>	<b>\$ 41,027,869</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Instruction (Tuition)		\$ 16,500	\$ 34,656	\$ 64,323	\$ 35,814	\$ 91,180	\$ 61,934	\$ 88,310	\$ 78,156	\$ 36,666
Operating Grants and Contributions	3,885,402	4,495,468	4,043,880	7,244,511	8,680,425	11,018,331	12,595,207	10,767,724	9,484,316	13,205,907
Capital Grants and Contributions	53,644	4,675	83,225	49,817	-	34,721	16,580	86,736	85,348	21,359
<b>Total Governmental Activities Program Revenues</b>	<b>3,939,046</b>	<b>4,516,643</b>	<b>4,161,761</b>	<b>7,358,651</b>	<b>8,716,239</b>	<b>11,144,232</b>	<b>12,673,721</b>	<b>10,942,770</b>	<b>9,647,820</b>	<b>13,263,932</b>
<b>Business-Type Activities:</b>										
<b>Charges for Services</b>										
Food Service	\$ 223,507	\$ 218,593	\$ 246,244	\$ 242,463	\$ 250,898	\$ 265,403	\$ 328,439	\$ 350,872	\$ 260,197	\$ 195
Operating Grants and Contributions	1,535	1,328	985	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>225,042</b>	<b>219,921</b>	<b>247,229</b>	<b>242,463</b>	<b>250,898</b>	<b>265,403</b>	<b>328,439</b>	<b>350,872</b>	<b>260,197</b>	<b>195</b>
<b>Total District Program Revenues</b>	<b>\$ 4,164,088</b>	<b>\$ 4,736,564</b>	<b>\$ 4,408,990</b>	<b>\$ 7,601,114</b>	<b>\$ 8,967,137</b>	<b>\$ 11,409,635</b>	<b>\$ 13,002,160</b>	<b>\$ 11,293,642</b>	<b>\$ 9,908,017</b>	<b>\$ 13,264,127</b>
<b>Net (Expense) / Revenue</b>										
Governmental Activities	\$ (23,822,153)	\$ (25,062,608)	\$ (25,983,088)	\$ (26,685,853)	\$ (26,839,672)	\$ (28,367,145)	\$ (28,843,140)	\$ (28,520,588)	\$ (28,116,292)	\$ (27,742,516)
Business-Type Activities	11,005	8,619	14,624	10,044	15,952	(7,724)	40,251	26,635	14,271	(21,226)
<b>Total District-Wide Net Expense</b>	<b>\$ (23,811,148)</b>	<b>\$ (25,053,989)</b>	<b>\$ (25,968,464)</b>	<b>\$ (26,675,809)</b>	<b>\$ (26,823,720)</b>	<b>\$ (28,374,869)</b>	<b>\$ (28,802,889)</b>	<b>\$ (28,493,953)</b>	<b>\$ (28,102,021)</b>	<b>\$ (27,763,742)</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes:										
Levied for General Purpose	\$ 24,617,482	\$ 25,109,832	\$ 25,642,924	\$ 26,771,760	\$ 27,307,195	\$ 27,994,354	\$ 28,773,818	\$ 30,285,211	\$ 30,271,296	\$ 30,967,007
Levied for Debt Service	690,440	637,814	665,947	687,000	691,900	695,800	693,800	695,900	697,000	682,400
Federal and State Aid - Unrestricted		16,341	6,051	37,173	37,244	53,778	135,145	91,417	190,282	257,458
Interest and Investment Earnings - Restricted										1,021
Miscellaneous	119,387	114,533	110,104	163,666	148,062	123,796	132,394	194,169	207,711	129,976
<b>Total Governmental Activities</b>	<b>25,427,309</b>	<b>25,878,520</b>	<b>26,425,026</b>	<b>27,659,599</b>	<b>28,184,401</b>	<b>28,867,728</b>	<b>29,735,157</b>	<b>31,266,697</b>	<b>31,366,289</b>	<b>32,037,862</b>
Business-Type Activities:										
Interest and Investment Earnings	-	-	-	270	294	230	-	-	2,045	212
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>294</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>2,045</b>	<b>212</b>
<b>Total District-Wide</b>	<b>\$ 25,427,309</b>	<b>\$ 25,878,520</b>	<b>\$ 26,425,026</b>	<b>\$ 27,659,869</b>	<b>\$ 28,184,695</b>	<b>\$ 28,867,958</b>	<b>\$ 29,735,157</b>	<b>\$ 31,266,697</b>	<b>\$ 31,368,334</b>	<b>\$ 32,038,074</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,605,156	\$ 815,912	\$ 441,938	\$ 973,746	\$ 1,344,729	\$ 500,583	\$ 892,017	\$ 2,746,109	\$ 3,249,997	\$ 4,295,346
Business-Type Activities	11,005	8,619	14,624	10,314	16,246	(7,494)	40,251	26,635	16,316	(21,014)
<b>Total District</b>	<b>\$ 1,616,161</b>	<b>\$ 824,531</b>	<b>\$ 456,562</b>	<b>\$ 984,060</b>	<b>\$ 1,360,975</b>	<b>\$ 493,089</b>	<b>\$ 932,268</b>	<b>\$ 2,772,744</b>	<b>\$ 3,266,313</b>	<b>\$ 4,274,332</b>

