

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

Waldwick, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Waldwick Board of Education

Waldwick, New Jersey

For The Fiscal Year Ended June 30, 2022

Prepared by

Business Office

**WALDWICK BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials	v
Consultants and Advisors	vi

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-16
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	17
A-2 Statement of Activities	18

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	19-20
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	22

Proprietary Funds

B-4 Statement of Net Position	23
B-5 Statement of Revenues, Expenses, and Changes in Net Position	24
B-6 Statement of Cash Flows	25

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	26-64
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**WALDWICK BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	65-71
C-2	Budgetary Comparison Schedule – Special Revenue Fund	72

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule –Required Supplementary Information	73
-----	---	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	74
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	75
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	76
L-4	Notes to Required Supplementary Information – Net Pension Liability	77
L-5	Required Supplementary Information – Schedule of Changes in District’s Proportionate Share of Total OPEB Liability	78
L-6	Notes to Required Supplementary Information – OPEB Liability	79

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	80-82
E-2	Schedule of Preschool Aid Expenditures – Budgetary Basis – Not Applicable	83

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures – Budgetary Basis	84
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	85
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – High School, Middle School, Traphagen and Crescent Elementary School Improvement	86

**WALDWICK BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

OTHER SUPPLEMENTARY INFORMATION

G. Proprietary Funds

Enterprise Fund

G-1	Combining Schedule of Net Position – Not Applicable	87
G-2	Combining Schedule of Revenues, Expenses and Changes in Net Position – Not Applicable	87
G-3	Combining Schedule of Cash Flows – Not Applicable	87

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Serial Bonds	88
I-2	Schedule of Obligations under Capital Financing Agreements	89
I-3	Budgetary Comparison Schedule – Debt Service Fund	90

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	91
J-2	Changes in Net Position	92-93
J-3	Fund Balances – Governmental Funds	94
J-4	Changes in Fund Balances - Governmental Funds	95
J-5	General Fund Other Local Revenue by Source	96
J-6	Assessed Value and Actual Value of Taxable Property	97
J-7	Property Tax Rates Direct and Overlapping Governments	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of Net General Bonded Debt Outstanding	102
J-12	Computation of Direct and Overlapping Outstanding Bonded Debt	103
J-13	Legal Debt Margin Information	104
J-14	Demographic Statistics	105
J-15	Principal Employers – Not Available	106
J-16	Full-Time Equivalent District Employees by Function/Program	107
J-17	Operating Statistics	108
J-18	School Building Information	109
J-19	Schedule of Required Maintenance for School Facilities	110
J-20	Schedule of Insurance	111

**WALDWICK BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

SINGLE AUDIT SECTION

K-1	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	112-113
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor's Report	114-116
K-3	Schedule of Expenditures of Federal Awards	117-118
K-4	Schedule of Expenditures of State Financial Assistance	119-120
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	121-122
K-6	Schedule of Findings and Questioned Costs – Part 1 - Summary of Auditor's Results	123-124
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	125
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questions Costs	126
K-7	Summary Schedule of Prior Audit Findings	127

INTRODUCTORY SECTION

WALDWICK BOARD OF EDUCATION



JOHN GRIFFIN
SCHOOL BUSINESS ADMINISTRATOR/
BOARD SECRETARY

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

February 9, 2023

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2021-2022 fiscal year with an average daily enrollment of 1,583 students, which is a decrease from the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	1,583	-1%
2020-21	1,599	-1%
2019-20	1,613	1%
2018-19	1,597	7%
2017-18	1,586	0%
2016-17	1,585	0%
2015-16	1,584	.4%
2014-15	1,577	-1.2%
2013-14	1,596	-1.4%
2012-13	1,618	1.6%

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

3) MAJOR INITIATIVES: All four schools continued the technology initiative with various devices purchased and installed. District wide there were considerable upgrades to servers, VMware and the LAN. The school district continued its maintenance and construction program. The district completed multiple projects at the high school including the installation of a new door in the gym and dugouts at the baseball field. The high school and middle school had a new speaker and PA system and wireless clock system installed. Crescent School had the interior doors to the multipurpose room replaced. The district had a construction referendum receive voter approval on April 20, 2021 for upgrades to all four schools, with the majority being for work at the high school and middle school. Bids were accepted for all four of the projects in March 2022 with construction to begin in June 2022. The Crescent School paving part of the referendum was completed in June 2022.

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

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

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

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

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

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

7) DEBT ADMINISTRATION: At June 30, 2022, the District's long-term debt issue is for \$31,175,000 of general obligation bonds to provide funding for the school referendum.

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

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

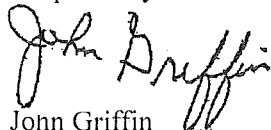
10) OTHER INFORMATION:

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

11) ACKNOWLEDGMENTS:

