

ORADELL BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Oradell, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Oradell Board of Education

Oradell, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

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INTRODUCTORY SECTION



Oradell Public School District

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

*Our children,
our hope,
our future*

Januray 30, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Oradell School District (“The District”) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“The Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Oradell Public School’s MD&A can be found immediately following the “Independent Auditors’ Report.”

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The financial section includes the independent auditors’ report, management’s discussion and analysis (MD&A), and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statements. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplementary information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “Single Audit Policy for Recipients of Federal

Grants, State Grants and State Aid.” Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, are included in the single audit section of this report.

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

The District continues to provide a full range of educational services appropriate to grade levels Pre-K through 6. These include both regular and special education for learning disabled students. The District completed the 2021-2022 fiscal year with enrollment of 777 students, which is 17 students more than the previous year’s enrollment. The following details the changes in the student average daily enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2012-2013	784	-0.51
2013-2014	782	-0.26
2014-2015	770	-0.55
2015-2016	763	-0.91
2016-2017	769	+0.78
2017-2018	739	-3.65
2018-2019	754	+2.03
2019-2020	760	+0.80
2020-2021	777	+2.2
2021-2022	784	+0.90

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

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

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

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

4) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2021.

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

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

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

8) OTHER INFORMATION:


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

B) Commendations – The Oradell Public School District is proud of all that it accomplished during the 2021-2022 school year. The following is a sampling of the District's achievements:

- The District continued to use data to identify student strengths and areas to strengthen. Resources were purchased and programs were put in place to address identified learning gaps. As a result, the District continues to show strong academic performance on local and state assessments, including achieving higher levels of proficiency in mathematics performance than in years prior to the pandemic.
- The District continues to focus on providing a well-rounded educational experience. The school musical returned this year after a several year hiatus and additional emphasis was placed on STEM integration into the curriculum. We saw student teams qualify for both the Odyssey of the Mind World Finals and the finals of the Thomas Edison Pitch Contest.
- In an effort to keep an eye on students' emotional health, the District began using the Panorama dashboard to assess student levels of grit, self-efficacy and additional tools in an individual's social emotional toolbox.

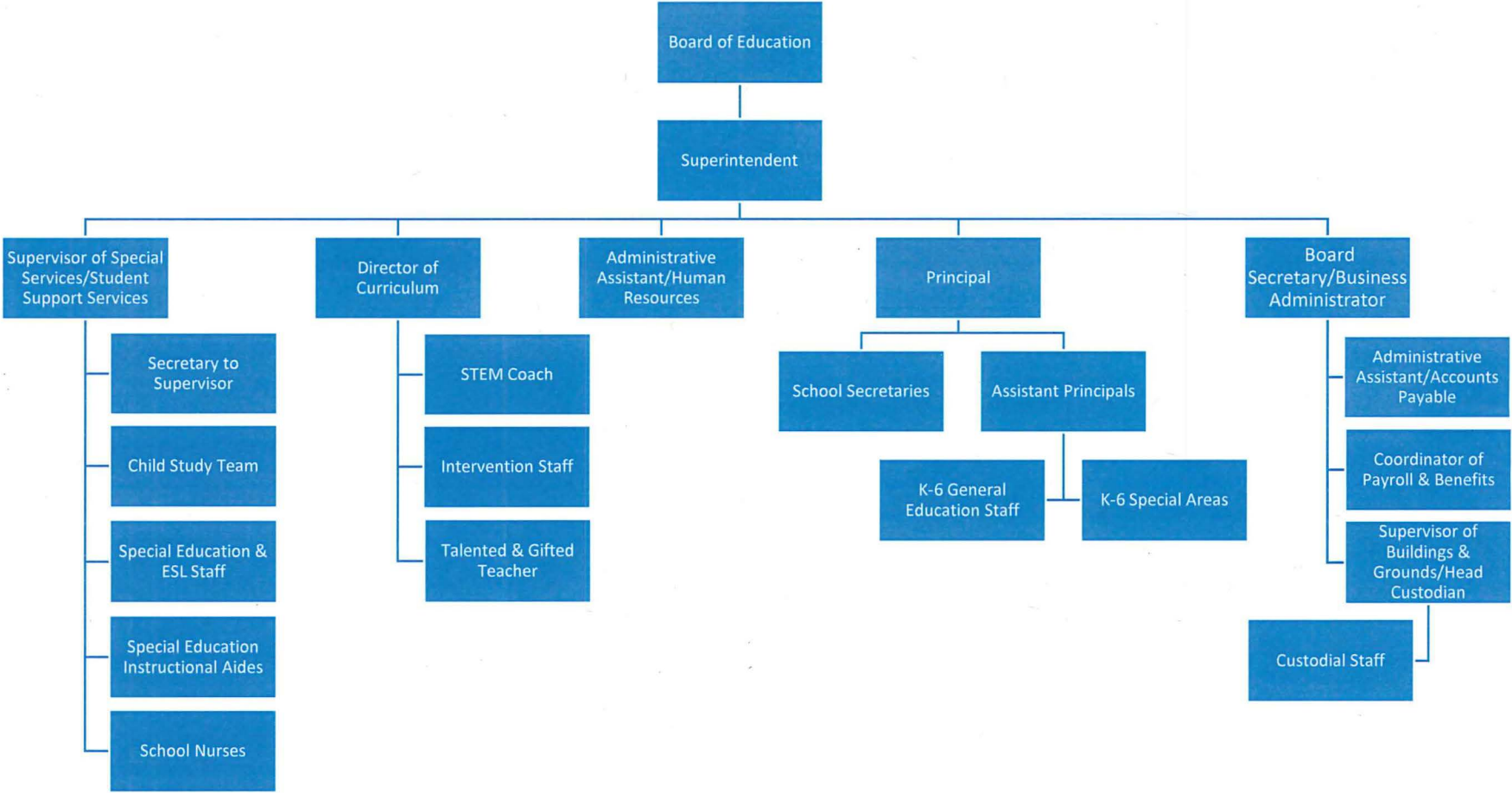
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Oradell School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The Oradell Board of Education continues to serve the community in proud fashion. Of the nine Board members, two members have recently been recognized for 30+ years of service to the Oradell Public School District. Also, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Megan N. Bozios
Superintendent


John M. Marmora
School Business Administrator/Board Secretary

2021-2022 OPS Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2022**

Members of the Board of Education

Dorothy Watson-Nichols	President	2022
Gregory Derian	Vice President	2024
Nancy Shapiro		2022
John A. Walsh		2022
Pooja Bhatia-Nigam		2023
Jeremy Griffin		2023
Rita Walker		2023
Alena Acosta		2024
Mary Katherine Norian		2024

Other Officials

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

**ORADELL BOARD OF EDUCATION
Consultants and Advisors**

Attorney

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

Audit Firm

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

Official Depository

Capital One Bank
464 Route 17 North
Paramus, NJ 07652

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Oradell Board of Education
350 Prospect Avenue
Oradell, New Jersey 07649

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2022 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education as of June 30, 2022, 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.

Basis for Opinions

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 Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Oradell Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oradell Board of Education’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Oradell Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oradell Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oradell Board of Education’s basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Oradell Board of Education. Such information is the responsibility of management and was derived from and relate 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2023 on our consideration of the Oradell Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Oradell Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Oradell Board of Education’s internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

As management of the Oradell Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Oradell Board of Education for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and the notes to the financial statements, which immediately following this discussion and analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-2022 fiscal year include the following:

- The assets and deferred outflows of resources of the Oradell Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,240,029. (Net Position)
- The District's total net position increased by \$777,700.
- Overall District revenues were \$17,014,784. General revenues accounted for \$12,918,036, or 76%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,096,748, or 24%, of total revenues.
- The school district had \$16,227,050 in expenses for governmental activities; only \$4,087,573 of these expenses were offset by program specific charges, grants or contributions. General revenues of \$12,918,036 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,338,568. Of this amount, \$395,406 is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2022 was \$4,301,221 an increase of \$568,351 from the ending fund balance at June 30, 2021 of \$3,732,870.
- The General Fund budgetary fund balance at June 30, 2022 was \$4,626,635, which represents an increase of \$492,682 compared to the ending budgetary fund balance at June 30, 2021 of \$4,133,953. The General Fund unassigned budgetary fund balance at June 30, 2022 was \$720,820, a decrease of \$42,234 when compared to the ending unassigned budgetary fund balance at June 30, 2021 of \$763,054.
- The District's total outstanding long-term liabilities decreased by \$879,165 during the current fiscal year.

ORADELL BOARD OF EDUCATION

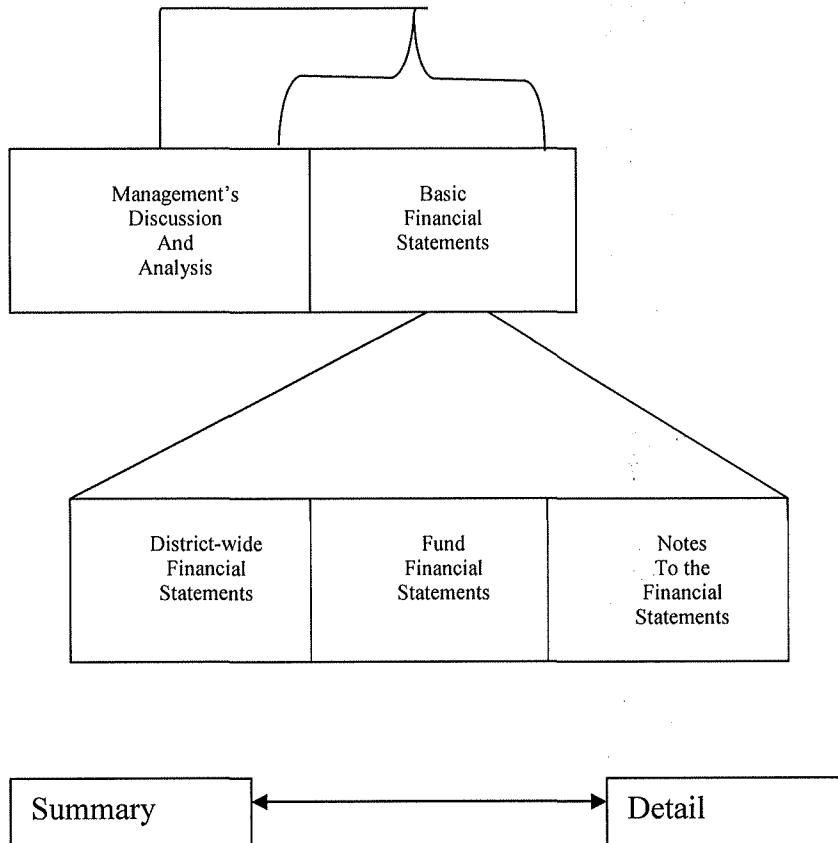
Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



ORADELL BOARD OF EDUCATION

Management’s Discussion and Analysis Fiscal Year Ended June 30, 2022

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

Notes to the Financial Statements

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

Other Information

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

Combining schedules are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was \$11,240,029 and \$10,462,329 on June 30, 2022 and 2021, respectively, as follows:

Statement of Net Position as of June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets						
Current Assets	\$ 4,601,118	\$ 3,955,935	\$ 137,860	\$ 64,571	\$ 4,738,978	\$ 4,020,506
Capital Assets	11,878,892	12,518,973	-	-	11,878,892	12,518,973
Total Assets	<u>16,480,010</u>	<u>16,474,908</u>	<u>137,860</u>	<u>64,571</u>	<u>16,617,870</u>	<u>16,539,479</u>
Deferred Outflows of Resources	<u>500,512</u>	<u>454,241</u>	<u>-</u>	<u>-</u>	<u>500,512</u>	<u>454,241</u>
Total Assets and Deferred Outflows of Resources	<u>16,980,522</u>	<u>16,929,149</u>	<u>137,860</u>	<u>64,571</u>	<u>17,118,382</u>	<u>16,993,720</u>
Liabilities						
Noncurrent Liabilities	4,417,929	5,297,094			4,417,929	5,297,094
Other Liabilities	287,294	227,281	74,148	-	361,442	227,281
Total Liabilities	<u>4,705,223</u>	<u>5,524,375</u>	<u>74,148</u>	<u>-</u>	<u>4,779,371</u>	<u>5,524,375</u>
Deferred Inflows of Resources	<u>1,098,982</u>	<u>1,007,016</u>	<u>-</u>	<u>-</u>	<u>1,098,982</u>	<u>1,007,016</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,804,205</u>	<u>6,531,391</u>	<u>74,148</u>	<u>-</u>	<u>5,878,353</u>	<u>6,531,391</u>
Net Position						
Net Investment in Capital Assets	9,135,119	9,269,649			9,135,119	9,269,649
Restricted	2,477,558	1,917,621			2,477,558	1,917,621
Unrestricted	(436,360)	(789,512)	63,712	64,571	(372,648)	(724,941)
Total Net Position	<u>\$ 11,176,317</u>	<u>\$ 10,397,758</u>	<u>\$ 63,712</u>	<u>\$ 64,571</u>	<u>\$ 11,240,029</u>	<u>\$ 10,462,329</u>

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The District's total net position of \$11,240,029 at June 30, 2022 represents a \$777,700, or 7%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2022 and 2021:

Change in Net Position For The Fiscal Years Ended June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 51,682	\$ 35,175	\$ 6,188		\$ 57,870	\$ 35,175
Operating Grants and Contributions	3,983,750	4,918,389	2,987		3,986,737	4,918,389
Capital Grants and Contributions	52,141				52,141	-
General Revenues						
Property Taxes	12,819,035	12,599,597			12,819,035	12,599,597
Other	99,001	116,756	-	-	99,001	116,756
Total Revenues	<u>17,005,609</u>	<u>17,669,917</u>	<u>9,175</u>	<u>-</u>	<u>17,014,784</u>	<u>17,669,917</u>
Expenses						
Instruction						
Regular	5,917,630	6,147,474			5,917,630	6,147,474
Special Education	3,043,103	3,351,013			3,043,103	3,351,013
Other Instruction	952,616	958,231			952,616	958,231
School Sponsored Activities and Athletics	67,914	46,367			67,914	46,367
Support Services						
Student and Instruction Related Services	2,456,420	2,380,912			2,456,420	2,380,912
General Administrative Services	529,199	470,304			529,199	470,304
School Administrative Services	567,319	703,078			567,319	703,078
Central Services and Info. Technology	411,726	490,560			411,726	490,560
Plant Operations and Maintenance	2,017,816	1,904,383			2,017,816	1,904,383
Pupil Transportation	179,594	87,352			179,594	87,352
Interest on Debt	83,713	102,606			83,713	102,606
Summer Program					-	-
Food Services	-	-	10,034	-	10,034	-
Total Expenses	<u>16,227,050</u>	<u>16,642,280</u>	<u>10,034</u>	<u>-</u>	<u>16,237,084</u>	<u>16,642,280</u>
Increase/(Decrease) in Net Position	778,559	1,027,637	(859)	-	777,700	1,027,637
Net Position, Beginning of Year	<u>\$ 10,397,758</u>	<u>\$ 9,370,121</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>	<u>\$ 10,462,329</u>	<u>\$ 9,434,692</u>
Net Position, End of Year	<u>\$ 11,176,317</u>	<u>\$ 10,397,758</u>	<u>\$ 63,712</u>	<u>\$ 64,571</u>	<u>\$ 11,240,029</u>	<u>\$ 10,462,329</u>

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$17,005,609 for the year ended June 30, 2022. Property taxes of \$12,819,035 represented 75% of revenues. Another significant portion of revenues came from State aid; total State, Federal and local aid, grants and contributions was \$4,035,891 which represented 24% of revenues. In addition, charges for services from student activities, as well as, general revenue from miscellaneous income such as interest, rents and other miscellaneous items of \$150,683 represented 1% of revenues earned.