Source: District's Financial Records

**WALDWICK BOARD OF EDUCATION  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Unaudited)**

*(modified accrual basis of accounting)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund:										
Restricted	\$ 2,397,640	\$ 2,008,989	\$ 2,072,349	\$ 2,616,070	\$ 3,817,767	\$ 4,639,759	\$ 3,167,789	\$ 4,333,340	\$ 7,223,393	\$ 9,983,151
Assigned	660,734	269,549	155,407	133,779	196,430	148,641	89,196	146,695	379,311	310,666
Unassigned	239,407	294,120	283,149	282,092	254,394	288,458	357,672	306,229	261,852	857,774
Total General Fund	<u>\$ 3,297,781</u>	<u>\$ 2,572,658</u>	<u>\$ 2,510,905</u>	<u>\$ 3,031,941</u>	<u>\$ 4,268,591</u>	<u>\$ 5,076,858</u>	<u>\$ 3,614,657</u>	<u>\$ 4,786,264</u>	<u>\$ 7,864,556</u>	<u>\$ 11,151,591</u>
All Other Governmental Funds:										
Reserved		\$ 11,218								
Unreserved										
Restricted	\$ 146,498						\$ 1,213,279	\$ 96,345	39,361	\$ (288,505)
Total All Other Governmental Funds	<u>\$ 146,498</u>	<u>\$ 11,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,213,279</u>	<u>\$ 96,345</u>	<u>\$ 39,361</u>	<u>\$ (288,505)</u>

Source: District's Financial Records

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES:</b>										
Local Property Tax levy	\$ 25,307,922	\$ 25,747,646	\$ 26,308,871	\$ 27,458,760	\$ 27,999,095	\$ 28,690,154	\$ 29,467,618	\$ 30,981,111	\$ 30,968,296	\$ 31,649,407
Miscellaneous	126,811	133,990	149,201	228,223	183,876	214,976	219,098	313,698	304,934	167,663
Federal Sources	447,906	425,694	430,698	437,384	486,632	431,496	549,898	567,218	531,936	754,887
State Sources	3,434,551	4,083,158	3,677,026	4,032,040	4,449,799	4,873,739	5,567,530	6,703,398	7,103,769	8,333,976
Local Sources										94,988
<b>Total Revenues</b>	<b>29,317,190</b>	<b>30,390,488</b>	<b>30,565,796</b>	<b>32,156,407</b>	<b>33,119,402</b>	<b>34,210,365</b>	<b>35,804,144</b>	<b>38,565,425</b>	<b>38,908,935</b>	<b>41,000,921</b>
<b>EXPENDITURES:</b>										
<b>Current:</b>										
Regular Instruction	10,879,131	11,440,644	11,792,455	12,115,170	12,475,446	13,052,352	13,351,377	13,810,530	13,819,261	15,217,552
Special Education Instruction	5,314,161	6,011,836	6,296,702	6,455,732	6,257,011	6,493,856	7,354,435	7,864,579	8,008,632	7,527,768
Other Instruction	909,021	1,186,415	1,062,104	1,149,281	1,117,307	1,084,211	1,198,973	1,230,329	1,183,054	1,223,092
School Sponsored Activities and Athletics	783,056	829,047	757,850	779,676	813,284	870,288	898,665	953,268	975,491	1,077,891
<b>Support Services:</b>										
Student and Instruction Related Services	3,290,901	3,317,351	3,405,829	3,501,534	3,879,849	3,997,061	4,290,783	4,055,458	3,946,739	3,967,607
General Administration Services	642,650	733,752	741,375	1,683,247	1,734,799	690,382	645,429	680,989	721,423	766,791
School Administrative Services	1,364,441	1,601,268	1,562,060	565,741	640,250	1,818,715	2,045,912	2,363,603	2,343,607	2,512,848
Central Services	781,411	750,441	752,934	2,125,194	2,087,945	2,358,016	919,706	881,402	912,680	1,029,079
Plant Operations and Maintenance	2,140,968	2,084,824	2,092,988	591,339	499,940	554,307	2,072,455	2,225,274	2,190,572	2,234,860
Pupil Transportation	657,008	643,767	691,428	842,724	932,133	969,191	717,574	734,668	671,196	510,067
Capital outlay	1,035,289	1,943,704	772,379	1,108,705	722,860	787,891	3,416,576	2,567,371	451,105	844,416
<b>Debt Service</b>										
Principal	425,000	445,000	465,000	490,000	515,000	540,000	956,575	975,088	1,007,180	1,024,402
Interest and Other Charges	752,091	262,842	245,663	227,028	206,928	185,828	184,606	168,193	137,200	105,379
<b>Total Expenditures</b>	<b>28,975,128</b>	<b>31,250,891</b>	<b>30,638,767</b>	<b>31,635,371</b>	<b>31,882,752</b>	<b>33,402,098</b>	<b>38,053,066</b>	<b>38,510,752</b>	<b>36,368,140</b>	<b>38,041,752</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	342,062	(860,403)	(72,971)	521,036	1,236,650	808,267	(2,248,922)	54,673	2,540,795	2,959,169
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from Borrowing										
Premium on Bonds	530,458									
Accrued Interest on Bonds										
Refunding Bond Proceeds	5,170,000									
Payment to Refunded Bond Escrow Agent	(5,181,000)									
Capital Leases (Non-Budget)							2,000,000			
Transfers In	756,516	1,723,092	666,785	161			2,018,180	350,000	64,123	
Transfers Out	(756,516)	(1,723,092)	(666,785)	(161)			(2,018,180)	(350,000)	(64,123)	
<b>Total Other Financing Sources (Uses)</b>	<b>519,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 861,520</b>	<b>\$ (860,403)</b>	<b>\$ (72,971)</b>	<b>\$ 521,036</b>	<b>\$ 1,236,650</b>	<b>\$ 808,267</b>	<b>\$ (248,922)</b>	<b>\$ 54,673</b>	<b>\$ 2,540,795</b>	<b>\$ 2,959,169</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	4.21%	2.42%	2.38%	2.35%	2.32%	2.23%	3.29%	3.18%	3.19%	3.04%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>NJ Clean Energy Audit</u>	<u>E-Rate</u>	<u>Technology Fees</u>	<u>Facility Rental</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2012	\$ 7,657	\$ 15,644		\$ 15,886		\$ 20,999				\$ 3,591	\$ 58,776	\$ 122,553
2013	16,500	16,555	\$ 18,393	14,485						3,614	56,719	126,266
2014	34,656	14,268	8,757		\$ 9,642					4,647	75,370	147,340
2015	64,324	10,220	3,393	9,097			\$ 16,137		\$ 43,985	5,307	75,365	227,828
2016	35,814	12,903			12,480		17,125		17,440	11,006	77,108	183,876
2017	91,180	17,936			6,781		13,316	\$ 14,395	11,782	4,923	54,663	214,976
2018	14,000	28,907		21,235	26,023	7,750	10,210	21,487	47,934	3,981	24,029	205,556
2019	39,900	62,107	3,172	12,348	6,548	5,320	15,237	37,785	48,410	4,166	49,471	284,464
2020	39,441	141,554	-	8,875	500	4,500	24,003	18,640	38,715	14,201	14,505	304,934
2021	36,666	27,165		8,842	7,265	1,750	9,122	13,900	32,705		30,248	167,663