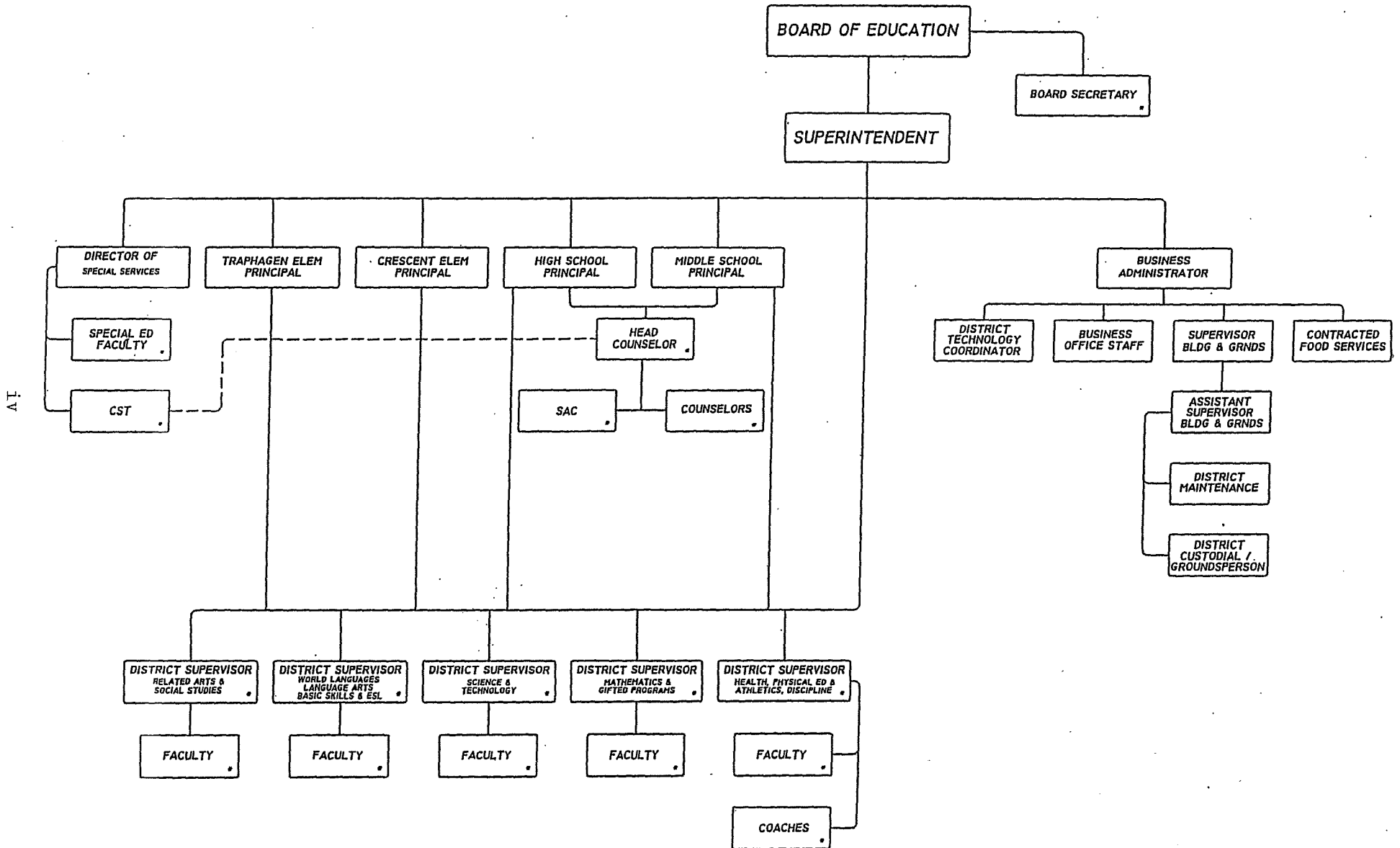
We would like to express our appreciation to the members of the Waldwick Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,



John Griffin
School Business Administrator/Board Secretary

WALDWICK PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART



AT

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

**ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Marro, President	2023
Andrew Frey, Vice President	2024
Christine Figliuolo	2025
Julie Mangler	2023
Mary Beth Nappi	2023
Timothy O'Hare	2024
Troy Seifert	2025

Other Officials

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

John Griffin, School Business Administrator/Board Secretary

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

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

Official Depository

Valley Bank
67 Franklin Turnpike
Waldwick, NJ 07463

Architect

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

FINANCIAL SECTION



LERCH, VINCI & 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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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

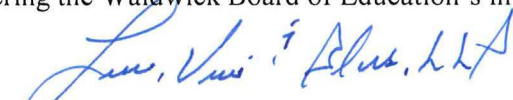
Other Information

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.

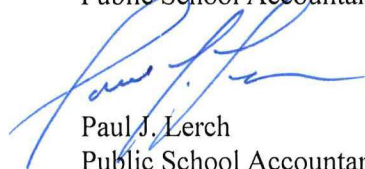
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, 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 February 9, 2023, on our consideration of the Waldwick Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Waldwick Board of Education’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education’s internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 9, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

This discussion and analysis of the Waldwick School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2022. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements including the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- District-Wide - Overall revenues were \$43,687,963. General revenues accounted for \$33,502,756 or 77 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$10,185,207 or 23 percent of total revenues.
- District-Wide - The School District had \$37,834,203 in expenses; only \$10,185,207 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$33,502,756 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Waldwick Board of Education's governmental funds reported combined ending fund balances of \$41,280,822 an increase of \$30,417,736 when compared with the beginning balance at July 1, 2021 of \$10,863,086.
- Fund Financials - At the end of June 30, 2022, the unassigned fund balance, on a GAAP basis, for the General Fund was \$831,430 a decrease of \$26,344 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

District-wide Statements (Continued)

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Fund Financial Statements (Continued)

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

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

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

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

Table A-2 provides a summary of the school district's net position for fiscal years 2022 and 2021. For 2022 and 2021 net position were \$27,737,126 and \$21,883,366, respectively.