The total cost of all governmental activities programs and services was \$16,227,050. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$9,981,263 (61%) of total expenses. Support services, total \$6,162,074 (38%) of total expenses and interest on debt totaled \$83,713 (1%) of total expenses.

ORADELL BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2022**

Total governmental activities revenues exceeded expenses, increasing net position \$778,559 from the previous year.

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$16,227,050. After applying program revenues, derived from charges for services of \$51,682, operating grants and contributions of \$3,983,750, and capital grants and contributions of \$52,141, the net cost of services to the District is \$12,139,477.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 5,917,630	\$ 6,147,474	\$ 4,671,728	\$ 4,209,668
Special Education	3,043,103	3,351,013	1,587,172	1,910,970
Other Instruction	952,616	958,231	687,126	610,710
School Sponsored Activities and Athletics	67,914	46,367	14,012	10,752
Support Services				
Student and Instruction Related Services	2,456,420	2,380,912	1,899,158	1,816,228
General Administrative Services	529,199	470,304	460,199	360,960
School Administrative Services	567,319	703,078	455,810	503,240
Central Services and Info. Technology	411,726	490,560	345,912	339,747
Plant Operations and Maintenance	2,017,816	1,904,383	1,789,535	1,771,014
Pupil Transportation	179,594	87,352	145,112	52,821
Interest on Debt	83,713	102,606	83,713	102,606
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 16,227,050</u>	<u>\$ 16,642,280</u>	<u>\$ 12,139,477</u>	<u>\$ 11,688,716</u>

Business-Type Activities – Total business-type activities net position of \$63,712 decreased by \$859 from the prior year which reported a balance of \$64,571.

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,338,568, an increase of \$578,231 from last year's fund balance.

Revenues for the District's governmental funds were \$17,519,661 while total expenses were \$16,941,430 for the fiscal year ended June 30, 2022.

GENERAL FUND

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

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

General Fund Revenues	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 12,333,735	\$ 12,091,897	\$ 241,838	2%
Other	99,001	116,756	(17,755)	-15%
State Sources	4,051,233	3,034,407	1,016,826	34%
Federal Sources	<u>12,406</u>	<u>-</u>	<u>12,406</u>	100%
 Total Revenues	 <u>\$ 16,496,375</u>	 <u>\$ 15,243,060</u>	 <u>\$ 1,253,315</u>	 8%

Total General Fund revenues increased \$1,253,315, or 8%, over the previous year. Property taxes increased \$241,838, or 2%, to support budgeted operating expenditures. State aid increased \$1,016,286, or 34% mainly attributable to on-behalf state aid for teachers' TPAF pension contributions as well as an increase in Extraordinary Aid for special education. Local revenues decreased \$17,755, or 15%, from the previous year. Federal revenues were \$12,406 in 2021-2022 and there was no federal aid in the prior year 2020-2021.

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

General Fund Expenditures	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 10,200,187	\$ 9,109,113	\$ 1,091,074	12%
Support Services	5,568,893	4,869,968	698,925	14%
Debt Service	110,903	115,365	(4,462)	-4%
Capital Outlay	<u>48,041</u>	<u>12,945</u>	<u>35,096</u>	271%
 Total Expenditures	 <u>\$ 15,928,024</u>	 <u>\$ 14,107,391</u>	 <u>\$ 1,820,633</u>	 13%

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

GENERAL FUND (Continued)

Total General Fund expenditures increased \$1,820,633, or 13%, from the previous year. The majority of this increase can be attributed to increases in regular education instructional costs, student and instruction related services support costs and plant operations and maintenance support costs.

In fiscal year 2022 General Fund revenues exceeded expenditures by \$568,351. Therefore, total fund balance increased to \$4,301,221 at June 30, 2022. After deducting restricted and assigned fund balances, the unassigned fund balance increased \$33,435 from \$361,971 at June 30, 2021 to \$395,406 at June 30, 2022. Balances in the committed and assigned fund balances (i.e. year-end encumbrances) increased \$34,489 from the previous year. In addition, the balances in the restricted fund balances (i.e., capital reserve, maintenance reserve, emergency reserve, reserved excess surplus and unemployment compensation reserve) increased \$500,427 from the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance \$492,682 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance decreased \$42,234 from \$763,054 at June 30, 2021 to \$720,820 at June 30, 2022. In addition, the District ended the year with a capital reserve fund balance of \$1,771,337, an increase of \$550,057 from the previous year, and a maintenance reserve fund balance of \$643,157, which did not change from the previous year. The District also had an emergency reserve of \$130,425, a decrease of \$87,330 from the previous year, and an unemployment compensation reserve of \$25,717, which remained unchanged from the previous year. The District also ended the year with an excess surplus balance of \$916,457 at June 30, 2022, an increase of \$37,700 from the previous year.

ORADELL BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2022**

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2022, the District had \$25,211,885 invested in land, buildings, furniture, equipment and vehicles for governmental activities. Depreciation charges for fiscal year 2021-2022 amounted to \$691,211 for governmental activities. The following is a comparison of the June 30, 2022 and 2021 balances.

**Capital Assets
as of June 30, 2022 and 2021**

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Land	\$ 5,592	\$ 5,592
Construction in Progress	44,000	
Land Improvements	52,200	52,200
Building and Building Improvements	23,924,791	23,924,791
Machinery and Equipment	<u>1,185,302</u>	<u>1,178,172</u>
 Total	 25,211,885	 25,160,755
 Less: Accumulated Depreciation	 <u>(13,332,993)</u>	 <u>(12,641,782)</u>
 Total	 <u>\$ 11,878,892</u>	 <u>\$ 12,518,973</u>

LONG TERM LIABILITIES

At June 30, 2022 the District had \$4,417,929 of long-term liabilities. Of this amount \$1,302,063 is for serial bonds; \$1,469,165 is for capital financing agreements; \$92,151 is for compensated absences; and \$1,554,550 is for the District's net pension liability. For fiscal year 2022 total outstanding long-term liabilities decreased by \$879,165. The following is a comparison of the June 30, 2022 and 2021 balances.

**Long-Term Liabilities Outstanding
as of June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Bond Payable (including premium)	\$ 1,302,063	\$ 1,751,535
Capital Financing Agreements Payable	1,469,165	1,541,917
Compensated Absences Payable	92,151	100,107
Net Pension Liability	<u>1,554,550</u>	<u>1,903,535</u>
 Total	 <u>\$ 4,417,929</u>	 <u>\$ 5,297,094</u>

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

These factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2022-2023. Budgeted expenditures in the General Fund increased 2 percent to \$13,888,083 for fiscal year 2022-2023.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT-WIDE FINANCIAL STATEMENTS

ORADELL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,478,289	\$ 137,376	\$ 4,615,665
Cash with Fiscal Agent	11,858		11,858
Receivables, net	110,971	484	111,455
Capital Assets, Not Being Depreciated	49,592		49,592
Capital Assets, Being Depreciated, Net	<u>11,829,300</u>	<u>-</u>	<u>11,829,300</u>
Total Assets	<u>16,480,010</u>	<u>137,860</u>	<u>16,617,870</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	27,455		27,455
Deferred Amounts on Net Pension Liability	<u>473,057</u>	<u>-</u>	<u>473,057</u>
Total Deferred Outflows of Resources	<u>500,512</u>	<u>-</u>	<u>500,512</u>
Total Assets and Deferred Outflows of Resources	<u>16,980,522</u>	<u>137,860</u>	<u>17,118,382</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	167,516	2,500	170,016
Payable to Other Governments	15,937		15,937
Accrued Interest Payable	24,744		24,744
Unearned Revenue	79,097	71,648	150,745
Noncurrent Liabilities			
Due Within One Year	521,726		521,726
Due Beyond One Year	<u>3,896,203</u>	<u>-</u>	<u>3,896,203</u>
Total Liabilities	<u>4,705,223</u>	<u>74,148</u>	<u>4,779,371</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,098,982</u>	<u>-</u>	<u>1,098,982</u>
Total Deferred Inflows of Resources	<u>1,098,982</u>	<u>-</u>	<u>1,098,982</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,804,205</u>	<u>74,148</u>	<u>5,878,353</u>
NET POSITION			
Net Investment in Capital Assets	9,135,119		9,135,119
Restricted for			
Capital Projects	1,771,337		1,771,337
Plant Maintenance	643,157		643,157
Other Purposes	63,064		63,064
Unrestricted	<u>(436,360)</u>	<u>63,712</u>	<u>(372,648)</u>
Total Net Position	<u>\$ 11,176,317</u>	<u>\$ 63,712</u>	<u>\$ 11,240,029</u>

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

**ORADELL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,917,630		\$ 1,245,902		\$ (4,671,728)		\$ (4,671,728)
Special Education	3,043,103		1,455,931		(1,587,172)		(1,587,172)
Other Instruction	952,616		265,490		(687,126)		(687,126)
School Sponsored Activities and Athletics	67,914	\$ 51,682	2,220		(14,012)		(14,012)
Support Services							
Student and Instruction Related Services	2,456,420		557,262		(1,899,158)		(1,899,158)
General Administrative Services	529,199		69,000		(460,199)		(460,199)
School Administrative Services	567,319		111,509		(455,810)		(455,810)
Central Services and Info. Technology	411,726		65,814		(345,912)		(345,912)
Plant Operations and Maintenance	2,017,816		176,140	\$ 52,141	(1,789,535)		(1,789,535)
Pupil Transportation	179,594		34,482		(145,112)		(145,112)
Interest on Debt	83,713	-	-	-	(83,713)	-	(83,713)
Total Governmental Activities	16,227,050	51,682	3,983,750	52,141	(12,139,477)	-	(12,139,477)
Business-Type Activities							
Summer Program	-	-	-	-	-		-
Food Service	10,034	6,188	2,987	-	-	\$ (859)	(859)
Total Business-Type Activities	10,034	6,188	2,987	-	-	(859)	(859)
Total Primary Government	\$ 16,237,084	\$ 57,870	\$ 3,986,737	\$ 52,141	(12,139,477)	(859)	(12,140,336)
General Revenues							
Taxes:							
Property Taxes - General Purposes					12,333,735		12,333,735
Property Taxes - Debt Service, Net					485,300		485,300
Investment Earnings					7,181		7,181
Miscellaneous Income					91,820		91,820
Total General Revenues					12,918,036	-	12,918,036
Change in Net Position					778,559	(859)	777,700
Net Position, Beginning of Year					10,397,758	\$ 64,571	10,462,329
Net Position, End of Year					\$ 11,176,317	\$ 63,712	\$ 11,240,029

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

FUND FINANCIAL STATEMENTS

**ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 4,395,291	\$ 82,998	\$ 4,478,289
Cash with Fiscal Agent	11,858		11,858
Intergovernmental Receivables	<u>27,040</u>	<u>83,931</u>	<u>110,971</u>
 Total Assets	 <u>\$ 4,434,189</u>	 <u>\$ 166,929</u>	 <u>\$ 4,601,118</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 52,554	\$ 34,548	\$ 87,102
Payroll Deductions and Withholdings Payable	15,915		15,915
Unemployment Employee Contributions Payable	64,499		64,499
Payable to Other Governments		15,937	15,937
Unearned Revenue	<u>-</u>	<u>79,097</u>	<u>79,097</u>
 Total Liabilities	 <u>132,968</u>	 <u>129,582</u>	 <u>262,550</u>
Fund Balances			
Restricted:			
Capital Reserve	1,771,337		1,771,337
Maintenance Reserve	643,157		643,157
Emergency Reserve	130,425		130,425
Unemployment Compensation Reserve	25,717		25,717
Excess Surplus	516,457		516,457
Excess Surplus - Designated for Subsequent Year's Expenditures	400,000		400,000
Student Activities		37,347	37,347
Committed:			
Year End Encumbrances	298,231		298,231
Assigned:			
Year End Encumbrances	120,491		120,491
Unassigned	<u>395,406</u>	<u>-</u>	<u>395,406</u>
 Total Fund Balances	 <u>4,301,221</u>	 <u>37,347</u>	 <u>4,338,568</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,434,189</u>	 <u>\$ 166,929</u>	 <u>\$ 4,601,118</u>

**ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2022**

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 4,338,568

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,211,885 and the accumulated depreciation is \$13,332,993. 11,878,892