Source: District records (GAAP Basis)

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 17,061,700	\$ 1,385,802,700	N/A	N/A	\$ 125,243,200	\$ 28,810,500	N/A	\$ 1,556,918,100	\$ 1,234,107	\$ 1,558,152,207	\$ 1,568,251,207	\$ 1.639
2013	15,742,200	1,387,823,400	N/A	N/A	124,881,800	28,570,600	N/A	1,557,018,000	100,000	1,557,118,000	1,501,747,889	1.673
2014	15,172,800	1,388,543,300	N/A	N/A	125,681,800	28,570,600	N/A	1,557,968,500	100,000	1,558,068,500	1,502,749,915	1.726
2015	8,237,600	1,399,054,600	N/A	N/A	125,861,800	28,570,600	N/A	1,561,724,600	100,000	1,561,824,600	1,539,999,306	1.776
2016	8,428,600	1,408,833,800	N/A	N/A	128,126,700	28,570,600	N/A	1,573,959,700	100,000	1,573,959,700	1,543,242,913	1.801
2017	11,496,900	1,410,802,300	N/A	N/A	125,968,400	28,720,600	N/A	1,576,988,200	100,000	1,577,088,200	1,579,923,809	1.845
2018	8,547,400	1,414,823,500	N/A	N/A	125,912,300	28,720,600	\$ 19,600,000	1,597,603,800	100,000	1,597,703,800	1,631,626,486	1.873
2019	8,741,400	1,416,214,300	N/A	N/A	127,880,600	28,493,100	19,600,000	1,600,929,400	100,000	1,601,029,400	1,668,827,336	1.955
2020	9,523,000	1,421,148,400	N/A	N/A	128,905,600	28,493,100	19,600,000	1,607,670,100	100,000	1,607,770,100	1,703,927,975	1.948
2021	9,593,300	1,424,512,900	N/A	N/A	142,157,700	28,493,100	19,600,000	1,624,357,000	100,000	1,624,457,000	1,748,583,267	1.967

Source: County Abstract of Ratables

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



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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2012	\$ 2.420	\$ 1.639	\$ 0.560	\$ 0.221
2013	2.454	1.673	0.559	0.222
2014	2.510	1.726	0.558	0.226
2015	2.572	1.776	0.559	0.237
2016	2.602	1.801	0.559	0.242
2017	2.656	1.845	0.554	0.257
2018	2.679	1.873	0.556	0.250
2019	2.766	1.955	0.556	0.255
2020	2.767	1.948	0.556	0.263
2020	2.794	1.967	0.556	0.271

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Source: Tax Duplicate, Borough of Waldwick

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

Taxpayer	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
D&R Waldwick LLC	\$ 19,600,000	1.21%
HSRE-EV Waldwick LLC	16,232,000	1.00%
HFZ Waldwick LLC	10,900,000	0.67%
LKD Realty Inc.	7,367,800	0.45%
Public Service Electric & Gas	5,214,700	0.32%
Granatell Group 4IN LLC	5,177,300	0.32%
168 Franklin Concepts Corp	4,102,100	0.25%
Med-Tech PTNRS LLC	3,766,600	0.23%
UB Waldwick LLC	3,473,400	0.21%
Lesterick Corp. Inc.	3,341,700	0.21%
	<u>\$ 79,175,600</u>	<u>4.87%</u>