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

**Table A-2
Statement of Net Position
As of June 30, 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 and Other Assets	\$ 42,277,197	\$ 11,603,318	\$ 98,370	\$ 73,207	\$ 42,375,567	\$ 11,676,525
Capital Assets	24,979,923	21,018,771	72,673	73,638	25,052,596	21,092,409
Total Assets	<u>67,257,120</u>	<u>32,622,089</u>	<u>171,043</u>	<u>146,845</u>	<u>67,428,163</u>	<u>32,768,934</u>
Deferred Outflows of Resources						
Deferred Amount on Net Pension Liability	83,010	496,385			83,010	2,497,361
Deferred Amounts on Debt Refunding	11,334	28,904	-	-	11,334	28,904
Total Deferred Outflows of Resources	<u>94,344</u>	<u>525,289</u>	<u>-</u>	<u>-</u>	<u>94,344</u>	<u>2,526,265</u>
Total Assets and Deferred Outflows of Resources	<u>67,351,464</u>	<u>33,147,378</u>	<u>171,043</u>	<u>146,845</u>	<u>67,522,507</u>	<u>35,295,199</u>
Liabilities						
Current Liabilities	1,049,330	756,989	3,452		1,052,782	238,570
Non-Current Liabilities	35,868,081	7,892,320	-	-	35,868,081	7,892,320
Total Liabilities	<u>36,917,411</u>	<u>8,649,309</u>	<u>3,452</u>	<u>-</u>	<u>36,920,863</u>	<u>8,130,890</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	2,864,518	2,761,548	-	-	2,864,518	2,761,548
Total Liabilities and Deferred Inflows of Resources	<u>39,781,929</u>	<u>11,410,857</u>	<u>3,452</u>	<u>-</u>	<u>39,785,381</u>	<u>10,892,438</u>
Net Position						
Net Investment in Capital Assets	19,731,929	19,350,115	72,673	73,638	19,804,602	19,423,753
Restricted	11,638,787	8,455,575			11,638,787	8,455,575
Unrestricted	(3,801,181)	(6,069,169)	94,918	73,207	(3,706,263)	(5,995,962)
Total Net Position	<u>\$ 27,569,535</u>	<u>\$ 21,736,521</u>	<u>\$ 167,591</u>	<u>\$ 146,845</u>	<u>\$ 27,737,126</u>	<u>\$ 21,883,366</u>

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

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

Governmental activities. Governmental activities for 2022 increased the District’s net position by \$5,833,014.

Business-Type Activities. The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$319,417. These costs were funded by charges for services (Detailed on Table A-3). The operations resulted in an increase in net position of \$20,746.

Key elements of these increases and decreases are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues						
Charges for Services	\$ 175,768	\$ 58,025	\$ 339,713	\$ 195	\$ 515,481	\$ 58,220
Operating Grants and Contributions	9,669,726	13,205,907			9,669,726	13,205,907
General Revenues						
Property Taxes	32,248,847	31,649,407			32,248,847	31,649,407
Other	1,253,459	388,455	450	212	1,253,909	388,667
Total Revenues	<u>43,347,800</u>	<u>45,301,794</u>	<u>340,163</u>	<u>407</u>	<u>43,687,963</u>	<u>45,302,201</u>
Expenses						
Instruction						
Regular	15,236,760	17,448,115			15,236,760	17,448,115
Special Education	7,739,900	8,445,836			7,739,900	8,445,836
Other Instruction	1,432,277	1,383,582			1,432,277	1,383,582
School Sponsored Activities and Ath.	1,084,566	1,217,539			1,084,566	1,217,539
Support Services						
Student and Instruction Related Serv.	3,877,079	4,570,837			3,877,079	4,570,837
General Administrative Services	769,527	850,654			769,527	850,654
School Administrative Services	2,626,833	2,919,422			2,626,833	2,919,422
Central Services	1,185,263	1,137,739			1,185,263	1,137,739
Plant Operations and Maintenance	2,525,206	2,417,173			2,525,206	2,417,173
Pupil Transportation	931,905	525,203			931,905	525,203
Interest on Long-Term Debt	105,470	90,348			105,470	90,348
Food Service	-	-	319,417	21,421	319,417	21,421
Total Expenses	<u>37,514,786</u>	<u>41,006,448</u>	<u>319,417</u>	<u>21,421</u>	<u>37,834,203</u>	<u>41,027,869</u>
Change in Net Position	<u>5,833,014</u>	<u>4,295,346</u>	<u>20,746</u>	<u>(21,014)</u>	<u>5,853,760</u>	<u>4,274,332</u>
Net Position, Beginning of Year	<u>21,736,521</u>	<u>17,441,175</u>	<u>146,845</u>	<u>167,859</u>	<u>21,883,366</u>	<u>17,609,034</u>
Net Position, End of Year	<u>\$ 27,569,535</u>	<u>\$ 21,736,521</u>	<u>\$ 167,591</u>	<u>\$ 146,845</u>	<u>\$ 27,737,126</u>	<u>\$ 21,883,366</u>

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

Governmental activities. The District’s total governmental revenues were \$43,347,800. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$33,502,306 or 77% of total revenues. Funding from state and federal sources capital grants/contributions and charges for services amounted to \$9,845,494 or 23%.

The District’s governmental expenses are predominantly related to instruction and support services. Instruction totaled \$25,493,503 (68%), student support services totaled \$11,915,813 (32%) and interest on long-term debt total \$105,470 (less than 1%) of total expenditures. (See Table A-3.)

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2022 and 2021**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Total Net Cost Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental Activities				
Instruction				
Regular	\$ 15,236,760	\$ 17,448,115	\$ 11,863,436	\$ 12,348,854
Special Education	7,739,900	8,445,836	4,457,508	4,450,801
Other Instruction	1,432,277	1,383,582	878,518	751,860
School Sponsored Activities and Athletics	1,084,566	1,217,539	779,528	818,323
Support Services				
Student and Instruction Related Svcs.	3,877,079	4,570,837	2,920,233	3,120,115
General Administrative Services	769,527	850,654	649,373	664,972
School Administrative Services	2,626,833	2,919,422	2,038,052	2,019,225
Central Services	1,185,263	1,137,739	1,093,857	1,045,885
Plant Operations and Maintenance	2,525,206	2,417,173	2,178,542	2,140,257
Pupil Transportation	931,905	525,203	704,775	291,876
Interest on Long-Term Debt	105,470	90,348	105,470	90,348
Total Governmental Activities	<u>\$ 37,514,786</u>	<u>\$ 41,006,448</u>	<u>\$ 27,669,292</u>	<u>\$ 27,742,516</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As the District completed the year, its governmental funds reported a combined fund balance of \$41,280,822, an increase of \$30,417,736 from the prior year fund balance of \$10,863,086.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$44,259,195 and expenditures were \$44,528,328.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2022 and 2021.