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 27,455

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

Deferred Outflows of Resources	\$ 473,057	
Deferred Inflows of Resources	<u>(1,098,982)</u>	(625,925)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (24,744)

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

Bonds Payable	(1,302,063)	
Capital Financing Agreements Payable	(1,469,165)	
Compensated Absences	(92,151)	
Net Pension Liability	<u>(1,554,550)</u>	<u>(4,417,929)</u>

Total Net Position of Governmental Activities (Exhibit A-1) \$ 11,176,317

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

ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES				
Local Sources				
Property Taxes	\$ 12,333,735		\$ 485,300	\$ 12,819,035
Interest	7,181			7,181
Building Rentals	25,513			25,513
Miscellaneous	66,307	\$ 55,075	-	121,382
Total - Local Sources	12,432,736	55,075	485,300	12,973,111
Intergovernmental				
State Sources	4,051,233	120,454		4,171,687
Federal Sources	12,406	362,457	-	374,863
Total Revenues	<u>16,496,375</u>	<u>537,986</u>	<u>485,300</u>	<u>17,519,661</u>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	6,245,556	25,870		6,271,426
Special Education Instruction	2,971,406	208,344		3,179,750
Other Instruction	954,180	59,850		1,014,030
School-Sponsored Activities and Athletics	29,045	40,650		69,695
Support Services				
Student and Instruction Related Services	2,443,699	141,896		2,585,595
General Administrative Services	548,384			548,384
School Administrative Services	606,233			606,233
Central Services and Info. Technology	439,187			439,187
Plant Operations and Maintenance	1,351,796	48,407		1,400,203
Pupil Transportation	179,594			179,594
Debt Service				
Principal	72,752		430,000	502,752
Interest and Other Charges	38,151		55,300	93,451
Capital Outlay	48,041	3,089	-	51,130
Total Expenditures	<u>15,928,024</u>	<u>528,106</u>	<u>485,300</u>	<u>16,941,430</u>
Net Change in Fund Balances	568,351	9,880	-	578,231
Fund Balance, Beginning of Year	<u>3,732,870</u>	<u>27,467</u>	<u>-</u>	<u>3,760,337</u>
Fund Balance, End of Year	<u>\$ 4,301,221</u>	<u>\$ 37,347</u>	<u>\$ -</u>	<u>\$ 4,338,568</u>

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

**ORADELL BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 578,231

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

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

Capital Outlay	\$ 51,130	
Depreciation Expense	<u>(691,211)</u>	(640,081)

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

Decrease in Compensated Absences	7,956	
Decrease in Pension Expenses	<u>319,963</u>	327,919

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

Principal Payments		
Bond Principal	430,000	
Capital Financing Agreements Principal	<u>72,752</u>	502,752

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

Amortization of Bond Premium	19,472	
Amortization of Deferred Amounts on Refunding	<u>(16,673)</u>	2,799

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

Decrease in Accrued Interest		<u>6,939</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 778,559**

**ORADELL BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 133,052	\$ 4,324	\$ 137,376
Intergovernmental Receivable	-	484	484
	133,052	4,808	137,860
Total Current Assets			
Noncurrent Assets			
Capital Assets			
Equipment		12,949	12,949
Accumulated Depreciation	-	(12,949)	(12,949)
	-	-	-
Total Noncurrent Assets			
	133,052	4,808	137,860
LIABILITIES			
Current Liabilities			
Accounts Payable		2,500	2,500
Unearned Revenue	71,648	-	71,648
	71,648	2,500	74,148
Total Liabilities			
	61,404	2,308	63,712
NET POSITION			
Unrestricted			
	61,404	2,308	63,712
Total Net Position	\$ 61,404	\$ 2,308	\$ 63,712

**ORADELL BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales	-	\$ 6,188	\$ 6,188
	-	6,188	6,188
Total Operating Revenues			
	-	6,188	6,188
OPERATING EXPENSES			
Cost of Sales		7,308	7,308
Repairs		226	226
Supplies and Materials	-	2,500	2,500
	-	10,034	10,034
Total Operating Expenses			
	-	10,034	10,034
Operating Income (Loss)	-	(3,846)	(3,846)
NONOPERATING REVENUES			
Federal Sources			
Special Milk Program	-	2,987	2,987
	-	2,987	2,987
Total Nonoperating Revenues			
	-	2,987	2,987
Change in Net Position	-	(859)	(859)
Net Position, Beginning of Year	\$ 61,404	\$ 3,167	\$ 64,571
Net Position, End of Year	\$ 61,404	\$ 2,308	\$ 63,712

**ORADELL BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Extended Year Summer Program	Non-Major Food Service Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 71,648	\$ 6,188	\$ 77,836
Cash Payments to Suppliers for Goods and Services	-	(7,534)	(7,534)
	71,648	(1,346)	70,302
Cash Flows from Noncapital Financing Activities			
Cash Received from Federal Subsidy Reimbursements	-	2,503	2,503
	-	2,503	2,503
Net Cash Provided by (Used for) Noncapital Financing Activities	-	2,503	2,503
Net Increase (Decrease) in Cash and Cash Equivalents	71,648	1,157	72,805
Cash and Cash Equivalents, Beginning of Year	\$ 61,404	\$ 3,167	\$ 64,571
Cash and Cash Equivalents, End of Year	<u>\$ 133,052</u>	<u>\$ 4,324</u>	<u>\$ 137,376</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)		\$ (3,846)	\$ (3,846)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Change in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable		2,500	2,500
Increase/(Decrease) in Unearned Revenue	\$ 71,648	-	71,648
Total Adjustments	71,648	2,500	74,148
Net Cash Provided by (Used for) Operating Activities	<u>\$ 71,648</u>	<u>\$ (1,346)</u>	<u>\$ 70,302</u>

NOTES TO THE FINANCIAL STATEMENTS

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Oradell Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade six (6) school district.

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

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

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

B. New Accounting Standards

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

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

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

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	10-40
Machinery and Equipment	5-15
Vehicles	10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

9. Long-Term Obligations

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

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

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

Excess Surplus - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

Excess Reserve – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees 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.

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

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

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

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

11. *Fund Balance Policies*

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

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

Amounts in the assigned fund balance classification are intended to be used by the Board of Education 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 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 extended year summer program and the food service enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. 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. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2021/2022. Additionally, during 2021/2022 the Board increased the original budget by \$1,187,973. The increase was funded by the additional appropriation of capital and maintenance reserves, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 1,221,280
Deposits:	
Approved by Board Resolution	700,000
	1,921,280
Withdrawals:	
Approved by Board Resolution	149,943
Balance, June 30, 2022	\$ 1,771,337

The June 30, 2022 Long Range Facilities Plan balance of local support costs of uncompleted projects is estimated to be \$7,922,900.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 643,157
Deposits:	
Approved by Board Resolution	<u>3,717</u>
	646,874
Withdrawals:	
Approved by Board Resolution	<u>3,717</u>
Balance, June 30, 2022	<u>\$ 643,157</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$643,157.

D. Emergency Reserve

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

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

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve (Continued)

The activity of the emergency reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021	\$ 217,755
Deposits:	
Unexpended Budget Appropriations Funded by Emergency Reserve	<u>12,670</u>
	230,425
Withdrawals:	
Approved in District Budget	<u>100,000</u>
Balance, June 30, 2022	<u>\$ 130,425</u>

E. Transfers to Capital Outlay

During the 2021/2022 school year, the district transferred \$149,943 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$916,457. Of this amount, \$400,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$516,457 will be appropriated in the 2023/2024 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

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, 2022, the book value of the Board's deposits were \$4,627,523 and bank and brokerage firm balances of the Board's deposits amounted to \$5,072,354. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" or "cash with fiscal agent" are categorized as:

Depository Account

Insured	\$ 4,968,457
Uninsured and Collateralized	92,039
Uninsured and Uncollateralized	<u>11,858</u>
	<u>\$ 5,072,354</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$103,897 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ 92,039
Uninsured and Uncollateralized	<u>11,858</u>
	<u>\$ 103,897</u>

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, 2022, the Board had no outstanding investments.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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, 2022 for the district’s individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 27,040	\$ 34,757		\$ 61,797
Federal	-	49,174	\$ 484	49,658
Gross Receivables	27,040	83,931	484	111,455
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 27,040</u>	<u>\$ 83,931</u>	<u>\$ 484</u>	<u>\$ 111,455</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 69,342
Grant Draw Downs Reserved for Encumbrances	9,755
Total Unearned Revenue for Governmental Funds	<u>\$ 79,097</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance, July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2022</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,592			\$ 5,592
Construction in Progress	-	44,000	-	44,000
Total Capital Assets, Not Being Depreciated	<u>5,592</u>	<u>44,000</u>	<u>-</u>	<u>49,592</u>
Capital Assets, Being Depreciated:				
Land Improvements	52,200			52,200
Building and Building Improvements	23,924,791			23,924,791
Machinery and Equipment	1,178,172	7,130	-	1,185,302
Total Capital Assets Being Depreciated	<u>25,155,163</u>	<u>7,130</u>	<u>-</u>	<u>25,162,293</u>
Less Accumulated Depreciation for:				
Land Improvements	(52,200)			(52,200)
Building and Building Improvements	(12,001,446)	(645,721)		(12,647,167)
Machinery and Equipment	(588,136)	(45,490)	-	(633,626)
Total Accumulated Depreciation	<u>(12,641,782)</u>	<u>(691,211)</u>	<u>-</u>	<u>(13,332,993)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,513,381</u>	<u>(684,081)</u>	<u>-</u>	<u>11,829,300</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,518,973</u>	<u>\$ (640,081)</u>	<u>\$ -</u>	<u>\$ 11,878,892</u>

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2021</u>	Balance, <u>June 30, 2022</u>
Business-Type Activities:		
Capital Assets, Being Depreciated:		
Machinery and equipment	\$ 12,949	\$ 12,949
Total capital assets being depreciated	<u>12,949</u>	<u>12,949</u>
Less Accumulated Depreciation for:		
Machinery and equipment	<u>(12,949)</u>	<u>(12,949)</u>
Total accumulated depreciation	<u>(12,949)</u>	<u>(12,949)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities:	
Instruction	
Regular Instruction	\$ 13,015
Total Instruction	<u>13,015</u>
Support Services	
Student and Instruction Related Services	1,400
Central Services and Info. Technology	6,071
Plant Operations and Maintenance	<u>670,725</u>
Total Support Services	<u>678,196</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 691,211</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$1,946,368, fiscal year 2017 Agreement for the Energy Savings Incentive Project (ESIP) for a term of 20 years due in annual principal installments of \$31,756 to \$95,000 through March 18, 2036, interest at 2.46%	\$ 1,452,241
\$36,036, fiscal year 2020 Agreement for the acquisition of copier machines for a term of five (5) years due in annual principal installments of \$518 to \$692 through August 15, 2024, interest at 5.70%	<u>16,924</u>
Total	<u>\$ 1,469,165</u>

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 77,598	\$ 35,282
2024	82,656	33,531
2025	80,830	31,666
2026	84,443	29,682
2027	89,644	27,574
2028-2032	534,039	101,533
2033-2036	<u>519,955</u>	<u>29,266</u>
Total	<u>\$ 1,469,165</u>	<u>\$ 288,534</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

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

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

\$4,620,000, 2012 Refunding Bonds, due in annual installments of \$415,000 to \$430,000 through February 15, 2025, interest at 3.00% \$1,270,000

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 430,000	\$ 38,100	\$ 468,100
2024	425,000	25,200	450,200
2025	<u>415,000</u>	<u>12,450</u>	<u>427,450</u>
Total	<u>\$ 1,270,000</u>	<u>\$ 75,750</u>	<u>\$ 1,345,750</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 45,750,696
Less: Net Debt	<u>1,270,000</u>
Remaining Borrowing Power	<u>\$ 44,480,696</u>
2.5% of Equalized Valuation Basis (Municipal)	\$ 45,750,696
Less: Net Debt	<u>1,270,000</u>
Remaining Borrowing Power	<u>\$ 44,480,696</u>

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2022</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 1,700,000		\$ 430,000	\$ 1,270,000	\$ 430,000
Add: Original Issue Premium	<u>51,535</u>	<u>-</u>	<u>19,472</u>	<u>32,063</u>	<u>-</u>
Total Bonds Payable	1,751,535	-	449,472	1,302,063	430,000
Capital Financing Agreements	1,541,917		72,752	1,469,165	77,598
Compensated Absences	100,107		7,956	92,151	14,128
Net Pension Liability	<u>1,903,535</u>	<u>-</u>	<u>348,985</u>	<u>1,554,550</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,297,094</u>	<u>\$ -</u>	<u>\$ 879,165</u>	<u>\$ 4,417,929</u>	<u>\$ 521,726</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022		\$ 36,177	\$ 3,620	\$ 25,717
2021		34,456	33,034	25,717
2020	\$ 2,000	25,683	53,957	25,717

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, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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>
2022	\$ 153,679	\$ 2,103,315	\$ 18,963
2021	127,695	1,496,302	22,252
2020	100,427	1,104,179	23,052

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$221, respectively for PERS and the State contributed \$850, \$809 and \$672, 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 \$440,414 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$1,554,550 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was .01312 percent, which was an increase of .00145 percent from its proportionate share measured as of June 30, 2020 of .01167 percent.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$166,284 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 24,517	\$ 11,129
Changes of Assumptions	8,096	553,430
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		409,509
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>440,444</u>	<u>124,914</u>
Total	<u>\$ 473,057</u>	<u>\$ 1,098,982</u>

At June 30, 2022, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (300,194)
2024	(182,327)
2025	(74,903)
2026	(74,812)
2027	6,311
Thereafter	<u>-</u>
	<u>\$ (625,925)</u>

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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 Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,116,982</u>	<u>\$ 1,554,550</u>	<u>\$ 1,077,247</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, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 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.

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, 2020 through June 30, 2021. 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, 2021, the State’s pension contribution was less than the actuarial determined amount.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$571,423 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$24,284,432. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .05051 percent, which was an increase of .00106 percent from its proportionate share measured as of June 30, 2020 of .04945 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2021 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.