	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
	\$ 10,900,000	0.70%
	7,367,800	0.47%
	5,214,700	0.33%
	5,177,300	0.33%
	4,302,100	0.28%
	3,766,600	0.24%
	3,600,000	0.23%
	3,473,400	0.22%
	3,503,100	0.22%
	3,341,700	0.21%
	<u>\$ 50,646,700</u>	<u>3.25%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 25,307,922	\$ 25,307,922	100.00%	-
2013	25,747,646	25,747,646	100.00%	-
2014	26,308,871	26,308,871	100.00%	-
2015	27,458,760	27,458,760	100.00%	-
2016	27,999,095	27,999,095	100.00%	-
2017	28,690,154	28,690,154	100.00%	-
2018	29,467,618	29,467,618	100.00%	-
2019	30,981,111	30,981,111	100.00%	-
2020	30,968,296	30,968,296	100.00%	-
2021	31,649,407	31,649,407	100.00%	-

Source: District Records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2012	\$ 6,080,000		\$ 6,080,000	9,712	\$ 626
2013	5,635,000		5,635,000	9,758	577
2014	5,170,000		5,170,000	9,790	528
2015	4,680,000		4,680,000	9,899	473
2016	4,165,000		4,165,000	9,885	421
2017	3,625,000		3,625,000	9,895	366
2018	3,065,000	\$ 1,603,425	4,668,425	10,158	460
2019	2,480,000	1,213,337	3,693,337	10,109	365
2020	1,870,000	816,157	2,686,157	10,261	262
2021	1,250,000	411,755	1,661,755	10,261 *	162

Source: District records

\* - Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2012	\$ 6,080,000		\$ 6,080,000	0.39%	\$ 626
2013	5,635,000		5,635,000	0.36%	577
2014	5,170,000		5,170,000	0.33%	528
2015	4,680,000		4,680,000	0.30%	473
2016	4,165,000		4,165,000	0.26%	421
2017	3,625,000		3,625,000	0.23%	366
2018	3,065,000		3,065,000	0.19%	302
2019	2,480,000		2,480,000	0.15%	245
2020	1,870,000		1,870,000	0.12%	182
2021	1,250,000		1,250,000	0.08%	122

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALDWICK BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)**

	<u><b>Total Debt</b></u>
Debt:	
School District	\$ 1,250,000
Borough of Waldwick	<u>9,594,746</u>
 Total Direct Debt	 <u>10,844,746</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	13,909,372
Northwest Bergen Regional Sewerage Authority (B)	<u>2,031,340</u>
	 <u>15,940,712</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 26,785,458</u></u>

- (A) The debt for this entity was apportioned to the Borough of Waldwick by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (a) Borough of Waldwick 2020 Annual Debt Statement

Source: School District Financial Statements

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

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized valuation basis
	2020 \$ 1,727,191,771
	2019 1,693,388,407
	2018 <u>1,661,920,108</u>
	<u>\$ 5,082,500,286</u>
Average equalized valuation of taxable property	\$ 1,694,166,762
Debt limit (4 % of average equalization value)	67,766,670 <sup>a</sup>
Total Net Debt Applicable to Limit	<u>1,250,000</u>
Legal debt margin	<u>\$ 66,516,670</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>
Debt limit	\$ 64,975,524	\$ 62,427,934	\$ 60,805,459	\$ 6,038,682	\$ 60,785,634	\$ 61,788,334	\$ 62,779,981	\$ 64,568,152	\$ 66,166,829	\$ 67,766,670
Total net debt applicable to limit	<u>6,080,000</u>	<u>5,635,000</u>	<u>5,170,000</u>	<u>4,680,000</u>	<u>4,165,000</u>	<u>3,625,000</u>	<u>3,065,000</u>	<u>2,480,000</u>	<u>1,870,000</u>	<u>1,250,000</u>
Legal debt margin	<u>\$ 58,895,524</u>	<u>\$ 56,792,934</u>	<u>\$ 55,635,459</u>	<u>\$ 1,358,682</u>	<u>\$ 56,620,634</u>	<u>\$ 58,163,334</u>	<u>\$ 59,714,981</u>	<u>\$ 62,088,152</u>	<u>\$ 64,296,829</u>	<u>\$ 66,516,670</u>
Total net debt applicable to the limit as a percentage of debt limit	9.36%	9.03%	8.50%	77.50%	6.85%	5.87%	4.88%	3.84%	2.83%	1.84%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2012	4.4%	\$ 72,164	9,712
2013	7.9%	71,699	9,758
2014	4.5%	74,480	9,790
2015	3.7%	77,767	9,899
2016	3.8%	79,407	9,885
2017	3.5%	81,676	9,895
2018	3.2%	86,404	10,158
2019	2.6%	89,456	10,109
2020	8.4%	89,456 *	10,261
2021	N/A	N/A	10,261 *