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Federal Sources	\$ 923,093	\$ 754,887	\$ 168,206	22.28%
State Sources	10,565,166	8,333,976	2,231,190	26.77%
Local Sources	<u>32,770,936</u>	<u>31,912,058</u>	<u>858,878</u>	2.69%
Total Revenues	<u>\$ 44,259,195</u>	<u>\$ 41,000,921</u>	<u>\$ 3,258,274</u>	7.95%

The District's Funds (Continued)

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2022 and 2021.

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 26,427,503	\$ 25,046,303	\$ 1,381,200	5.51%
Undistributed	11,968,083	11,021,252	946,831	8.59%
Capital Outlay	5,020,402	844,416	4,175,986	494.54%
Debt Service				
Principal	1,038,873	1,024,402	14,471	1.41%
Interest	<u>73,467</u>	<u>105,379</u>	<u>(31,912)</u>	-30.28%
Total Expenditures	<u>\$ 44,528,328</u>	<u>\$ 38,041,752</u>	<u>\$ 6,486,576</u>	17.05%

General Fund Budgetary Highlights

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

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

- A decrease in health benefit expenditures due to a lower plan renewal rate than projected and the state not requiring a payment for the month of February.
- A decrease in out-of-district tuition costs.
- A decrease in energy costs partially due to the reduced use of facilities due to Covid-19.
- The deposit of \$2,745,205 into the district's Capital Reserve account.
- An increase in extraordinary aide reimbursement from the state.
- A decrease in facilities repair costs due to the postponement of these costs since they were included in the April 2021 referendum.
- An increase in staffing for special education aides.
- An increase in transportation expenditures for out of district students.
- An increase in expenditures for Chromebooks to support remote learning.
- An increase in insurance costs for general liability.

Capital Assets. The Waldwick Board of Education’s investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$20,567,059 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

Table A-5
Capital Assets
 (net of accumulated depreciation) at June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Construction in Progress	\$ 4,485,537	\$ 317,275			\$ 4,485,537	\$ 317,275
Land Improvements	1,986,196	1,986,196			1,986,196	1,986,196
Buildings and Building Improvements	31,480,075	31,432,595	\$ 50,546	\$ 50,546	31,530,621	31,483,141
Machinery and Equipment	<u>4,706,846</u>	<u>4,019,622</u>	<u>98,836</u>	<u>95,661</u>	<u>4,805,682</u>	<u>4,115,283</u>
Total	42,658,654	37,755,688	149,382	146,207	42,808,036	37,901,895
Less: Accumulated Depreciation	<u>17,678,731</u>	<u>16,736,917</u>	<u>76,709</u>	<u>72,569</u>	<u>17,755,440</u>	<u>16,809,486</u>
Total	<u>\$ 24,979,923</u>	<u>\$ 21,018,771</u>	<u>\$ 72,673</u>	<u>\$ 73,638</u>	<u>\$ 25,052,596</u>	<u>\$ 21,092,409</u>

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

Debt Administration. As of June 30, 2022 the school district had long-term debt and outstanding long-term liabilities in the amount of \$35,868,081 as stated in Table A-6.

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

	Balance <u>June 30, 2022</u>	Balance <u>June 30, 2021</u>
Serial Bonds (Including Original Issue Premium)	\$ 31,189,040	\$ 1,285,805
Capital Financing Agreements	134,751	411,755
Compensated Absences Payable	587,517	650,992
Net Pension Liability	<u>3,956,773</u>	<u>5,543,768</u>
 Total	 <u>\$ 35,868,081</u>	 <u>\$ 7,892,320</u>

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

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

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

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

FOR THE FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

**WALDWICK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 41,586,680	\$ 95,272	\$ 41,681,952
Accounts Receivables, net	690,517		690,517
Inventory		3,098	3,098
Capital Assets, net			
Not Being Depreciated	4,485,537		4,485,537
Being Depreciated	<u>20,494,386</u>	<u>72,673</u>	<u>20,567,059</u>
Total Assets	<u>67,257,120</u>	<u>171,043</u>	<u>67,428,163</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amounts on Net Pension Liability	83,010		83,010
Deferred Amounts on Refunding of Debt	<u>11,334</u>	<u>-</u>	<u>11,334</u>
Total Deferred Outflows of Resources	<u>94,344</u>	<u>-</u>	<u>94,344</u>
Total Assets and Deferred Outflows of Resources	<u>67,351,464</u>	<u>171,043</u>	<u>67,522,507</u>
LIABILITIES:			
Accounts Payable to Other Governments	66,365		66,365
Accounts Payable and Other Current Liabilities	349,193	3,452	352,645
Unearned Revenue	580,817		580,817
Accrued Liabilities:			-
Interest Payable	52,955		52,955
Noncurrent Liabilities			-
Due Within One Year	650,828		650,828
Due Beyond One Year	<u>35,217,253</u>	<u>-</u>	<u>35,217,253</u>
Total Liabilities	<u>36,917,411</u>	<u>3,452</u>	<u>36,920,863</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amounts on Net Pension Liability	<u>2,864,518</u>	<u>-</u>	<u>2,864,518</u>
Total Liabilities and Deferred Inflows of Resources	<u>39,781,929</u>	<u>3,452</u>	<u>39,785,381</u>
NET POSITION:			
Net Investment in Capital Assets	19,731,929	72,673	19,804,602
Restricted for			
Capital Projects	9,792,520		9,792,520
Other Purposes	1,846,267		1,846,267
Unrestricted (Deficit)	<u>(3,801,181)</u>	<u>94,918</u>	<u>(3,706,263)</u>
Total Net Position	<u>\$ 27,569,535</u>	<u>\$ 167,591</u>	<u>\$ 27,737,126</u>