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%

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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 7.00%, 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 (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 28,732,539</u>	<u>\$ 24,284,432</u>	<u>\$ 20,548,301</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, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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. 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.

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently 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 plan 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 plan. 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the June 30, 2020 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 \$1.23 billion to the OPEB plan in fiscal year 2021.

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, 2022, 2021 and 2020 were \$491,419, \$468,918 and \$409,630, 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, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,509,259. 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, 2022 the State's proportionate share of the OPEB liability attributable to the District is \$25,031,063. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the District was .04172 percent, which was a decrease of .00060 percent from its proportionate share measured as of June 30, 2020 of .04232 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

Preretirement mortality rates were based on the Pub-2010 Health "Teachers" (TPAF) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 "General" (PERS) and "Teachers" (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This 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.

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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ 28,698,886
Changes Recognized for the Fiscal Year:	
Service Cost	1,415,703
Interest on the Total OPEB Liability	649,332
Changes of Benefit Terms	(26,643)
Differences Between Expected and Actual Experience	(5,236,018)
Changes of Assumptions	24,695
Gross Benefit Payments	(511,492)
Contributions from the Member	16,600
Net Changes	\$ (3,667,823)
Balance, June 30, 2021 Measurement Date	\$ 25,031,063

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**ORADELL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>29,983,284</u>	\$ <u>25,031,063</u>	\$ <u>21,131,486</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>20,205,918</u>	\$ <u>25,031,063</u>	\$ <u>30,776,738</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

F. Subsequent Events

Appropriation of Fund Balance

On August 17, 2022 the Board approved the appropriation of an additional \$727,250 from the General Fund capital reserve account to support the 2022/2023 budget.

On December 14, 2022 the Board approved the appropriation of an additional \$16,493 from the General Fund maintenance reserve account to support the 2022/2023 budget.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$388,470 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 12,333,735		\$ 12,333,735	\$ 12,333,735	
Interest on Capital Reserve	500		500		\$ (500)
Interest				7,181	7,181
Building Rentals	14,960		14,960	25,513	10,553
Miscellaneous	3,600	-	3,600	66,307	62,707
Total Local Sources	<u>12,352,795</u>	<u>-</u>	<u>12,352,795</u>	<u>12,432,736</u>	<u>79,941</u>
State Sources					
Special Education Aid	540,286		540,286	540,286	
Security Aid	58,565		58,565	58,565	
Transportation Aid	29,595		29,595	29,595	
Extraordinary Aid	66,246		66,246	266,455	200,209
School Security Grant			-	39,735	39,735
Nonpublic School Transportation Aid			-	4,930	4,930
On-behalf TPAF Contributions - (Non-Budget)					
Pension Contribution				2,074,053	2,074,053
Pension - NCGI Premium				29,262	29,262
Post Retirement Medical Benefits				491,419	491,419
Long-Term Disability Insurance Premium				850	850
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	440,414	440,414
Total State Sources	<u>694,692</u>	<u>-</u>	<u>694,692</u>	<u>3,975,564</u>	<u>3,280,872</u>
Federal Sources					
FEMA Reimbursement	-	-	-	12,406	12,406
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,406</u>	<u>12,406</u>
Total Revenues	<u>13,047,487</u>	<u>-</u>	<u>13,047,487</u>	<u>16,420,706</u>	<u>3,373,219</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	576,455	25,381	601,836	535,508	66,328
Grades 1-5	2,445,250	(24,131)	2,421,119	2,404,508	16,611
Grades 6-8	421,024	35,759	456,783	452,600	4,183
Home Instruction					
Purchased Professional-Educational Services	10,000	(8,000)	2,000	1,300	700
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	36,600	(15,470)	21,130	21,130	-
Purchased Technical Services	133,100	28,926	162,026	162,026	-
Other Purchased Services	10,864	10	10,874	10,874	-
General Supplies	182,269	246,749	429,018	407,291	21,727
Textbooks	-	1,364	1,364	1,364	-
Total Regular Programs	<u>3,815,562</u>	<u>290,588</u>	<u>4,106,150</u>	<u>3,996,601</u>	<u>109,549</u>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	265,870	(115,572)	150,298	146,188	4,110
Other Salaries for Instruction	141,217	219,197	360,414	358,417	1,997
Purchased Professional-Educational Services	20,000	(20,000)	-	-	-
General Supplies	6,093	(3,000)	3,093	555	2,538
Total Learning and/or Language Disabilities	<u>433,180</u>	<u>80,625</u>	<u>513,805</u>	<u>505,160</u>	<u>8,645</u>

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 592,187	\$ 68,457	\$ 660,644	\$ 647,053	\$ 13,591
Other Salaries for Instruction	209,100	(162,678)	46,422	43,408	3,014
General Supplies	2,060	-	2,060	1,922	138
	<u>803,347</u>	<u>(94,221)</u>	<u>709,126</u>	<u>692,383</u>	<u>16,743</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	73,821	4,226	78,047	73,497	4,550
Other Salaries for Instruction	42,792	(13,431)	29,361	26,958	2,403
Purchased Professional-Educational Services	6,400	-	6,400	6,400	-
General Supplies	2,265	(1,000)	1,265	80	1,185
	<u>125,278</u>	<u>(10,205)</u>	<u>115,073</u>	<u>100,535</u>	<u>14,538</u>
Total Special Education	<u>1,361,805</u>	<u>(23,801)</u>	<u>1,338,004</u>	<u>1,298,078</u>	<u>39,926</u>
Basic Skills/Remedial					
Salaries of Teachers	472,700	(27,896)	444,804	444,804	-
Other Salaries for Instruction	3,100	-	3,100	-	3,100
General Supplies	1,800	(1,043)	757	757	-
	<u>477,600</u>	<u>(28,939)</u>	<u>448,661</u>	<u>445,561</u>	<u>3,100</u>
Bilingual Education					
Salaries of Teachers	130,360	(500)	129,860	129,704	156
General Supplies	400	-	400	356	44
	<u>130,760</u>	<u>(500)</u>	<u>130,260</u>	<u>130,060</u>	<u>200</u>
School Sponsored Co/Extra-Curricular Activities					
Salaries	16,930	379	17,309	17,309	-
Purchased Services	3,700	597	4,297	4,297	-
	<u>20,630</u>	<u>976</u>	<u>21,606</u>	<u>21,606</u>	<u>-</u>
Total Instruction	<u>5,806,357</u>	<u>238,324</u>	<u>6,044,681</u>	<u>5,891,906</u>	<u>152,775</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	424,100	86,532	510,632	510,632	-
Tuition to APSSD Within the State	587,601	(126,780)	460,821	407,882	52,939
	<u>1,011,701</u>	<u>(40,248)</u>	<u>971,453</u>	<u>918,514</u>	<u>52,939</u>
Attendance and Social Work					
Salaries	38,470	1	38,471	38,471	-
	<u>38,470</u>	<u>1</u>	<u>38,471</u>	<u>38,471</u>	<u>-</u>
Health Services					
Salaries	87,480	4,858	92,338	91,447	891
Purchased Professional and Technical Services	2,000	101	2,101	1,800	301
Supplies and Materials	4,075	507	4,582	4,507	75
	<u>93,555</u>	<u>5,466</u>	<u>99,021</u>	<u>97,754</u>	<u>1,267</u>

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Speech, OT, PT & Related Services					
Salaries	\$ 285,440	\$ 4,538	\$ 289,978	\$ 289,978	-
Purchased Professional-Educational Services	204,103	(30,044)	174,059	126,571	\$ 47,488
Supplies and Materials	1,860	5	1,865	1,865	-
Total Speech, OT, PT & Related Services	491,403	(25,501)	465,902	418,414	47,488
Other Support Serv. Students - Extra. Svcs.					
Purchased Professional-Educational Services	295,000	-	295,000	211,179	83,821
Total Other Support Serv. Students - Extra. Serv.	295,000	-	295,000	211,179	83,821
Guidance					
Salaries of Other Professional Staff	62,230	(28,374)	33,856	33,419	437
Supplies and Materials	6,250	(5,876)	374	-	374
Total Guidance	68,480	(34,250)	34,230	33,419	811
Child Study Team					
Salaries of Other Professional Staff	388,502	2,680	391,182	391,182	-
Salaries of Secretarial and Clerical Assistants	73,590	-	73,590	73,590	-
Other Salaries	11,500	12,225	23,725	23,725	-
Purchased Professional-Educational Services	61,640	(38)	61,602	57,877	3,725
Other Purchased Services	3,229	(89)	3,140	940	2,200
Supplies and Materials	10,280	(3,005)	7,275	3,151	4,124
Other Objects	3,850	-	3,850	1,302	2,548
Total Child Study Team	552,591	11,773	564,364	551,767	12,597
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	179,896	1,657	181,553	181,553	-
Salaries of Other Professional Staff	20,000	-	20,000	12,525	7,475
Other Purchased Services	2,500	(500)	2,000	579	1,421
Supplies and Materials	2,000	(1,834)	166	166	-
Other Objects	1,000	(106)	894	305	589
Total Improvement of Instructional Services	205,396	(783)	204,613	195,128	9,485
Educational Media Services/School Library					
Salaries	90,808	-	90,808	90,808	-
Supplies and Materials	23,350	(3,000)	20,350	16,677	3,673
Total Educational Media Serv./School Library	114,158	(3,000)	111,158	107,485	3,673
Instructional Staff Training Services					
Other Salaries	15,000	-	15,000	110	14,890
Purchased Professional/Educational Services	23,000	(9,787)	13,213	1,664	11,549
Other Purchased Services	8,100	(200)	7,900	2,217	5,683
Supplies and Materials	600	200	800	800	-
Total Instructional Staff Training Services	46,700	(9,787)	36,913	4,791	32,122

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 240,048	\$ (858)	\$ 239,190	\$ 239,190	-
Legal Services	52,000	9,513	61,513	61,167	\$ 346
Audit Fees	31,000	28,995	59,995	25,804	34,191
Architectural/Engineering Services	15,000	6,035	21,035	16,585	4,450
Communications/Telephone	24,500	(5,597)	18,903	18,903	-
Miscellaneous Purchased Services	9,850	(6,526)	3,324	3,324	-
BOE Other Purchased Services	5,100	(4,004)	1,096	1,096	-
General Supplies	3,475	4,738	8,213	8,115	98
Miscellaneous Expenditures	2,950	-	2,950	2,551	399
BOE Membership Dues and Fees	8,965	(1,710)	7,255	6,838	417
Total General Administration	392,888	30,586	423,474	383,573	39,901
School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	320,287	(18,969)	301,318	280,415	20,903
Salaries of Secretarial and Clerical Assistants	73,750	12,925	86,675	86,674	1
Other Salaries	500	500	1,000	611	389
Other Purchased Services	10,071	(1,300)	8,771	6,729	2,042
Supplies and Materials	3,700	2,362	6,062	5,077	985
Other Objects	4,800	-	4,800	4,630	170
Total School Administration	413,108	(4,482)	408,626	384,136	24,490
Central Services					
Salaries	256,415	5,544	261,959	261,588	371
Purchased Professional Services	12,880	1,236	14,116	13,976	140
Miscellaneous Purchased Services	2,940	(580)	2,360	1,685	675
Sale/Leaseback Payments	4,020	-	4,020	4,020	-
Supplies and Materials	6,100	3,335	9,435	7,251	2,184
Miscellaneous Expenditures	1,300	-	1,300	1,240	60
Total Central Services	283,655	9,535	293,190	289,760	3,430
Admin. Info. Tech.					
Purchased Technical Services	2,500	-	2,500	2,500	-
Other Purchased Services	3,400	200	3,600	1,773	1,827
Supplies and Materials	-	604	604	604	-
Total Admin. Info. Tech.	5,900	804	6,704	4,877	1,827
Required Maintenance for School Facilities					
Salaries	155,041	(22,473)	132,568	129,991	2,577
Cleaning, Repair and Maintenance	66,820	167,473	234,293	202,440	31,853
General Supplies	20,000	(2,003)	17,997	5,344	12,653
Total Required Maintenance for School Fac.	241,861	142,997	384,858	337,775	47,083
Custodial Services					
Salaries	351,770	(8,985)	342,785	332,510	10,275
Salaries of Non-Instructional Aides	85,000	(19,959)	65,041	53,477	11,564
Purchased Prof. And Technical Serv.	2,600	1,910	4,510	4,510	-
Cleaning, Repair and Maint. Serv.	18,500	1,402	19,902	12,098	7,804
Lease Purchase Payment-Energy Savings Impr Prog	102,564	-	102,564	102,563	1
Other Purchased Property Services	12,500	-	12,500	11,067	1,433
Insurance	110,184	12,314	122,498	122,498	-
Miscellaneous Purchased Services	4,089	3,983	8,072	6,672	1,400
General Supplies	31,000	(3,600)	27,400	21,954	5,446
Energy (Natural Gas)	68,640	-	68,640	53,648	14,992
Energy (Electricity)	110,000	-	110,000	103,868	6,132
Energy (Gasoline)	1,000	-	1,000	779	221
Other Objects	500	150	650	650	-
Total Custodial Services	898,347	(12,785)	885,562	826,294	59,268