\* - Estimated

(1) County of Bergen

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



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

**NOT AVAILABLE**

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

<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	111	111	112	117	109	113	112	112	119	118
Special education	34	35	35	36	36	34	36	36	31	31
Other special education	30	34	36	32	31	29	28	29	32	31
Support Services:										
Student & Instruction related services	31	34	34	33	32	34	32	31	30	31
General administration	3	3	3	3	3	3	2	2	2	2
School administrative services	11	11	11	12	12	11	13	14	14	14
Central services	5	7	7	8	8	7	7	6	6	6
Plant operations and maintenance	20	19	19	19	18	17	17	16	15	15
Pupil transportation	2	2	2	3	2	2	2	3	3	2
Total	<u>247</u>	<u>256</u>	<u>259</u>	<u>263</u>	<u>251</u>	<u>250</u>	<u>249</u>	<u>249</u>	<u>252</u>	<u>250</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School					
2012	1,611	\$ 26,762,748	\$ 16,613	2.29%	145	1:12	1:10	1,593	1,527	0.00%	95.86%	
2013	1,631	28,599,345	17,535	5.55%	146	1:13	1:14	1,618	1,542	1.57%	95.30%	
2014	1,616	29,155,725	18,042	2.89%	147	1:13	1:14	1,596	1,526	-1.36%	95.61%	
2015	1,605	29,809,638	18,573	2.94%	153	1:11	1:13	1,577	1,507	-1.19%	95.56%	
2016	1,576	30,437,964	19,313	3.99%	145	1:11	1:12	1,584	1,517	0.44%	95.77%	
2017	1,592	31,888,379	20,030	3.71%	147	1:10	1:12	1,585	1,509	0.06%	95.21%	
2018	1,614	33,495,309	20,753	3.61%	148	1:10	1:10	1,586	1,514	0.06%	95.46%	
2019	1,619	34,800,100	21,495	3.57%	148	1:11	1:09	1,597	1,521	0.69%	95.24%	
2020	1,635	34,772,655	21,268	-1.06%	150	1:11	1:08	1,613	1,546	1.00%	95.85%	
2021	1,622	36,067,555	22,236	4.56%	150	1:11	1:09	1,599	1,548	-0.87%	96.81%	

Sources: District records

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<u>Elementary</u>										
<b>Crescent</b>										
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)										
Enrollment	345	356	326	330	340	346	353	349	366	344
<b>Traphagen</b>										
Square Feet	33,300	33,300	36,400	36,400	36,400	36,400	36,400	48,304	45,244	45,244
Capacity (students)										
Enrollment	413	430	437	443	408	417	419	442	424	425
<u>Middle School</u>										
Square Feet										
Capacity (students)										
Enrollment	379	366	366	345	364	362	367	364	376	267
<u>High School</u>										
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)										
Enrollment	453	456	459	465	456	449	440	441	452	460

Number of Schools at June 30, 2021

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

Source: District Records

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

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

		<u>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>
<b>School Facilities</b>	<b>Project #(s)</b>										
Crescent E.S.	N/A	\$ 39,080	\$ 40,277	\$ 35,754	\$ 38,664	\$ 48,661	\$ 91,560	\$ 51,686	\$ 54,559	\$ 64,332	\$ 47,064
Traphagen E.S.	N/A	37,720	38,876	37,723	40,793	51,341	96,803	54,532	76,388	84,366	61,721
Waldwick Jr/Sr High School	N/A	<u>178,848</u>	<u>184,327</u>	<u>163,629</u>	<u>176,945</u>	<u>222,695</u>	<u>419,428</u>	<u>236,541</u>	<u>274,776</u>	<u>294,415</u>	<u>215,387</u>
<b>Grand Total</b>		<b>\$ 255,648</b>	<b>\$ 263,480</b>	<b>\$ 237,106</b>	<b>\$ 256,402</b>	<b>\$ 322,697</b>	<b>\$ 607,791</b>	<b>\$ 342,759</b>	<b>\$ 405,723</b>	<b>\$ 443,113</b>	<b>\$ 324,172</b>

Source: School District's Financial Statements

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

	<u>Coverage</u>	<u>Deductible</u>
<b>NESBIG</b>		
<b>School Package Policy - National Union Fire Ins. Co.</b>		
Building and Contents (All Locations)	\$ 65,262,469	\$ 5,000
Boiler and Machinery - included in property		
Earthquake/Flood ( Outside Zones A & V )	5,000,000	50,000
Flood Zones ( Zones A & V )	1,000,000	500,000
Comprehensive General Liability	1,000,000	2,500
General Automobile Liability	1,000,000	2,500
Comprehensive and Collision		1,000
Umbrella Liability - National Union Fire Ins. Co.	9,000,000	10,000
School Board Legal Liability - XL	1,000,000	25,000
Employment Practices -		35,000
Environmental - Chubb	2,000,000	15,000
	4,000,000	Aggregate
	20,000,000	Group aggregate
Excess Umbrella ( Shared ) Fireman's Fund - 1/2 Group	25,000,000	
Excess Umbrella ( Unshared )- Starstone/Markel	30,000,000	
Crime ( Non-statutory Bonds )	100,000	5,000
Selective Insurance	500,000	Per loss
Cyber Liability - XL	1,000,000	1st Party
	2,000,000	3rd Party
	6,000,000	Aggregate

Source: School District's records

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

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
Waldwick Board of Education  
Waldwick, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick 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 Waldwick Board of Education's basic financial statements and have issued our report thereon dated January 31, 2022.

**Internal Control Over Financial Reporting**

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

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



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Waldwick Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Waldwick Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS0118

Fair Lawn, New Jersey  
January 31, 2022



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

**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  
Waldwick Board of Education  
Waldwick, New Jersey

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

We have audited the Waldwick 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 Waldwick Board of Education’s major federal and state programs for the fiscal year ended June 30, 2021. The Waldwick 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 Waldwick 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 Waldwick Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

### **Report on Internal Control Over Compliance**

Management of the Waldwick Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Waldwick Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 Waldwick Board of Education's internal control over compliance.