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

WALDWICK BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 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	\$ 15,236,760	\$ 62,342	\$ 3,310,981	\$ (11,863,437)		\$ (11,863,437)	
Special Education	7,739,900		3,282,393	(4,457,507)		(4,457,507)	
Other Instruction	1,432,277		553,759	(878,518)		(878,518)	
School Sponsored Activities and Athletics	1,084,566	113,426	191,612	(779,528)		(779,528)	
Support Services:							
Student and Instruction Related Services	3,877,079		956,846	(2,920,233)		(2,920,233)	
General Administrative Services	769,527		120,154	(649,373)		(649,373)	
School Administrative Services	2,626,833		588,781	(2,038,052)		(2,038,052)	
Central Services	1,185,263		91,406	(1,093,857)		(1,093,857)	
Plant Operations and Maintenance	2,525,206		346,664	(2,178,542)		(2,178,542)	
Pupil Transportation	931,905		227,130	(704,775)		(704,775)	
Interest on Long-Term Debt	105,470	-	-	(105,470)	-	(105,470)	
Total Governmental Activities	<u>37,514,786</u>	<u>175,768</u>	<u>9,669,726</u>	<u>(27,669,292)</u>	<u>-</u>	<u>(27,669,292)</u>	
Business-Type Activities:							
Food Service	<u>319,417</u>	<u>339,713</u>	<u>-</u>	<u>-</u>	<u>\$ 20,296</u>	<u>20,296</u>	
Total Business-Type Activities	<u>319,417</u>	<u>339,713</u>	<u>-</u>	<u>-</u>	<u>20,296</u>	<u>20,296</u>	
Total Government	<u>\$ 37,834,203</u>	<u>\$ 515,481</u>	<u>\$ 9,669,726</u>	<u>\$ -</u>	<u>(27,669,292)</u>	<u>20,296</u>	<u>(27,648,996)</u>
General Revenues:							
Property Taxes:							
Levied for General Purpose				31,586,347		31,586,347	
Levied for Debt Service				662,500		662,500	
Federal and State Aid - Unrestricted				907,138		907,138	
Interest and Investment Earnings - Restricted				21,217	450	21,667	
Miscellaneous				325,104	-	325,104	
Total General Revenues				<u>33,502,306</u>	<u>450</u>	<u>33,502,756</u>	
Change in Net Position				5,833,014	20,746	5,853,760	
Net Position, July 1				<u>21,736,521</u>	<u>146,845</u>	<u>21,883,366</u>	
Net Position, June 30				<u>\$ 27,569,535</u>	<u>\$ 167,591</u>	<u>\$ 27,737,126</u>	

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 15,373,270	\$ 132,147	\$ 26,081,263		\$ 41,586,680
Intergovernmental Accounts Receivable	99,305	590,467			689,772
Other Accounts Receivable	745	-	-	-	745
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 15,473,320</u>	<u>\$ 722,614</u>	<u>\$ 26,081,263</u>	<u>\$ -</u>	<u>\$ 42,277,197</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payables to Other Governments	\$ 12,175	\$ 54,190			\$ 66,365
Payroll Deductions and Withholdings Payable	49,610				49,610
Accounts Payable	218,792	63,991	\$ 16,800		299,583
Unearned Revenue	-	580,817	-	-	580,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>280,577</u>	<u>698,998</u>	<u>16,800</u>	<u>-</u>	<u>996,375</u>
Fund Balances:					
Restricted:					
Capital Reserve	7,792,520				7,792,520
Capital Reserve - Designated for Subsequent Year's Expenditures	2,000,000				2,000,000
Maintenance Reserve	1,359,261				1,359,261
Excess Surplus	1,300,000				1,300,000
Excess Surplus - Designated for Subsequent Year's Expenditures	1,300,000				1,300,000
Unemployment Compensation	463,390				463,390
Capital Projects			26,064,463		26,064,463
Scholarships		10,662			10,662
Student Activities		12,954			12,954
Assigned:					
Year-End Encumbrances	62,039				62,039
Designated for Subsequent Year's Expenditures	84,103				84,103
Unassigned	831,430	-	-	-	831,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>15,192,743</u>	<u>23,616</u>	<u>26,064,463</u>	<u>-</u>	<u>41,280,822</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 15,473,320</u>	<u>\$ 722,614</u>	<u>\$ 26,081,263</u>	<u>\$ -</u>	

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

Total Governmental Fund Balances (Exhibit B-1)	\$ 41,280,822
<i>Amounts reported for governmental activities in the statement of net Position (A-1) are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the capital assets is \$42,658,654 and the accumulated depreciation is \$17,678,731.	24,979,923
Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements	
Deferred Outflows of Resources	\$ 83,010
Deferred Inflows of Resources	<u>(2,864,518)</u>
	(2,781,508)
Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds	(52,955)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the state of net position and deferred over future years	11,334
Long-term liabilities, including bonds payable, capital leases payable, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year end consist of:	
Bonds Payable, Including Premium	(31,189,040)
Capital Leases Payable	(134,751)
Compensated Absences	(587,517)
Net Pension Liability	<u>(3,956,773)</u>
	<u>(35,868,081)</u>
Net Position of Governmental Activities (Exhibit A-1)	\$ <u>27,569,535</u>