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	\$ 15,000	\$ 9,090	\$ 24,090	\$ 19,091	\$ 4,999
General Supplies	-	1,725	1,725	1,690	35
Total Care and Upkeep of Grounds	15,000	10,815	25,815	20,781	5,034
Security					
Cleaning, Repair and Maint. Serv.	100,000	(305)	99,695	41,314	58,381
Purchased Prof. And Technical Serv.	6,500	1,403	7,903	3,900	4,003
General Supplies	-	2,540	2,540	2,540	-
Total Security	106,500	3,638	110,138	47,754	62,384
Student Transportation Services					
Contracted Serv. - Aid in Lieu of Payments - Non-Public Contracted Services	17,000	1,000	18,000	16,213	1,787
(Other than Between Home and School) - Vendors	6,000	-	6,000	4,699	1,301
Contracted Services (Spl. Ed. Students) - Vendors	190,000	(1,000)	189,000	158,682	30,318
Total Student Transportation Services	213,000	-	213,000	179,594	33,406
Unallocated Benefits - Employee Benefits					
Social Security Contributions	155,936	-	155,936	152,334	3,602
Other Retirement Contributions-PERS	145,000	8,679	153,679	153,679	-
Other Retirement Contributions-Regular	23,500	-	23,500	18,963	4,537
Unemployment Compensation	12,000	6,351	18,351	18,351	-
Workmen's Compensation	74,778	-	74,778	74,778	-
Health Benefits	1,750,000	(159,829)	1,590,171	1,331,040	259,131
Tuition Reimbursement	36,000	(8,679)	27,321	11,831	15,490
Other Employee Benefits	106,600	10,448	117,048	104,597	12,451
Unused Sick Payment to Terminated/Retired Staff	-	7,180	7,180	7,180	-
Total Unallocated Benefits - Employee Benefits	2,303,814	(135,850)	2,167,964	1,872,753	295,211
On-behalf TPAF Contributions - (Non-Budget):					
Pension Contribution	-	-	-	2,074,053	(2,074,053)
Pension - NCGI Premium	-	-	-	29,262	(29,262)
Post Retirement Medical Benefits	-	-	-	491,419	(491,419)
Long Term Disability Insurance Premium	-	-	-	850	(850)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	440,414	(440,414)
Total On-Behalf Payments	-	-	-	3,035,998	(3,035,998)
Total Undistributed Expenditures	7,791,527	(51,071)	7,740,456	9,960,217	(2,219,761)
Total - Current Expenditures	13,597,884	187,253	13,785,137	15,852,123	(2,066,986)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Instruction	-	591	591	591	-
Undistributed Expenditures - Administrative Information Technology	-	111,586	111,586	-	111,586
Undistributed Expenditures - Operations and Plant Maint.	-	32,915	32,915	-	32,915
Undistributed Expenditures - Security	-	44,000	44,000	44,000	-
Undistributed Expenditures - Custodial Services	-	3,450	3,450	3,450	-
Undistributed Expenditures - Student Transportation - Non-Instructional Equipment	-	3,787	3,787	-	3,787
Total Equipment	-	196,329	196,329	48,041	148,288

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY (Continued)					
EXPENDITURES (Continued)					
Buildings Other Than Lease Purchase Agreements Assessment for Debt Service on SDA Funding	\$ 27,860	\$ 149,943 -	\$ 149,943 27,860	\$ 27,860	\$ 149,943 -
Total Facilities Acquisition and Construction Services	<u>27,860</u>	<u>149,943</u>	<u>177,803</u>	<u>27,860</u>	<u>149,943</u>
Interest Deposit to Capital Reserve	<u>500</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Capital Outlay	<u>28,360</u>	<u>346,272</u>	<u>374,632</u>	<u>75,901</u>	<u>298,731</u>
Total Expenditures	<u>13,626,244</u>	<u>533,525</u>	<u>14,159,769</u>	<u>15,928,024</u>	<u>(1,768,255)</u>
Net Change in Fund Balances	\$ (578,757)	\$ (533,525)	\$ (1,112,282)	\$ 492,682	\$ 1,604,964
Fund Balance, Beginning of Year	<u>4,133,953</u>	<u>-</u>	<u>4,133,953</u>	<u>4,133,953</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,555,196</u>	<u>\$ (533,525)</u>	<u>\$ 3,021,671</u>	<u>\$ 4,626,635</u>	<u>\$ 1,604,964</u>
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 1,771,337	
Maintenance Reserve				643,157	
Emergency Reserve				130,425	
Unemployment Compensation Reserve				25,717	
Excess Surplus				516,457	
Excess Surplus - Designated for Subsequent Year's Expenditures				400,000	
Committed Fund Balance:					
Year End Encumbrances				298,231	
Assigned Fund Balance:					
Year End Encumbrances				120,491	
Unassigned Fund Balance					
				<u>720,820</u>	
Reconciliation to Governmental Funds Statements (GAAP):				4,626,635	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(325,414)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,301,221</u>	

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Modified Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 51,898	39,634	\$ 91,532	\$ 110,352	\$ 18,820
Federal	196,234	490,583	686,817	370,730	(316,087)
Other	17,000	124,231	141,231	53,468	(87,763)
Total Revenues	<u>265,132</u>	<u>654,448</u>	<u>919,580</u>	<u>534,550</u>	<u>(385,030)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		120,671	120,671	17,050	103,621
Other Purchased Services		40,000	40,000	-	40,000
Tuition	173,840	27,758	201,598	201,598	-
Supplies and Materials	9,115	62,847	71,962	66,535	5,427
Textbooks	2,804	4,078	6,882	6,882	-
Other Objects		963	963	500	463
Co-curricular/Extra-curricular Activities	17,000	61,869	78,869	41,802	37,067
Total Instruction	<u>202,759</u>	<u>318,186</u>	<u>520,945</u>	<u>334,367</u>	<u>186,578</u>
Support Services					
Salaries		78,366	78,366	29,400	48,966
Employee Benefits		48,010	48,010	20,774	27,236
Purchased Professional and Technical Services		59,321	59,321	10,900	48,421
Purchased Professional and Educational Services	15,194	5,055	20,249	9,976	10,273
Cleaning, Repairs, and Maintenance		34,757	34,757	34,757	-
Other Purchased Services	39,199	50,532	89,731	70,996	18,735
Supplies and Materials	7,980	57,032	65,012	13,500	51,512
Other Objects	-	100	100	-	100
Total Support Services	<u>62,373</u>	<u>333,173</u>	<u>395,546</u>	<u>190,303</u>	<u>205,243</u>
Capital Outlay					
Instructional Equipment	-	3,089	3,089	-	3,089
Total Capital Outlay	<u>-</u>	<u>3,089</u>	<u>3,089</u>	<u>-</u>	<u>3,089</u>
Total Expenditures	<u>265,132</u>	<u>654,448</u>	<u>919,580</u>	<u>524,670</u>	<u>394,910</u>
Net Change in Fund Balances	-	-	-	9,880	9,880
Fund Balances, Beginning of Year	27,467	-	27,467	27,467	-
Fund Balances, End of Year	<u>\$ 27,467</u>	<u>\$ -</u>	<u>\$ 27,467</u>	<u>\$ 37,347</u>	<u>\$ 9,880</u>
Restricted Fund Balance					
Student Activities				<u>\$ 37,347</u>	

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 16,420,706	\$ 534,550
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2021, net of cancellations		13,191
Encumbrances, June 30, 2022		(9,755)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2020/2021 State Aid)	401,083	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2021/2022 State Aid)	<u>(325,414)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,496,375</u>	<u>\$ 537,986</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 15,928,024	\$ 524,670
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2021, net of cancellations		13,191
Encumbrances, June 30, 2022	<u>-</u>	<u>(9,755)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,928,024</u>	<u>\$ 528,106</u>

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

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

Public Employees Retirement System

Last Nine Fiscal Years*

	<u>2022</u>	<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)	0.01312 %	0.01167 %	0.01032 %	0.01070 %	0.01198 %	0.01225 %	0.01206 %	0.01217 %	0.01385 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,554,550	\$ 1,903,535	\$ 1,860,300	\$ 2,107,382	\$ 2,788,755	\$ 3,627,957	\$ 2,706,898	\$2,278,086	\$2,647,114
District's Covered Payroll	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261	\$ 863,005
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	174.95 %	212.01 %	229.53 %	280.05 %	347.08 %	435.41 %	333.56 %	276.71 %	306.73 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Nine Fiscal Years

	<u>2022</u>	<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	\$ 153,679	\$ 127,695	\$ 100,427	\$ 106,461	\$ 110,982	\$ 108,823	\$ 103,671	\$ 100,307	\$ 104,361
Contributions in Relation to the Contractually Required Contribution	<u>153,679</u>	<u>127,695</u>	<u>100,427</u>	<u>106,461</u>	<u>110,982</u>	<u>108,823</u>	<u>103,671</u>	<u>100,307</u>	<u>104,361</u>
Contribution Deficiently (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 871,731	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261
Contributions as a Percentage of Covered Payroll	17.63	14.37 %	11.19 %	13.14 %	14.75 %	13.54 %	12.44 %	12.36	12.68 %

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

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	<u>2022</u>	<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 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>24,284,432</u>	<u>32,565,463</u>	<u>29,236,099</u>	<u>28,524,493</u>	<u>30,780,524</u>	<u>35,991,367</u>	<u>30,794,856</u>	<u>24,295,013</u>	<u>23,172,447</u>
Total	<u>\$ 24,284,432</u>	<u>\$ 32,565,463</u>	<u>\$ 29,236,099</u>	<u>\$ 28,524,493</u>	<u>\$ 30,780,524</u>	<u>\$ 35,991,367</u>	<u>\$ 30,794,856</u>	<u>\$ 24,295,013</u>	<u>\$ 23,172,447</u>
District's Covered Payroll	\$ 5,502,288	\$ 5,653,537	\$ 5,481,322	\$ 5,053,002	\$ 4,895,026	\$ 4,708,379	\$ 4,652,286	\$ 4,571,132	\$ 4,610,548
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %	33.76 %

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

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

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Change of Benefit Terms: None.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

POSTEMPLOYMENT BENEFITS INFORMATION

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

Postemployment Health Benefit Plan

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,415,703	\$ 782,193	\$ 727,750	\$ 862,968	\$ 1,041,253
Interest on Total OPEB Liability	649,332	642,322	749,223	817,375	703,583
Changes of Benefit Terms	(26,643)				
Differences Between Expected and Actual Experience	(5,236,018)	4,706,531	(2,296,746)	(2,340,036)	-
Changes of Assumptions	24,695	5,242,300	265,549	(2,168,267)	(2,934,327)
Gross Benefit Payments	(511,492)	(499,624)	(546,715)	(505,239)	(563,601)
Contribution from the Member	<u>16,600</u>	<u>15,144</u>	<u>16,206</u>	<u>17,462</u>	<u>20,753</u>
Net Change in Total OPEB Liability	(3,667,823)	10,888,866	(1,084,733)	(3,315,737)	(1,732,339)
Total OPEB Liability - Beginning	<u>28,698,886</u>	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>	<u>23,942,829</u>
Total OPEB Liability - Ending	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>25,031,063</u>	<u>28,698,886</u>	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>
Total OPEB Liability - Ending	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Covered Payroll	<u>\$ 6,390,863</u>	<u>\$ 6,551,376</u>	<u>\$ 6,291,821</u>	<u>\$ 5,805,504</u>	<u>\$ 5,698,520</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

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

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

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

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>From Exhibit E-1</u>	<u>IDEIA Part B Basic</u>	<u>American Rescue Plan - IDEIA Part B Basic</u>	<u>IDEIA Part B Preschool</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title III Part A</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>To Exhibit E-1B</u>
REVENUES										
Intergovernmental										
State	\$ 75,595									\$ 75,595
Federal	-	\$ 189,623	\$ 32,016	\$ 2,990	\$ 5,293	\$ 8,086	\$ 969	\$ 2,840	\$ 9,280	251,097
Other	53,468	-	-	-	-	-	-	-	-	53,468
Total Revenues	\$ 129,063	\$ 189,623	\$ 32,016	\$ 2,990	\$ 5,293	\$ 8,086	\$ 969	\$ 2,840	\$ 9,280	\$ 380,160
EXPENDITURES										
Instruction										
Salaries of Teachers	-				\$ 2,250					\$ 2,250
Tuition	-	\$ 169,582	\$ 32,016							201,598
Supplies and Materials	3,838	3,756		\$ 2,990	2,871			\$ 2,840	\$ 7,390	23,685
Textbooks	4,682									4,682
Other Objects	500									500
Co-curricular/Extra-curricular Activities	41,802	-	-	-	-	-	-	-	-	41,802
Total Instruction	50,822	173,338	32,016	2,990	5,121	-	-	2,840	7,390	274,517
Support Services										
Salaries	-						\$ 900			900
Employee Benefits	-				172		69			241
Purchased Professional and Technical Services	150									150
Purchased Professional and Educational Services	-					\$ 8,086			1,890	9,976
Other Purchased Services	54,711	16,285								70,996
Supplies and Materials	13,500	-	-	-	-	-	-	-	-	13,500
Total Support Services	68,361	16,285	-	-	172	8,086	969	-	1,890	95,763
Total Expenditures	\$ 119,183	\$ 189,623	\$ 32,016	\$ 2,990	\$ 5,293	\$ 8,086	\$ 969	\$ 2,840	\$ 9,280	\$ 370,280
Net Change in Fund Balances	9,880	-	-	-	-	-	-	-	-	9,880
Fund Balances, Beginning of Year	\$ 27,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,467
Fund Balances, End of Year	\$ 37,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,347