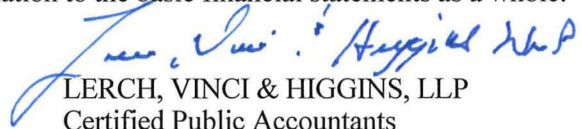
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

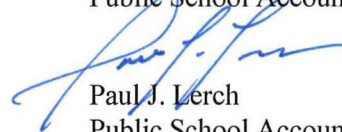
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Waldwick 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 January 31 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  
January 31, 2022

**WALDWICK 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	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover Amount			Total Budgetary Expenditures	Adjustment	Balance at June 30, 2021			Memo GAAP Receivable
					From	To	Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 35,643	7/1/20	6/30/21	-	-	-	-	\$ 35,643	\$ 35,643	-	-	-	-	*
Total General Fund							-	-	-	-	35,643	35,643	-	-	-	-	*
<b>U.S. Department of Education</b>																	
Passed-through State Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010	S010A200030	NCLB-5410-20	139,201	7/1/20	9/30/21			\$ (26,557)	\$ 26,557	\$ 60,852	\$ 82,611		\$ (104,906)	\$ 83,147		\$ (21,759)
Title I, Part A, Carryover	84.010	S010A190030	NCLB-5410-19		7/1/19	9/30/20	\$ (43,804)	\$ 26,653	17,978	(17,978)	25,827	97	\$ 325		8,904		*
Title I, Part A, Carryover	84.010	S010A180030	NCLB-5410-18		7/1/18	6/30/19	(7,428)	7,428	7,428	(7,428)							*
Title I, Part A, Carryover	84.010	S010A170030	NCLB-5410-17		7/1/17	6/30/18	(1,148)	1,148	1,148	(1,148)							*
Title I, Part A, Carryover	84.010	S010A160030	NCLB-5410-16		7/1/16	6/30/17	(3)	19	3	(3)			(16)				*
Total Title I, Part A Cluster							(52,383)	35,248	-	-	86,679	82,708	309	(104,906)	92,051	-	(21,759)
Title II, Part A	84.367A	S367A200029	NCLB-5410-20	29,149	7/1/20	9/30/21			(7,957)	7,957		2,307		(37,106)	34,799		(2,307)
Title II, Part A, Carryover	84.367A	S367A190029	NCLB-5410-19		7/1/19	9/30/20	(7,623)	7,708	3,749	(3,749)	1,865	14,684	14,514		1,780		*
Title II, Part A, Carryover	84.367A	S367A180029	NCLB-5410-18		7/1/18	6/30/19	(511)	212	212	(212)			299				*
Title II, Part A, Carryover	84.367A	S367A170029	NCLB-5410-17		7/1/17	6/30/18	(1,688)	1,688	1,668	(1,668)							*
Title II, Part A, Carryover	84.367A	S367A160029	NCLB-5410-16		7/1/16	6/30/17	(2,328)	17,141	2,328	(2,328)			(14,813)				*
Total Title II, Part A Cluster							(12,150)	26,749	-	-	1,865	16,991	-	(37,106)	36,579	-	(2,307)
Title III, Carryover	84.365A	S365A190030	NCLB-5410-19		7/1/19	9/30/20	(4,665)	5,341				676					*
Title III, Carryover	84.365A	S365A180030	NCLB-5410-18		7/1/18	6/30/19	(2,423)	2,423									*
Title III, Carryover	84.365A	S365A170030	NCLB-5410-17		7/1/17	6/30/18	(1,628)	1,628									*
Title III, Immigrant	84.365A	S365A200030	NCLB-5410-20	2,753	7/1/20	9/30/21			(2,289)	2,289		680		(5,042)	4,362		(680)
Title III, Immigrant, Carryover	84.365A	S365A190030	NCLB-5410-19		7/1/19	9/30/20	(2,289)	2,289	2,289	(2,289)							*
Title III, Immigrant, Carryover	84.365A	S365A180030	NCLB-5410-18		7/1/18	6/30/19	(233)	233									*
Title III, Immigrant, Carryover	84.365A	S365A170030	NCLB-5410-17		7/1/17	6/30/18	(1,004)	1,004									*
Total Title III Cluster							(12,242)	12,918	-	-	-	1,356	-	(5,042)	4,362	-	(680)
Title IV, Part A	84.424A	S424A200031	NCLB-5410-20	10,000	7/1/20	9/30/21			(5,533)	5,533	10,885	11,079		(4,648)	4,454		(194)
Title IV, Part A, Carryover	84.424A	S424A190031	NCLB-5410-19		7/1/19	9/30/20	(5,606)	5,231	5,425	(5,425)	181	665	857				*
Title IV, Part A, Carryover	84.424A	S424A180031	NCLB-5410-18		7/1/18	6/30/19	(108)	965	108	(108)			(857)				*
Total Title IV, Part A Cluster							(5,714)	6,196	-	-	11,066	11,742	-	(4,648)	4,454	-	(194)
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA-5410-20	406,341	7/1/20	9/30/21			(3,371)	3,371	353,061	356,386	2,650	(54,001)	53,326		(675)
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A190100	IDEA-5410-19		7/1/19	9/30/20	(1,967)	3,117	897	(897)	1,500	34,438	33,288		1,500		*
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A180100	IDEA-5410-18		7/1/18	6/30/19	(254)	254	254	(254)							*
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A170100	IDEA-5410-17		7/1/17	6/30/18	(2,220)	2,220	2,220	(2,220)							*
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A160100	IDEA-5410-16		7/1/16	6/30/17		33,288					(33,288)				*
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA-5410-20	15,346	7/1/20	9/30/21					15,346	15,346					*
I.D.E.A. Part B, Preschool, Carryover	84.173	H173A150114	IDEA-5410-19		7/1/15	6/30/16	(245)						245				*
Total Special Education Cluster (IDEA)							(4,686)	38,879	-	-	369,907	406,170	2,895	(54,001)	54,826	-	(675)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**WALDWICK 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	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		Carryover Amount			Total Budgetary Expenditures	Adjustment	Balance at June 30, 2021			Memo GAAP Receivable