WALDWICK 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>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES:					
Local Property Tax Levy	\$ 31,586,347			\$ 662,500	\$ 32,248,847
Tuition Charges	62,342				62,342
Other Restricted Miscellaneous Revenues	21,217				21,217
Unrestricted Miscellaneous Revenues	325,104				325,104
Federal Sources	23,147	\$ 899,946			923,093
State Sources	10,285,633	279,533			10,565,166
Local Sources	-	113,426	-	-	113,426
	<u>42,303,790</u>	<u>1,292,905</u>	<u>-</u>	<u>662,500</u>	<u>44,259,195</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	15,684,816	169,537			15,854,353
Special Education Instruction	7,519,592	451,764			7,971,356
Other Instruction	1,166,301	313,257			1,479,558
School-Sponsored Activities and Athletics	1,012,262	109,974			1,122,236
Support Services and Undistributed Costs:					
Student and Instruction Related Services	3,856,808	175,560			4,032,368
General Administrative Services	793,148				793,148
School Administrative Services	2,742,585				2,742,585
Central Services	1,096,305				1,096,305
Plant Operations and Maintenance	2,383,609				2,383,609
Pupil Transportation	920,068				920,068
Capital Outlay	774,173	77,967	\$ 4,168,262		5,020,402
Debt Service:					
Principal	413,873			625,000	1,038,873
Interest and Other Charges	35,967	-	-	37,500	73,467
	<u>38,399,507</u>	<u>1,298,059</u>	<u>4,168,262</u>	<u>662,500</u>	<u>44,528,328</u>
Total Expenditures					
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>3,904,283</u>	<u>(5,154)</u>	<u>(4,168,262)</u>	<u>-</u>	<u>(269,133)</u>
OTHER FINANCING SOURCES (USES):					
Bond Proceeds	-	-	30,550,000	-	30,550,000
Capital Financing Agreement Proceeds	136,869	-	-	-	136,869
	<u>136,869</u>	<u>-</u>	<u>30,550,000</u>	<u>-</u>	<u>30,686,869</u>
Total Other Financing Sources and Uses					
Net Change in Fund Balances	4,041,152	(5,154)	26,381,738	-	30,417,736
Fund Balance (Deficit), July 1	<u>11,151,591</u>	<u>28,770</u>	<u>(317,275)</u>	<u>-</u>	<u>10,863,086</u>
Fund Balance, June 30	<u>\$ 15,192,743</u>	<u>\$ 23,616</u>	<u>\$ 26,064,463</u>	<u>\$ -</u>	<u>\$ 41,280,822</u>

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

**WALDWICK BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 30,417,736**

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

Depreciation Expense	\$ (1,059,250)	
Capital Outlays	<u>5,020,402</u>	
		3,961,152

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

Issuance of Debt		
Serial Bonds Proceeds	(30,550,000)	
Capital Financing Proceeds	(136,869)	
Principal Repayments		
Bond Principal	625,000	
Lease Principal	413,873	
Amortization of Bond Premium	21,765	
Amortization of Deferred Amounts on Refunding	(17,570)	
Accrued Interest	<u>(36,198)</u>	
		(29,679,999)

In the statement of activities, certain operating expenses, (e.g., pensions, compensated absence and interest on debt), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.

Decrease in Net Pension Liability	1,070,650	
Decrease Compensated Absences	<u>63,475</u>	
		<u>1,134,125</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 5,833,014**

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 95,272
Inventories	<u>3,098</u>
Total Current Assets	<u>98,370</u>
Noncurrent Assets:	
Capital Assets	149,382
Less: Accumulated Depreciation	<u>(76,709)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>72,673</u>
Total Noncurrent Assets	<u>72,673</u>
Total Assets	<u>171,043</u>
LIABILITIES:	
Current Liabilities	
Accounts Payable	<u>3,452</u>
Total Current Liabilities	<u>3,452</u>
Total Liabilities	<u>3,452</u>
NET POSITION:	
Net Investment in Capital Assets	72,673
Unrestricted	<u>94,918</u>
Total Net Position	<u>\$ 167,591</u>

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services	
Daily Sales - Non-Reimbursable Programs	\$ 339,713
Total Operating Revenues	<u>339,713</u>
OPERATING EXPENSES:	
Cost of Sales / Goods Sold:	
Non-Reimbursable Program	146,514
Food Service Management Company Salaries & Wages	120,406
Other Purchased Services	9,207
Supplies and Materials	6,272
Insurance	5,859
Management Fee	25,452
Depreciation	4,140
Miscellaneous	<u>1,567</u>
Total Operating Expenses	<u>319,417</u>
Operating Income	<u>20,296</u>
NONOPERATING REVENUES (EXPENSES):	
Interest and Investment Revenue	<u>450</u>
Total Nonoperating Revenues	<u>450</u>
Change in Net Position	20,746
Net Position, July 1	<u>146,845</u>
Net Position, June 30	<u>\$ 167,591</u>

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Other Funds	\$ 339,713
Payments for Employees	(120,406)
Payments to Suppliers	<u>(194,517)</u>
Net Cash Provided by (Used for) Operating Activities	<u>24,790</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	<u>(3,175)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(3,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Deposits	<u>450</u>
Net Cash Provided by Investing Activities	<u>450</u>
Net Increase in Cash and Cash Equivalents	22,065
Cash and Cash Equivalents, Beginning of Year	<u>73,207</u>
Cash and Cash Equivalents, End of Year	<u>\$ 95,272</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities:	
Operating Income (Loss)	\$ 20,296
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	4,140
(Increase) Decrease in Inventories	(3,098)
Increase (Decrease) in Accounts Payable	<u>3,452</u>
Total Adjustments	<u>4,494</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 24,790</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Waldwick Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent 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 twelve (12) school district.

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

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

B. New Accounting Standards

During fiscal year 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.