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	From Exhibit E-1A	SDA Emergent and Capital Maintenance Needs	Coronavirus Relief Fund Grant	ESSER II			American Rescue Plan - ESSER III Accelerated Learning Coach and Educator Support		Exhibit E-1 Grand Total
				CRRSA Act	Learning Acceleration	Mental Health	NJTSS		
REVENUES									
Intergovernmental									
State	\$ 75,595	\$ 34,757							\$ 110,352
Federal	251,097		\$ 4,368	\$ 34,075	\$ 24,946	\$ 43,400	\$ 8,000	\$ 4,844	370,730
Other	53,468	-	-	-	-	-	-	-	53,468
Total Revenues	<u>\$ 380,160</u>	<u>\$ 34,757</u>	<u>\$ 4,368</u>	<u>\$ 34,075</u>	<u>\$ 24,946</u>	<u>\$ 43,400</u>	<u>\$ 8,000</u>	<u>\$ 4,844</u>	<u>\$ 534,550</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	2,250				\$ 10,300			\$ 4,500	\$ 17,050
Tuition	201,598								201,598
Supplies and Materials	23,685		\$ 4,368	\$ 31,875	6,607				66,535
Textbooks	4,682			2,200					6,882
Other Objects	500								500
Co-curricular/Extra-curricular Activities	41,802	-	-	-	-	-	-	-	41,802
Total Instruction	<u>274,517</u>	<u>-</u>	<u>4,368</u>	<u>34,075</u>	<u>16,907</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>334,367</u>
Support Services									
Salaries	900					\$ 28,500			29,400
Employee Benefits	241				789	11,400	\$ 8,000	344	20,774
Purchased Professional and Technical Services	150				7,250	3,500			10,900
Purchased Professional and Educational Services	9,976								9,976
Cleaning, Repairs, and Maintenance	-	\$ 34,757							34,757
Other Purchased Services	70,996								70,996
Supplies and Materials	13,500	-	-	-	-	-	-	-	13,500
Total Support Services	<u>95,763</u>	<u>34,757</u>	<u>-</u>	<u>-</u>	<u>8,039</u>	<u>43,400</u>	<u>8,000</u>	<u>344</u>	<u>190,303</u>
Total Expenditures	<u>\$ 370,280</u>	<u>\$ 34,757</u>	<u>\$ 4,368</u>	<u>\$ 34,075</u>	<u>\$ 24,946</u>	<u>\$ 43,400</u>	<u>\$ 8,000</u>	<u>\$ 4,844</u>	<u>\$ 524,670</u>
Net Change in Fund Balances	9,880	-	-	-	-	-	-	-	9,880
Fund Balances, Beginning of Year	\$ 27,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,467
Fund Balances, End of Year	<u>\$ 37,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,347</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

**ORADELL BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-5

**PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Statements are Presented on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**ORADELL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	5/10/2012	\$ 4,620,000	2/15/2023	\$ 430,000	3.00%				
			2/15/2024	425,000	3.00%				
			2/15/2025	415,000	3.00%	\$ 1,700,000	-	\$ 430,000	\$ 1,270,000
						<u>\$ 1,700,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ 1,270,000</u>

**ORADELL BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 485,300	-	\$ 485,300	\$ 485,300	-
Total Revenues	<u>485,300</u>	<u>-</u>	<u>485,300</u>	<u>485,300</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Bond Principal	430,000	-	430,000	430,000	-
Interest on Bonds	<u>55,300</u>	<u>-</u>	<u>55,300</u>	<u>55,300</u>	<u>-</u>
Total Expenditures	<u>485,300</u>	<u>-</u>	<u>485,300</u>	<u>485,300</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORADELL BOARD OF EDUCATION
SCHEDULE OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
<u>Capital Financing Agreements:</u>						
Energy Savings Incentive Project (ESIP)	\$ 1,946,368	2.46%	\$ 1,517,881		\$ 65,640	\$ 1,452,241
06 Copiers	36,036	5.70%	<u>24,036</u>	<u>-</u>	<u>7,112</u>	<u>16,924</u>
			<u>\$ 1,541,917</u>	<u>\$ -</u>	<u>\$ 72,752</u>	<u>\$ 1,469,165</u>

STATISTICAL SECTION

This part of the Oradell Board of Education's annual comprehensive 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 district's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 8,210,888	\$ 8,219,528	\$ 8,192,648	\$ 8,105,230	\$ 8,252,637	\$ 8,701,442	\$ 9,209,648	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119
Restricted	357,679	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558
Unrestricted	636,163	(1,963,838)	(1,829,044)	(1,512,335)	(1,850,714)	(1,692,154)	(1,563,591)	(1,563,242)	(789,512)	(436,360)
Total Governmental Activities Net Position	<u>\$ 9,204,730</u>	<u>\$ 7,110,429</u>	<u>\$ 7,812,243</u>	<u>\$ 8,423,669</u>	<u>\$ 8,447,480</u>	<u>\$ 9,135,341</u>	<u>\$ 9,204,225</u>	<u>\$ 9,370,121</u>	<u>\$ 10,397,758</u>	<u>\$ 11,176,317</u>
Business-Type Activities										
Net Investment in Capital Assets		\$ 6,480	\$ 5,184	\$ 9,063	\$ 6,473	\$ 3,884	\$ 1,294			
Restricted										
Unrestricted	\$ 41,640	37,600	36,245	44,130	50,897	52,735	54,143	\$ 64,571	\$ 64,571	\$ 63,712
Total Business-Type Activities Net Position	<u>\$ 41,640</u>	<u>\$ 44,080</u>	<u>\$ 41,429</u>	<u>\$ 53,193</u>	<u>\$ 57,370</u>	<u>\$ 56,619</u>	<u>\$ 55,437</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>	<u>\$ 63,712</u>
District-Wide										
Net Investment in Capital Assets	\$ 8,210,888	\$ 8,226,008	\$ 8,197,832	\$ 8,114,293	\$ 8,259,110	\$ 8,705,326	\$ 9,210,942	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119
Restricted	357,679	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558
Unrestricted	677,803	(1,926,238)	(1,792,799)	(1,468,205)	(1,799,817)	(1,639,419)	(1,509,448)	(1,498,671)	(724,941)	(372,648)
Total District Net Position	<u>\$ 9,246,370</u>	<u>\$ 7,154,509</u>	<u>\$ 7,853,672</u>	<u>\$ 8,476,862</u>	<u>\$ 8,504,850</u>	<u>\$ 9,191,960</u>	<u>\$ 9,259,662</u>	<u>\$ 9,434,692</u>	<u>\$ 10,462,329</u>	<u>\$ 11,240,029</u>

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

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,303,666	\$ 4,699,308	\$ 5,572,721	\$ 5,996,527	\$ 6,952,407	\$ 6,770,203	\$ 6,271,824	\$ 6,025,833	\$ 6,147,474	\$ 5,917,630
Special Education	1,523,479	1,673,792	1,766,934	1,862,442	2,062,668	2,464,103	2,641,712	2,881,463	3,351,013	3,043,103
Other Instruction	502,686	538,289	654,929	676,687	643,808	949,075	838,689	776,230	958,231	952,616
School Sponsored Activities and Athletics	22,012	24,073	32,672	43,938	55,062	43,588	34,978	27,012	46,367	67,914
Support Services:										
Student & Instruction Related Services	1,653,852	1,800,615	1,831,207	1,999,876	2,061,498	1,975,724	2,254,787	2,330,291	2,380,912	2,456,420
General Administrative Services	484,917	400,855	398,210	450,012	450,402	584,582	623,514	587,506	470,304	529,199
School Administrative Services	641,922	585,470	722,483	828,704	952,768	901,436	695,111	637,310	703,078	567,319
Central Services and Info. Technology	371,353	399,492	386,686	369,219	422,606	419,806	440,208	375,838	490,560	411,726
Plant Operations and Maintenance	1,461,758	1,457,602	1,575,083	1,622,744	1,705,808	1,645,958	1,770,999	1,880,360	1,904,383	2,017,816
Pupil Transportation	94,559	90,365	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594
Interest on Long-Term Debt	150,163	148,673	137,089	142,254	164,216	149,139	134,886	121,289	102,606	83,713
Total Governmental Activities Expenses	<u>12,210,367</u>	<u>11,818,534</u>	<u>13,167,810</u>	<u>14,120,921</u>	<u>15,590,423</u>	<u>16,050,224</u>	<u>15,862,113</u>	<u>15,731,521</u>	<u>16,642,280</u>	<u>16,227,050</u>
Business-Type Activities:										
Food Service	6,056	18,749	10,586	15,033	19,221	15,158	15,290	5,293		10,034
Summer Program	77,571	79,812	76,118	70,788	58,937	62,164	59,584	121,485		
Total Business-Type Activities Expense	<u>83,627</u>	<u>98,561</u>	<u>86,704</u>	<u>85,821</u>	<u>78,158</u>	<u>77,322</u>	<u>74,874</u>	<u>126,778</u>	<u>-</u>	<u>10,034</u>
Total District Expenses	<u>\$ 12,293,994</u>	<u>\$ 11,917,095</u>	<u>\$ 13,254,514</u>	<u>\$ 14,206,742</u>	<u>\$ 15,668,581</u>	<u>\$ 16,127,546</u>	<u>\$ 15,936,987</u>	<u>\$ 15,858,299</u>	<u>\$ 16,642,280</u>	<u>\$ 16,237,084</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 121,578	\$ 195,350	\$ 122,670	\$ 78,250						
Instruction (School-Sponsored Activities)									\$ 35,175	\$ 51,682
Support Services				68,736	\$ 75,562					
Operating Grants and Contributions	1,730,288	1,578,782	2,855,491	3,458,146	4,271,564	\$ 4,795,117	\$ 3,801,831	\$ 3,533,152	4,918,389	3,983,750
Capital Grants and Contributions		1,960	37,400	32,994	-	2,126				52,141
Total Governmental Activities Program Revenues	<u>1,851,866</u>	<u>1,776,092</u>	<u>3,015,561</u>	<u>3,638,126</u>	<u>4,347,126</u>	<u>4,797,243</u>	<u>3,801,831</u>	<u>3,533,152</u>	<u>4,953,564</u>	<u>4,087,573</u>
Business-Type Activities:										
Charges for Services										
Food Service	\$ 6,796	\$ 9,792	\$ 10,097	\$ 10,796	\$ 9,218	\$ 8,511	\$ 7,966	\$ 6,573		\$ 6,188
Summer Program	91,395	80,285	69,625	82,680	69,635	64,360	62,671	69,428		
Operating Grants and Contributions	2,634	4,444	4,331	4,109	3,482	3,700	3,055			2,987
Total Business Type Activities Program Revenues	<u>100,825</u>	<u>94,521</u>	<u>84,053</u>	<u>97,585</u>	<u>82,335</u>	<u>76,571</u>	<u>73,692</u>	<u>76,001</u>	<u>-</u>	<u>9,175</u>
Total District Program Revenues	<u>\$ 1,952,691</u>	<u>\$ 1,870,613</u>	<u>\$ 3,099,614</u>	<u>\$ 3,735,711</u>	<u>\$ 4,429,461</u>	<u>\$ 4,873,814</u>	<u>\$ 3,875,523</u>	<u>\$ 3,609,153</u>	<u>\$ 4,953,564</u>	<u>\$ 4,096,748</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (10,358,501)	\$ (10,042,442)	\$ (10,152,249)	\$ (10,482,795)	\$ (11,243,297)	\$ (11,252,981)	\$ (12,060,282)	\$ (12,198,369)	\$ (11,688,716)	\$ (12,139,477)
Business-Type Activities	17,198	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-	(859)
Total District-Wide Net Expense	<u>\$ (10,341,303)</u>	<u>\$ (10,046,482)</u>	<u>\$ (10,154,900)</u>	<u>\$ (10,471,031)</u>	<u>\$ (11,239,120)</u>	<u>\$ (11,253,732)</u>	<u>\$ (12,061,464)</u>	<u>\$ (12,249,146)</u>	<u>\$ (11,688,716)</u>	<u>\$ (12,140,336)</u>

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 9,846,269	\$ 10,043,194	\$ 10,294,274	\$ 10,514,068	\$ 10,724,349	\$ 11,257,005	\$ 11,459,631	\$ 11,735,516	\$ 12,091,897	\$ 12,333,735
Property Taxes Levied for Debt Service, Net	567,127	504,138	521,200	523,700	500,360	525,150	527,850	525,100	507,700	485,300
Unrestricted Grants and Contributions			14,467	7,611	7,779	7,775	2,136			
Investment Earnings	734	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181
Miscellaneous Income	70,777	45,847	23,422	40,569	22,658	131,242	105,723	76,123	112,923	91,820
Total Governmental Activities	10,484,907	10,595,255	10,854,063	11,094,221	11,267,108	11,940,842	12,129,166	12,364,843	12,716,353	12,918,036
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total District-Wide	\$ 10,484,907	\$ 10,595,255	\$ 10,854,063	\$ 11,094,221	\$ 11,267,108	\$ 11,940,842	\$ 12,129,166	\$ 12,364,843	\$ 12,716,353	\$ 12,918,036
Change in Net Position										
Governmental Activities	\$ 126,406	\$ 552,813	\$ 701,814	\$ 611,426	\$ 23,811	\$ 687,861	\$ 68,884	\$ 166,474	\$ 1,027,637	\$ 778,559
Business-Type Activities	17,198	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-	(859)
Total District	\$ 143,604	\$ 548,773	\$ 699,163	\$ 623,190	\$ 27,988	\$ 687,110	\$ 67,702	\$ 115,697	\$ 1,027,637	\$ 777,700

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 786,205	\$ 1,338,802	\$ 2,085,833	\$ 2,565,471	\$ 2,398,304	\$ 2,843,605	\$ 2,419,587	\$ 2,378,356	\$ 2,986,666	\$ 3,487,093
Committed	145,000									298,231
Assigned	55,574	86,839	76,185	323,648	218,928	321,753	331,808	132,963	384,233	120,491
Unassigned	199,066	198,927	182,100	190,346	189,422	187,085	166,281	84,043	361,971	395,406
Total General Fund	<u>\$ 1,185,845</u>	<u>\$ 1,624,568</u>	<u>\$ 2,344,118</u>	<u>\$ 3,079,465</u>	<u>\$ 2,806,654</u>	<u>\$ 3,352,443</u>	<u>\$ 2,917,676</u>	<u>\$ 2,595,362</u>	<u>\$ 3,732,870</u>	<u>\$ 4,301,221</u>
All Other Governmental Funds										
Restricted	\$ 26,790	\$ 88,290	\$ 32,190	\$ 1,241,053	\$ 374,973	\$ 63,426	\$ 1,839	\$ 35,455	\$ 27,467	\$ 37,347
Total all Other Governmental Funds	<u>\$ 26,790</u>	<u>\$ 88,290</u>	<u>\$ 32,190</u>	<u>\$ 1,241,053</u>	<u>\$ 374,973</u>	<u>\$ 63,426</u>	<u>\$ 1,839</u>	<u>\$ 35,455</u>	<u>\$ 27,467</u>	<u>\$ 37,347</u>