					From	To	Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	
Coronavirus Relief Fund	21.019	N/A	N/A	41,503	3/1/20	12/31/21					\$ 41,503	\$ 40,603			\$ 900		*
Coronavirus Relief Fund (Passed Thru County)	21.019	N/A	N/A	29,888	3/1/20	12/31/21					29,888	29,888					*
Non-Public Digital Divide	21.019	N/A	N/A	10,397	7/16/20	10/31/20					10,049	10,049		\$ (348)	348		*
Total Coronavirus Relief Fund Cluster							-	-	-	-	81,440	80,540	-	(348)	1,248	-	*
CARES Emergency Relief Grant, ESSER I	84.425D	S425D200027	N/A	119,737	3/13/20	9/30/22					119,737	119,737					*
CRRSA, ESSER II	84.425D	S425D200027	N/A	438,069	3/13/20	9/30/23								(438,069)	438,069		*
CRRSA, Learning Acceleration	84.425D	S425D200027	N/A	28,113	3/13/20	9/30/23								(28,113)	28,113		*
CRRSA, Mental Health	84.425D	S425D200027	N/A	45,000	3/13/20	9/30/23								(45,000)	45,000		*
Total ESSER Fund Cluster							-	-	-	-	119,737	119,737	-	(511,182)	511,182	-	*
Total Special Revenue Fund							\$ (87,175)	\$ 119,990	-	-	670,694	719,244	\$ 3,204	(717,233)	704,702	-	\$ (25,615)
Sub-Total Federal Financial Awards							\$ (87,175)	\$ 119,990	\$ -	\$ -	\$ 706,337	\$ 754,887	\$ 3,204	\$ (717,233)	\$ 704,702	\$ -	\$ (25,615)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**WALDWICK 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	Program or Award Amount	Grant Period		Balance at June 30, 2020			Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Balance at June 30, 2021			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received			Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	21-495-034-5120-078	\$260,174	7/1/20	6/30/21			\$ 246,001	\$ 260,174		\$ (14,173)				\$ 260,174
Equalization Aid	20-495-034-5120-078	196,883	7/1/19	6/30/20	\$ (11,457)		11,457							
Special Education Categorical Aid	21-495-034-5120-089	1,090,126	7/1/20	6/30/21			1,030,741	1,090,126		(59,385)				1,090,126
Special Education Categorical Aid	20-495-034-5120-089	1,090,126	7/1/19	6/30/20	(63,435)		63,435							
Security Aid	21-495-034-5120-084	125,909	7/1/20	6/30/21			119,050	125,909		(6,859)				125,909
Security Aid	20-495-034-5120-084	125,909	7/1/19	6/30/20	(7,327)		7,327							
<b>Total State Aid Public Cluster</b>					<b>(82,219)</b>	<b>-</b>	<b>1,478,011</b>	<b>1,476,209</b>	<b>-</b>	<b>(80,417)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,476,209</b>
Transportation Aid	21-495-034-5120-014	199,527	7/1/20	6/30/21			188,658	199,527		(10,869)				199,527
Transportation Aid	20-495-034-5120-014	199,527	7/1/19	6/30/20	(11,610)		11,610							
Additional Nonpublic Transportation Aid	21-495-034-5120-014	20,264	7/1/20	6/30/21				20,264		(20,264)		\$ (20,264)		20,264
Additional Nonpublic Transportation Aid	20-495-034-5120-014	13,340	7/1/19	6/30/20	(5,655)		5,655							
<b>Total Transportation Aid Cluster</b>					<b>(17,265)</b>	<b>-</b>	<b>205,923</b>	<b>219,791</b>	<b>-</b>	<b>(31,133)</b>	<b>-</b>	<b>-</b>	<b>(20,264)</b>	<b>219,791</b>
Extraordinary Aid	21-495-034-5120-044	563,448	7/1/20	6/30/21				563,448		(563,448)				563,448
Extraordinary Aid	20-495-034-5120-044	443,124	7/1/19	6/30/20	(443,124)		443,124							
<b>Total Extraordinary Aid Cluster</b>					<b>(443,124)</b>	<b>-</b>	<b>443,124</b>	<b>563,448</b>	<b>-</b>	<b>(563,448)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,448</b>
Reimbursed Social Security Tax	21-495-034-5094-003	1,045,820	7/1/20	6/30/21			994,320	1,045,820		(51,500)			(51,500)	1,045,820
Reimbursed Social Security Tax	20-495-034-5094-003	996,119	7/1/19	6/30/20	(49,790)		49,790							
<b>Total Reimbursed Social Security Tax Cluster</b>					<b>(49,790)</b>	<b>-</b>	<b>1,044,110</b>	<b>1,045,820</b>	<b>-</b>	<b>(51,500)</b>	<b>-</b>	<b>-</b>	<b>(51,500)</b>	<b>1,045,820</b>
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	3,709,105	7/1/20	6/30/21			3,709,105	3,709,105						3,709,105
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	21-495-034-5094-004	70,571	7/1/20	6/30/21			70,571	70,571						70,571
On-Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	21-495-034-5094-001	1,184,492	7/1/20	6/30/21			1,184,492	1,184,492						1,184,492
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	21-495-034-5094-004	1,746	7/1/20	6/30/21			1,746	1,746						1,746
<b>On-Behalf Teachers' Pension and Annuity Fund Cluster</b>					<b>-</b>	<b>-</b>	<b>4,965,914</b>	<b>4,965,914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,965,914</b>
<b>Total General Fund</b>					<b>(592,398)</b>	<b>-</b>	<b>8,137,082</b>	<b>8,271,182</b>	<b>-</b>	<b>(726,498)</b>	<b>-</b>	<b>-</b>	<b>(71,764)</b>	<b>8,271,182</b>

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**WALDWICK 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	Program or Award Amount	Grant Period		Balance at June 30, 2020			Balance at June 30, 2021			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	21-100-034-5120-064	14,600	7/1/20	6/30/21			\$ 14,600	\$ 13,413			\$ 1,187	\$ 13,413
Textbook Aid	20-100-034-5120-064	12,966	7/1/19	6/30/20		\$ 156			\$ (156)			
Textbook Aid Cluster						156	14,600	13,413	(156)		1,187	13,413
Nursing Services Aid	21-100-034-5120-070	26,010	7/1/20	6/30/21			26,010	22,877			3,133	22,877
Nursing Services Aid Cluster							26,010	22,877			3,133	22,877
School Security Aid	21-100-034-5120-509	44,625	7/1/20	6/30/21			44,625	34,091			10,534	34,091
School Security Aid	20-100-034-5120-509	39,150	7/1/19	6/30/20					(15,282)			
School Security Aid Cluster						15,282	44,625	34,091	(15,282)		10,534	34,091
Technology Initiative Aid	20-100-034-5120-509	8,856	7/1/19	6/30/20					(1,941)			
School Security Aid Cluster						1,941			(1,941)			
Auxiliary Services:												
Compensatory Education	21-100-034-5120-067	89,704	7/1/20	6/30/21			89,704	38,145			51,559	38,145
Compensatory Education	20-100-034-5120-067	66,680	7/1/19	6/30/20	\$ (8,965)	8,112	8,965		(8,112)			
English Language Learner	21-100-034-5120-067	16,342	7/1/20	6/30/21			16,342	12,496			3,846	12,496
English Language Learner	20-100-034-5120-067	17,868	7/1/19	6/30/20		2,234			(2,234)			
Home Instruction	20-100-034-5120-067	5,526	7/1/19	6/30/20	(5,526)		5,526					
Auxiliary Services Cluster:					(14,491)	10,346	120,537	50,641	(10,346)		55,405	50,641
Nonpublic Handicapped Aid (Chapter 193):												
Examination and Classification	21-100-034-5120-066	39,021	7/1/20	6/30/21			39,021	18,583			20,438	18,583
Examination and Classification	20-100-034-5120-066	26,943	7/1/19	6/30/20		5,016			(5,016)			
Speech Correction	21-100-034-5120-066	30,441	7/1/20	6/30/21			30,441	23,970			6,471	23,970
Speech Correction	20-100-034-5120-066	35,727	7/1/19	6/30/20	(9,037)	3,555	9,037		(3,555)			
Supplemental Instruction	21-100-034-5120-066	21,856	7/1/20	6/30/21			21,856	17,000			4,856	17,000
Supplemental Instruction	20-100-034-5120-066	18,942	7/1/19	6/30/20		4,294			(4,294)			
Nonpublic Handicapped Aid (Chapter 193) Cluster:					(9,037)	12,865	100,355	59,553	(12,865)		31,765	59,553
Total Special Revenue Fund					(23,528)	40,590	306,127	180,575	(40,590)		102,024	180,575
<b>Total State Financial Assistance</b>					<b>\$ (615,926)</b>	<b>\$ 40,590</b>	<b>\$ 8,443,209</b>	<b>\$ 8,451,757</b>	<b>\$ (40,590)</b>	<b>\$ (726,498)</b>	<b>\$ 102,024</b>	<b>\$ (71,764) \$ 8,451,757</b>
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002							(3,709,105)				
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	21-495-034-5094-004							(70,571)				
On-Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-001							(1,184,492)				
On-Behalf- Teachers' Pension & Annuity Fund - Long Term Disability	21-495-034-5094-004							(1,746)				
<b>Total for State Financial Assistance-Major Program Determination</b>								<b>\$ 3,485,843</b>				

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.



**WALDWICK 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 Waldwick Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$117,781 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	\$ 35,643	\$ 8,153,401	\$ 8,189,044
Special Revenue Fund	<u>719,244</u>	<u>180,575</u>	<u>899,819</u>
Total Financial Assistance	<u>\$ 754,887</u>	<u>\$ 8,333,976</u>	<u>\$ 9,088,863</u>

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

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,045,820 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 \$3,779,676, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,184,492 and TPAF Long-Term Disability Insurance in the amount of \$1,746 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.

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

Noncompliance material to basic financial statements noted?            yes       X       no

**Federal Awards Section**

Internal Control over compliance:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section.510(a))?            yes       X       none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>I.D.E.A. Part B, Basic Regular</u>
<u>84.173</u>	<u>H173A200114</u>	<u>I.D.E.A. Part B, Preschool</u>
<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u>	<u>          </u>	<u>          </u>

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

Auditee qualified as low-risk auditee?            yes       X       no

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

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5094-003	Reimbursed Social Security Tax
495-034-5120-089/495-034-5120-078/495-034-5120-084	State Aid Public

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

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   yes    \_\_\_\_\_ no

**WALDWICK 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.

**WALDWICK 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.