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property Taxes	\$ 10,413,396	\$ 10,547,332	\$ 10,815,474	\$ 11,037,768	\$ 11,224,709	\$ 11,782,155	\$ 11,987,481	\$ 12,260,616	\$ 12,599,597	\$ 12,819,035
Tuition Charges	121,578	195,350	122,670	78,250						
Interest Earnings	734	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181
Miscellaneous	82,012	72,119	51,875	65,691	71,936	180,187	120,914	101,455	149,297	146,895
State Sources	1,524,693	1,339,576	1,613,767	1,709,550	1,807,475	2,053,787	2,376,714	2,553,803	3,069,337	4,171,687
Federal Sources	194,360	214,894	221,250	217,233	231,840	245,849	244,022	237,511	289,646	374,863
Total Revenue	12,336,773	12,371,347	12,825,736	13,116,765	13,347,922	14,281,648	14,762,957	15,181,489	16,111,710	17,519,661
Expenditures										
Instruction										
Regular Instruction	5,252,297	4,721,068	4,827,298	4,980,626	5,422,164	5,415,971	5,645,138	5,632,393	5,409,089	6,271,426
Special Education Instruction	1,518,463	1,668,651	1,629,069	1,636,361	1,750,893	2,129,556	2,505,667	2,811,210	3,121,285	3,179,750
Other Instruction	502,686	538,289	640,639	636,436	588,609	744,556	754,738	731,112	845,094	1,014,030
School Sponsored Activities and Athletics	22,012	24,073	32,672	43,660	51,857	39,572	33,750	28,798	46,255	69,695
Support Services:										
Student & Inst. Related Services	1,653,852	1,791,206	1,777,519	1,832,974	1,798,599	1,761,678	2,131,959	2,260,240	2,193,243	2,585,595
General Administrative Services	484,817	399,883	430,151	446,886	433,751	543,361	566,817	561,433	412,594	548,384
School Administrative Services	639,371	587,838	643,352	705,244	756,996	720,891	614,971	610,704	632,610	606,233
Central Services and Info. Technology	371,353	398,254	361,407	329,906	355,207	354,587	396,091	342,313	433,240	439,187
Plant Operations and Maintenance	937,429	968,487	1,017,702	1,061,038	1,089,183	990,367	1,207,672	1,196,800	1,165,418	1,400,203
Pupil Transportation	91,516	87,321	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594
Capital Outlay	5,240	180,996	153,101	818,437	1,442,378	487,773	612,776	603,552	12,945	51,130
Debt Service:										
Principal	440,300	380,619	411,970	392,331	502,574	552,471	489,653	506,711	510,142	502,752
Interest and Other Charges	130,337	161,233	147,610	139,356	175,422	160,013	144,674	131,990	112,923	93,451
Total Expenditures	12,049,673	11,907,918	12,162,286	13,151,773	14,486,813	14,047,406	15,259,311	15,505,645	14,982,190	16,941,430
Excess (Deficiency) of Revenues over (under) Expenditures	287,100	463,429	663,450	(35,008)	(1,138,891)	234,242	(496,354)	(324,156)	(1,129,520)	(578,231)
Other Financing sources (uses)										
Proceeds from Bonds/Lease - Purchase	89,490	36,794		1,946,368				36,036		
Insurance Recoveries				32,850						
Transfers in	3,000	64,440			466,600		5,544		1,839	
Transfers out	(3,000)	(64,440)			(466,600)		(5,544)		(1,839)	
Total Other Financing Sources (uses)	89,490	36,794	-	1,979,218	-	-	-	36,036	-	-
Net change in fund balances	\$ 376,590	\$ 500,223	\$ 663,450	\$ 1,944,210	\$ (1,138,891)	\$ 234,242	\$ (496,354)	\$ (288,120)	\$ (1,129,520)	\$ (578,231)
Debt Service as a Percentage of Noncapital Expenditures	4.74%	4.62%	4.66%	4.31%	5.20%	5.25%	4.33%	4.29%	4.16%	3.53%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest Earned</u>	<u>Refunds/ Reimbursements</u>	<u>E-Rate</u>	<u>Rents</u>	<u>Clean Energy Rebates</u>	<u>Prior Year Cancelled Payables</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 121,578	\$ 734	\$ 36,627		\$ 12,750			\$ 21,400	\$ 193,089
2014	195,350	2,076	9,035		14,398			22,414	243,273
2015	122,670	700	8,000		13,005			2,417	146,792
2016	78,250	8,235	17,082		14,065			9,422	127,054
2017		11,745			13,836			8,822	34,403
2018		19,670	22,030	\$ 1,916	24,092	\$ 33,000	\$ 42,704	7,500	150,912
2019		33,826	9,620	1,150	31,242	55,000		8,711	139,549
2020		28,104	24,370	3,731	31,259			16,763	104,227
2021		3,833	91,603	3,437	14,960	592		2,331	116,756
2022		7,181	45,204	8,144	25,513			12,959	99,001

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 3,565,500	\$ 1,242,733,700	\$ 193,823,300		\$ 7,298,700	\$ 1,447,421,200	\$ 1,728,300	\$ 1,449,149,500	\$ 1,571,313,680	\$ 0.728
2014	3,565,500	1,246,404,200	189,737,100		7,298,700	1,447,005,500	1,337,625	1,448,343,125	1,630,493,967	0.747
2015	3,565,500	1,248,969,400	187,018,800		7,325,200	1,446,878,900	1,356,001	1,448,234,901	1,645,169,703	0.762
2016	3,622,100	1,250,345,100	186,327,100		7,325,200	1,447,619,500	1,344,599	1,448,964,099	1,717,435,009	0.775
2017 (A)	3,229,300	1,414,167,200	210,872,100		8,484,500	1,636,753,100	1,640,262	1,638,393,362	1,686,217,246	0.720
2018	2,515,600	1,439,519,000	211,847,800		9,238,100	1,663,120,500	1,607,928	1,664,728,428	1,750,681,475	0.720
2019	2,820,000	1,449,748,800	212,150,000		9,417,200	1,674,136,000	1,648,675	1,675,784,675	1,783,988,149	0.732
2020	3,470,500	1,480,325,100	205,642,100		9,831,400	1,699,269,100	1,660,525	1,700,929,625	1,750,018,181	0.741
2021	3,491,500	1,496,005,200	201,285,300		11,052,600	1,711,834,600	1,693,957	1,713,528,557	1,766,338,710	0.748
2022	3,913,700	1,578,976,600	208,680,500		13,435,000	1,805,005,800	1,700,271	1,806,706,071	1,850,073,434	0.725

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Overlapping Rates

Calendar Year	Total Direct School Tax Rate	River Dell Regional High School District	Borough of Oradell	Municipal Library	County of Bergen	Total Direct and Overlapping Tax Rate
2013	\$ 0.728	\$ 0.976	\$ 0.732	\$ 0.038	\$ 0.249	\$ 2.723
2014	0.747	0.993	0.744	0.037	0.263	2.784
2015	0.762	1.066	0.774	0.038	0.271	2.911
2016	0.775	1.074	0.797	0.039	0.288	2.973
2017 (A)	0.720	0.958	0.731	0.035	0.258	2.702
2018	0.720	0.987	0.744	0.037	0.257	2.745
2019	0.732	0.997	0.760	0.037	0.260	2.786
2020	0.741	0.953	0.781	0.035	0.253	2.763
2021	0.748	0.958	0.795	0.035	0.260	2.796
2022	0.725	0.905	0.770	0.035	0.239	2.674

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hajjar Med Off Bldg	\$ 20,815,800	1.15%		
600 Kinderkamack Road LLC	17,509,800	0.97%	\$ 15,785,900	1.09%
Dabby Bergen Medi Pro LLC	12,050,200	0.67%		
RW Oradell LLC	12,015,800	0.67%		
White Beeches Golf Club	7,544,500	0.42%	6,171,000	0.43%
Holy Name Real Estate Corp	7,534,600	0.42%	5,733,500	0.40%
PSE&G	6,404,400	0.35%	6,808,600	0.47%
Huntington Properties LLC	6,396,500	0.35%		
Hackensack Golf Club	6,225,100	0.34%		
HMOB of Oradell Owner LLC	6,184,800	0.34%		
Rio Vista Property			28,515,500	1.97%
Cranston Associates			17,778,300	1.23%
Rio Vista Property				
Kamack Realty Corp			8,579,800	0.59%
Emerson Real Estate LLC			7,547,500	0.52%
PSE&G				
Oradell Office Plaza			6,499,700	0.45%
	<u>\$ 102,681,500</u>	<u>5.68%</u>	<u>\$ 103,419,800</u>	<u>7.14%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 10,413,396	\$ 10,413,396	100.00%	
2014	10,547,332	10,547,332	100.00%	
2015	10,815,474	10,815,474	100.00%	
2016	11,037,768	11,037,768	100.00%	
2017	11,224,709	11,224,709	100.00%	
2018	11,782,155	11,782,155	100.00%	
2019	11,987,481	11,987,481	100.00%	
2020	12,260,616	12,260,616	100.00%	
2021	12,599,597	12,599,597	100.00%	
2022	12,819,035	12,819,035	100.00%	

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

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Financing Agreements	Total District	Population	(E)	Per Capita
2013	\$ 4,910,000	\$ 59,190	\$ 4,969,190	8,054	\$	617
2014	4,565,000	60,365	4,625,365	8,083		572
2015	4,190,000	23,395	4,213,395	8,089		521
2016	3,805,000	1,962,432	5,767,432	8,113		711
2017	3,405,000	1,859,858	5,264,858	8,125		648
2018	2,995,000	1,717,387	4,712,387	8,174		577
2019	2,570,000	1,652,734	4,222,734	8,160		517
2020	2,135,000	1,617,059	3,752,059	8,132		461
2021	1,700,000	1,541,917	3,241,917	8,094		401
2022	1,270,000	1,469,165	2,739,165	8,181		335

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 4,910,000	\$ 26,790	\$ 4,883,210	0.34%	606
2014	4,565,000	26,790	4,538,210	0.31%	561
2015	4,190,000	26,790	4,163,210	0.29%	515
2016	3,805,000	26,790	3,778,210	0.26%	466
2017	3,405,000		3,405,000	0.21%	419
2018	2,995,000		2,995,000	0.18%	366
2019	2,570,000		2,570,000	0.15%	315
2020	2,135,000		2,135,000	0.13%	263
2021	1,700,000		1,700,000	0.10%	210
2022	1,270,000		1,270,000	0.07%	155

Source: District records

**ORADELL BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2021
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt:	
Oradell Board of Education	\$ 1,700,000
Regional High School - Oradell's Share	1,173,476
Borough of Oradell	<u>18,367,350</u>
Total Direct Debt	<u>21,240,826</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	14,013,893
Bergen County Utilities Authority - Wastewater (B)	<u>2,961,821</u>
Total Overlapping Debt	<u>16,975,714</u>
Total Direct and Overlapping Debt	<u>\$ 38,216,540</u>

Source:

Borough of Oradell's 2021 Annual Debt Statement
 County of Bergen's 2021 Annual Debt Statement
 Bergen County Utilities Authority's 2021 Annual Audit

(A) The debt for this entity was apportioned to Oradell by dividing the municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.

(B) The debt was computed based upon usage

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 43,075,178	\$ 42,020,986	\$ 41,300,565	\$ 41,508,962	\$ 43,323,518	\$ 43,897,399	\$ 45,310,079	\$ 45,860,987	\$ 45,681,731	\$ 45,750,696
Total net debt applicable to limit	<u>4,910,000</u>	<u>4,565,000</u>	<u>4,190,000</u>	<u>3,805,000</u>	<u>3,405,000</u>	<u>2,995,000</u>	<u>2,570,000</u>	<u>2,135,000</u>	<u>1,700,000</u>	<u>1,270,000</u>
Legal debt margin	<u>\$ 38,165,178</u>	<u>\$ 37,455,986</u>	<u>\$ 37,110,565</u>	<u>\$ 37,703,962</u>	<u>\$ 39,918,518</u>	<u>\$ 40,902,399</u>	<u>\$ 42,740,079</u>	<u>\$ 43,725,987</u>	<u>\$ 43,981,731</u>	<u>\$ 44,480,696</u>
Total net debt applicable to the limit as a percentage of debt limit	11.40%	10.86%	10.15%	9.17%	7.86%	6.82%	5.67%	4.66%	3.72%	2.78%

Source: Annual Debt Statements

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2021 \$ 1,890,485,478
	2020 - 1,808,695,157
	2019 <u>1,790,902,867</u>
	<u>\$ 5,490,083,502</u>
Average equalized valuation of taxable property	\$ 1,830,027,834
Debt limit (2.5 % of average equalization value)	45,750,696
Total Net Debt Applicable to Limit	<u>1,270,000</u>
Legal debt margin	<u>\$ 44,480,696</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	8,054	\$ 71,286	4.70%
2014	8,083	73,883	4.20%
2015	8,089	77,323	3.50%
2016	8,113	78,836	3.10%
2017	8,125	81,024	3.30%
2018	8,174	85,191	2.70%
2019	8,160	88,241	2.10%
2020	8,132	91,972	6.80%
2021	8,094	91,972 (E)	4.20%
2022	8,181	91,972 (E)	4.20% (E)

Source: New Jersey State Department of Education

(E) Estimate

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

Employer	2022		2013	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2022</u>
Instruction										
Regular	51.7	51.7	48.5	51.0	53.0	60.0	55.0	45.0	45.7	50.6
Special Education	9.5	9.5	21.0	12.0	22.0	11.1	16.0	25.0	13.0	13.0
Support Services:										
Student & instruction related services	9.0	9.0	19.5	23.0	21.0	27.0	24.6	28.0	28.8	22.5
General administration	2.0	2.0	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	4.0	4.0	5.6	5.6	5.6	4.0	5.5	4.5	4.7	5.0
Central services	3.4	3.4	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0
Administrative Information Technology	1.0	1.0								
Plant operations and maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5
Total	86.6	86.6	105.8	102.6	112.6	113.1	113.1	115.0	104.7	102.6

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary				
2013	817	\$ 11,473,796	\$ 14,044	0.84%	63		1:11	784	751	-0.51%	95.79%
2014	805	11,185,070	13,894	-1.06%	63		1:11	782	751	-0.26%	96.04%
2015	775	11,449,605	14,774	6.33%	63		1:11	739	709	-5.50%	95.94%
2016	763	11,801,649	15,467	4.70%	65		1:11	757	726	2.44%	95.90%
2017	769	12,366,439	16,081	3.97%	65		1:11	767	735	1.32%	95.83%
2018	750	12,847,149	17,130	6.52%	65		1:11	739	707	-3.65%	95.67%
2019	760	14,012,208	18,437	7.63%	65		1:11	754	725	2.03%	96.15%
2020	777	14,263,392	18,357	-0.43%	70		1:11	751	729	-0.40%	97.07%
2021	748	14,346,180	19,179	4.48%	59		1:12	746	730	-0.67%	97.86%
2022	784	16,294,097	20,783	8.36%	64		1:12	781	748	4.69%	95.77%

Sources: District records

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	801	801	801	763	769	750	760	775	748	784

Number of Schools at June 30, 2022
Elementary = 1

Source: District Records

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

	Oradell Elementary <u>School</u>
2013	\$ 162,089
2014	189,611
2015	222,290
2016	257,205
2017	304,754
2018	175,805
2019	244,713
2020	242,431
2021	297,452
2022	337,775

Source: District Records

**ORADELL BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2022
(Unaudited)**

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

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

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, 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, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Oradell Board of Education
350 Prospect Avenue
Oradell, New Jersey 07649

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, and the aggregate remaining fund information of the Oradell Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Oradell Board of Education's basic financial statements and have issued our report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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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.

Report on Compliance and Other Matters

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

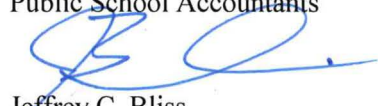
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Oradell Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 30, 2023.

Purpose of this Report

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

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 30, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Oradell Board of Education
350 Prospect Avenue
Oradell, New Jersey 07649

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Oradell Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Oradell Board of Education's major state programs for the fiscal year ended June 30, 2022. The Oradell Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Oradell Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major State Program

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Oradell Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Oradell Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Oradell Board of Education's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Oradell Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Oradell Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Oradell Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Oradell Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Oradell Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2022, 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 30, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & BLISS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
January 30, 2023

ORADELL BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2021		Carrvoer / (Walkover)		Cash Received	Budgetary Expenditures	Balance, June 30, 2022		(Memo) GAAP Receivable
					(Accounts Receivable)	Deferred Revenue	Amount Def. Rev.	Accounts Receivable			(Account Receivable)	Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Education Special Milk Program for Children	10.556	221NJ304N1099	7/1/21-6/30/22	\$ 2,987	-	-	-	-	\$ 2,503	\$ 2,987	\$ (484)	-	\$ (484)
Total U.S. Department of Agriculture					-	-	-	-	2,503	2,987	(484)	-	(484)
U.S. Department of Education Passed-through State Department of Education													
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/21-9/30/22	189,623			\$ 2,912	\$ (2,912)	173,848	189,623	\$ (18,687)	\$ 2,912	(15,775)
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	7/1/20-9/30/21	191,030	\$ (4,768)	\$ 2,911	(2,912)	2,912	1,857		-		-
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	35,800					32,016	32,016			-
I.D.E.A. Preschool	84.173A	H173A210114	7/1/21-9/30/22	13,589							(13,589)	13,589	-
ARP IDEA - Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,059	-	-	-	-	1,063	2,990	(1,996)	69	(1,927)
Total Special Education Cluster (IDEA)					(4,768)	2,911	-	-	208,784	224,629	(34,272)	16,570	(17,702)
Title III	84.365A	S365A210030	7/1/21-9/30/22				1,315	(1,315)		969	(1,315)	346	(969)
Title III	84.365A	S365A200030	7/1/20-9/30/21		(1,315)	1,315	(1,315)	1,315			-		-
Title III Immigrant	84.365A	S365A210030	7/1/21-9/30/22	1,540			1,364	(1,364)	2,491	2,840	(413)	64	(349)
Title III Immigrant	84.365A	S365A200030	7/1/20-9/30/21		(1,364)	1,364	(1,364)	1,364			-		-
Total Title III Cluster (ESEA)					(2,679)	2,679	-	-	2,491	3,809	(1,728)	410	(1,318)
Title IA	84.010A	S010A210030	7/1/21-9/30/22				6,008	(6,008)	2,909	5,293	(3,099)	715	(2,384)
Title IA	84.010A	S010A200030	7/1/20-9/30/21	10,727	(20,858)	8,917	(6,008)	6,008	11,941				-
Title IIA	84.367A	S367A210029	7/1/21-9/30/22	7,932			706	(706)	8,086	8,086	(552)	552	-
Title IIA	84.367A	S367A200029	7/1/20-9/30/21	8,523	(12,503)	706	(706)	706	11,797				-
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000			1,100	(1,100)	9,280	9,280	(1,820)	1,820	-
Title IV	84.424	S424A200031	7/1/20-9/30/21	10,000	(1,190)	1,100	(1,100)	1,100	90		-		-
Total ESEA Programs					(34,551)	10,723	-	-	44,103	22,659	(5,471)	3,087	(2,384)
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	34,075	(34,075)	34,075			34,075	34,075	-	-	-
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	25,000	(25,000)	25,000			24,157	24,946	(843)	54	(789)
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(45,000)	45,000			29,263	43,400	(15,737)	1,600	(14,137)
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	76,582							(76,582)	76,582	-
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	65,172					8,000		(65,172)	57,172	(8,000)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000							(40,000)	40,000	-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000							(40,000)	40,000	-
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	-	-	-	-	-	4,844	(45,000)	40,156	(4,844)
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(104,075)	104,075	-	-	87,495	115,265	(283,334)	255,564	(27,770)
Coronavirus Relief Fund Grant	21.019	S425D200027	3/13/20-12/30/21	19,153	-	4,368	-	-	-	4,368	-	-	-
Total Coronavirus Relief Fund Grant Cluster					-	4,368	-	-	-	4,368	-	-	-
Total Special Revenue Fund					(146,073)	124,756	-	-	342,873	370,730	(324,805)	275,631	(49,174)

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

ORADELL BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2021		Carrvoer / (Walkover)		Cash Received	Budgetary Expenditures	Balance, June 30, 2022		(Memo) GAAP Receivable
					(Accounts Receivable)	Deferred Revenue	Amount Def. Rev.	Accounts Receivable			(Account Receivable)	Uncearned Revenue	
U.S. Department of Homeland Security Passed-through State Department of Education FEMA - Direct Emergency Response to COVID-19	97.036	N/A	7/1/21-6/30/22	12,406	-	-	-	-	\$ 12,406	\$ 12,406	-	-	-
Total FEMA					-	-	-	-	12,406	12,406	-	-	-
Total General Fund					-	-	-	-	12,406	12,406	-	-	-
Total U.S. Department of Education					\$ (146,073)	\$ 124,756	-	-	355,279	383,136	\$ (324,805)	\$ 275,631	\$ (49,174)
Total Federal Awards					\$ (146,073)	\$ 124,756	\$ -	\$ -	\$ 357,782	\$ 386,123	\$ (325,289)	\$ 275,631	\$ (49,658)

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

ORADELL BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2022		GAAP Receivable	Memo Cumulative Total Expenditures
								(Accounts Receivable)	Due to Grantor		
State Department of Education											
General Fund:											
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 540,286		\$ 489,598	\$ 540,286		\$ (50,688)		*	\$ 540,286
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	415,377	\$ (38,373)	38,373					*	-
Security Aid	22-495-034-5120-089	7/1/21-6/30/22	58,565		53,071	58,565		(5,494)		*	58,565
Security Aid	21-495-034-5120-089	7/1/20-6/30/21	58,565	(5,410)	5,410					*	-
Total State Aid-Public Cluster				(43,783)	586,452	598,851		(56,182)		*	598,851
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	29,595		26,818	29,595		(2,777)		*	29,595
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	29,595	(2,734)	2,734					*	-
Nonpublic School Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	4,930			4,930		(4,930)		\$	(4,930)
Nonpublic School Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	4,930	(4,930)	4,930					*	-
Total Transportation Aid Cluster				(7,664)	34,482	34,525		(7,707)		*	(4,930)
Extraordinary Aid	22-495-034-5120-473	7/1/21-6/30/22	266,455			266,455		(266,455)		*	266,455
Extraordinary Aid	21-495-034-5120-473	7/1/20-6/30/21	354,566	(354,566)	354,566					*	-
Reimbursed TPAF Social Security Contribution	22-495-034-5120-104	7/1/21-6/30/22	440,414		418,964	440,414		(21,450)		*	(21,450)
Reimbursed TPAF Social Security Contribution	21-495-034-5120-104	7/1/20-6/30/21	396,270	(18,552)	18,552					*	440,414
TPAF Pension Benefit Contributions	22-495-034-5094-002	7/1/21-6/30/22	2,074,053		2,074,053	2,074,053				*	2,074,053
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	29,262		29,262	29,262				*	29,262
TPAF - Post Retirement Medical	22-495-034-5094-001	7/1/21-6/30/22	491,419		491,419	491,419				*	491,419
TPAF - Long-Term Disability Insurance Premium	22-495-034-5094-004	7/1/21-6/30/22	850		850	850				*	850
Total Extraordinary Aid and On-Behalf TPAF				(373,118)	3,387,666	3,302,453		(287,905)		*	(21,450)
School Security Grant	20E00255	7/1/20-6/30/22	39,735		39,075	39,735		(660)		*	(660)
Total School Security Grant Cluster					39,075	39,735		(660)		*	(660)
Total General Fund				(424,565)	4,047,675	3,975,564		(352,454)		*	(27,040)
Special Revenue Fund:											
New Jersey Nonpublic Aid											
Auxiliary Services											
Compensatory Education	22-101-034-5120-067	7/1/21-6/30/22	14,333		14,333	11,108			\$ 3,225	*	11,108
Compensatory Education	21-101-034-5120-067	7/1/20-6/30/21	28,740	17,680			\$ 17,680			*	-
English as a Second Language	22-101-034-5120-067	7/1/21-6/30/22	2,192		2,192				2,192	*	-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				17,680	16,525	11,108	17,680		5,417	*	11,108
Handicapped Services											
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	16,108		16,108	12,316			3,792	*	12,316
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	4,644	1,855			1,855			*	-
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	20,460		20,460	16,535			3,925	*	16,535
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	25,519	12,851			12,851			*	-
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	8,095		8,095	6,278			1,817	*	6,278
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	3,238	2,590			2,590			*	-
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				17,296	44,663	35,129	17,296		9,534	*	35,129
Textbook Aid	22-100-034-5120-064	7/1/21-6/30/22	4,682		4,682	4,682				*	4,682
Technology Aid	22-100-034-5120-064	7/1/21-6/30/22	3,276		3,276	2,305			971	*	2,305
Nursing Services	22-100-034-5120-373	7/1/21-6/30/22	8,736		8,736	8,721			15	*	8,721
Nursing Services	21-100-034-5120-373	7/1/20-6/30/21	5,712	245			245			*	-
Security	22-100-034-5120-070	7/1/21-6/30/22	13,650		13,650	13,650				*	13,650
Security	21-100-034-5120-070	7/1/20-6/30/21	9,800	942			942			*	-
Total Other Nonpublic Aid				1,187	30,344	29,358	1,187		986	*	29,358
Schools Development Authority										*	
Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/23	34,757			34,757		(34,757)		*	(34,757)
Total Special Revenue Fund				36,163	91,532	110,352	36,163	(34,757)	15,937	*	(34,757)

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

**ORADELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2022		Memo	
								(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Total State Financial Assistance Subject to Single Audit Determination				\$ (388,402)	\$ 4,139,207	\$ 4,085,916	\$ 36,163	\$ (387,211)	\$ 15,937	\$ (61,797)	\$ 4,085,916
State Financial Assistance Not Subject to Major Program Determination											
General Fund											
TPAF Pension Benefit Contributions	22-495-034-5094-002	7/1/21-6/30/22	\$ 2,074,053		\$ (2,074,053)	\$ (2,074,053)					\$ (2,074,053)
TPAF Pension - NCGI Premium	22-495-034-5094-004	7/1/21-6/30/22	29,262		(29,262)	(29,262)					(29,262)
TPAF - Post Retirement Medical	22-495-034-5094-001	7/1/21-6/30/22	491,419		(491,419)	(491,419)					(491,419)
TPAF - Long-Term Disability Insurance Premium	22-495-034-5094-004	7/1/21-6/30/22	850	-	(850)	(850)	-	-	-	-	(850)
Total State Financial Assistance Subject to Major Program Determination				\$ (388,402)	\$ 1,543,623	\$ 1,490,332	\$ 36,163	\$ (387,211)	\$ 15,937	\$ (61,797)	\$ 1,490,332

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a increase of \$75,669 for the general fund and an increase of \$3,436 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 12,406	\$ 4,051,233	\$ 4,063,639
Special Revenue Fund	362,457	120,454	482,911
Food Service Fund	<u>2,987</u>	<u>-</u>	<u>2,987</u>
Total Awards Financial Assistance	<u>\$ 377,850</u>	<u>\$ 4,171,687</u>	<u>\$ 4,549,537</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 \$440,414 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$2,103,315, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$491,419 and TPAF Long-Term Disability Insurance in the amount of \$850 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**ORADELL BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

Financial Statement Section

- | | |
|---|--------------------------------------|
| A) Type of auditor's report issued: | <u>Unmodified</u> |
| B) Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | _____ yes <u> X </u> no |
| 2) Were significant deficiencies identified that were not considered to be material weaknesses? | _____ yes <u> X </u> none reported |
| C) Noncompliance material to the basic financial statements noted? | _____ yes <u> X </u> no |

Federal Awards Section

NOT APPLICABLE

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**ORADELL BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.