**WALDWICK 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.

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

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

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

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *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 inflows of resources or deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

WALDWICK 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.

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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

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 Surplus – 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 2022/2023 original budget certified for taxes.

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

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

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

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

**WALDWICK 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)*

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

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 Trustees 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. The District has no committed fund balances at year end.

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.

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.

**WALDWICK 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 (Continued)

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

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 food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election held on the third Tuesday in April. 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.

**WALDWICK 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. Also, during 2021/2022 the Board increased the original budget by \$2,367,021. The increase was funded by the reappropriation of prior year general fund encumbrances, additional grant awards and the inclusion of student activities and scholarships transactions.

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

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

B. Capital Reserve

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

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

Balance, July 1, 2021		\$ 5,544,396
Increased by:		
Budget Appropriations	\$ 1,502,919	
Deposits Approved by Board Resolution	<u>2,745,205</u>	
Total Increases		<u>4,248,124</u>
Balance, June 30, 2022		<u>\$ 9,792,520</u>

The June 30, 2022 LRF balance of local support costs of uncompleted capital projects is \$27,514,050. \$2,000,000 of the capital reserve balances at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

C. Maintenance Reserve

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

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

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

Balance, July 1, 2021	\$ 1,350,000
Increased by:	
Deposits Approved by Board Resolution	<u>9,261</u>
Balance, June 30, 2022	<u>\$ 1,359,261</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,359,261.

D. 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 \$2,600,000. Of this amount, \$1,300,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$1,300,000 will be appropriated in the 2023/2024 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$41,681,952 and bank and brokerage firm balances of the Board's deposits amounted to \$44,446,207. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 44,445,253
Uninsured and Collateralized	<u>954</u>
	<u>\$ 44,446,207</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 \$954 of the Board's bank balances were exposed to custodial credit risk.

Uninsured and Collateralized:

Collateral held by Board's Agent not in the name of the Board	<u>\$ 954</u>
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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.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

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 are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal	\$ 804	\$ 590,467	\$ 591,271
State	98,501		98,501
Local	<u>745</u>	<u>-</u>	<u>745</u>
Net Total Receivables	<u>\$ 100,050</u>	<u>\$ 590,467</u>	<u>\$ 690,517</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>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 50,817
Encumbered Grant Draw Down	<u>530,000</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 580,817</u>

**WALDWICK 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:

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Deletions</u>	Balance, <u>June 30, 2022</u>
Governmental activities:				
Capital Assets, Not Being Depreciated				
Construction In Progress	\$ 317,275	\$ 4,168,262	-	\$ 4,485,537
Total Capital Assets, Not Being Depreciated	<u>317,275</u>	<u>4,168,262</u>	<u>-</u>	<u>4,485,537</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,986,196			1,986,196
Buildings and Building Improvements	31,432,595	47,480		31,480,075
Machinery and Equipment	<u>4,019,622</u>	<u>804,660</u>	\$ (117,436)	<u>4,706,846</u>
Total Capital Assets Being Depreciated	<u>37,438,413</u>	<u>852,140</u>	<u>(117,436)</u>	<u>38,173,117</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,392,929)	(55,966)		(1,448,895)
Buildings and Building Improvements	(12,758,582)	(763,909)		(13,522,491)
Machinery and Equipment	<u>(2,585,406)</u>	<u>(239,375)</u>	117,436	<u>(2,707,345)</u>
Total Accumulated Depreciation	<u>(16,736,917)</u>	<u>(1,059,250)</u>	<u>117,436</u>	<u>(17,678,731)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,701,496</u>	<u>(207,110)</u>	<u>-</u>	<u>20,494,386</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,018,771</u>	<u>\$ 3,961,152</u>	<u>\$ -</u>	<u>\$ 24,979,923</u>

**WALDWICK 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>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
Business-Type activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 50,546			\$ 50,546
Machinery and Equipment	<u>95,661</u>	<u>\$ 3,175</u>	<u>-</u>	<u>98,836</u>
 Total Capital Assets Being Depreciated	 <u>146,207</u>	 <u>3,175</u>	 <u>-</u>	 <u>149,382</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(2,672)	(1,482)		(4,154)
Machinery and Equipment	<u>(69,897)</u>	<u>(2,658)</u>	<u>-</u>	<u>(72,555)</u>
 Total Accumulated Depreciation	 <u>(72,569)</u>	 <u>(4,140)</u>	 <u>-</u>	 <u>(76,709)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>73,638</u>	 <u>(965)</u>	 <u>-</u>	 <u>72,673</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 73,638</u>	 <u>\$ (965)</u>	 <u>\$ -</u>	 <u>\$ 72,673</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 485,015
Special	181,770
Other Instruction	37,132
School-Sponsored/Activities & Athletics	<u>29,584</u>
 Total Instruction	 <u>733,501</u>
Support Services	
Student and Instruction Related Services	121,954
School Administration Services	90,903
General Administration Services	18,551
Central Services	34,623
Plant Operations and Maintenance	55,110
Pupil Transportation	<u>4,608</u>
 Total Support Services	 <u>325,749</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,059,250</u>
 Business-Type Activities:	
Food Service Fund	<u>\$ 4,140</u>

**WALDWICK 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:

\$136,869, fiscal year 2022 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$2,118-\$2,459 through May 20, 2027	<u>\$ 134,751</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Capital Agreements	
	Principal	Interest
2023	\$ 25,828	\$ 3,676
2024	26,611	2,893
2025	27,418	2,087
2026	28,248	1,256
2027	<u>26,646</u>	<u>400</u>
Total	<u>\$ 134,751</u>	<u>\$ 10,312</u>

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2022 is comprised of the following issue:

\$5,170,000, Refunding School Bonds, due in annual installments of \$625,000 through September 15, 2022, interest at 4.00%	\$ 625,000
\$30,550,000, School Bonds, due in annual installments of \$970,000 through July 15, 2046, interest at 2.250%	<u>30,550,000</u>
	<u>\$ 31,175,000</u>

**WALDWICK 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 (Continued)

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2023	\$ 625,000	\$ 862,095	\$ 1,487,095
2024	970,000	598,413	1,568,413
2025	995,000	588,588	1,583,588
2026	1,015,000	573,463	1,588,463
2027	1,040,000	552,912	1,592,912
2028-2032	5,555,000	2,440,012	7,995,012
2033-2037	6,220,000	1,851,562	8,071,562
2038-2047	<u>14,755,000</u>	<u>1,630,125</u>	<u>16,385,125</u>
	<u>\$ 31,175,000</u>	<u>\$ 9,097,170</u>	<u>\$ 40,272,170</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:

4% of Equalized Valuation Basis (Municipal)	\$ 69,989,243
Less: Net Debt	<u>31,175,000</u>
Remaining Borrowing Power	<u>\$ 38,814,243</u>

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, 2021	Increased	Decreased	Balance, June 30, 2022	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 1,250,000	\$ 30,550,000	\$ 625,000	\$ 31,175,000	\$ 625,000
Add: Original Issue Premium	<u>35,805</u>	<u>-</u>	<u>21,765</u>	<u>14,040</u>	<u>-</u>
Total Bonds Payable	1,285,805	30,550,000	646,765	31,189,040	625,000
Capital Financing Agreements	411,755	136,869	413,873	134,751	25,828
Compensated Absences	650,992		63,475	587,517	
Net Pension Liability	<u>5,543,768</u>	<u>-</u>	<u>1,586,995</u>	<u>3,956,773</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 7,892,320</u>	<u>\$ 30,686,869</u>	<u>\$ 2,711,108</u>	<u>\$ 35,868,081</u>	<u>\$ 650,828</u>

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

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

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.

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

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

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

<u>Fiscal Year Ended</u>	<u>Employee Contributions</u>	<u>Interest Earning</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 80,214	\$ 1,920	\$ 60,917	463,390
2021	82,272	1,021	33,269	442,173
2020	56,763		54,192	441,152

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.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

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

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

**WALDWICK 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) – 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.

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.

**WALDWICK 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)

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.

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

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

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

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.

**WALDWICK 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)

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	\$ 391,157	\$ 5,151,268	\$ 26,381
2021	371,893	3,779,676	23,375
2020	337,699	2,786,462	16,641

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$1,031, respectively for PERS and the State contributed \$1,390, \$1,746 and \$1,914, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,053,963 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 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.

**WALDWICK 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)

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 \$3,956,773 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 .033400 percent, which was a decrease of .00600 percent from its proportionate share measured as of June 30, 2020 of .034000 percent.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$679,493 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	\$ 62,403	\$ 28,326
Changes of Assumptions	20,607	1,408,638
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,042,318
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	385,236
Total	<u>\$ 83,010</u>	<u>\$ 2,864,518</u>

**WALDWICK 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)

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:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (1,114,046)
2024	(798,756)
2025	(498,280)
2026	(367,618)
2027	(2,808)
Thereafter	-
	<u>\$ (2,781,508)</u>

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.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

**WALDWICK 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 (Continued)

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.

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%

**WALDWICK 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)

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.

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>\$ 5,388,322</u>	<u>\$ 3,956,773</u>	<u>\$ 2,741,900</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.

**WALDWICK 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)

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 more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,443,422 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 \$61,342,746. 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 .12759 percent, which was an increase of .00279 percent from its proportionate share measured as of June 30, 2020 of .12480 percent.

**WALDWICK 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)

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.

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

Mortality 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.

**WALDWICK 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)

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%

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.

**WALDWICK 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)

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 <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>72,578,715</u>	\$ <u>61,342,746</u>	\$ <u>51,905,238</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.

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.

**WALDWICK 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)

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.

**WALDWICK 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 \$1,203,545, \$1,184,492 and \$1,033,726, 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.

**WALDWICK 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

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.

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 \$3,999,996. 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 \$70,575,668. 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 and 2020 the state’s share of the OPEB liability attributable to the District was 0.12 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.

**WALDWICK 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)

Actuarial Assumptions (Continued)

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 disabled 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.

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.

**WALDWICK 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)

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 <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ <u>80,795,609</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,632,204
Interest on the Total OPEB Liability	1,830,807
Changes in Benefit Terms	(75,119)
Differences Between Expected and Actual Experience	(14,282,103)
Changes of Assumptions	69,628
Gross Benefit Payments	(1,442,163)
Contributions from the Member	<u>46,805</u>
Net Changes	\$ <u>(10,219,941)</u>
Balance, June 30, 2021 Measurement Date	\$ <u><u>70,575,668</u></u>

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.

**WALDWICK 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>84,538,571</u>	\$ <u>70,575,668</u>	\$ <u>59,580,720</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>57,131,233</u>	\$ <u>70,575,668</u>	\$ <u>88,630,551</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.

**WALDWICK 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 \$1,956,320 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

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 31,586,347		\$ 31,586,347	\$ 31,586,347	
Tuition from Individuals	21,000		21,000	62,342	\$ 41,342
Other Restricted Miscellaneous Revenues				21,217	21,217
Unrestricted Miscellaneous Revenues	127,130	-	127,130	325,104	197,974
Total - Local Sources	31,734,477	-	31,734,477	31,995,010	260,533
Federal Sources:					
Medicaid Reimbursements	24,425	-	24,425	23,147	(1,278)
Total - Federal Sources	24,425	-	24,425	23,147	(1,278)
State Sources:					
Categorical Special Education Aid	1,090,126		1,090,126	1,090,126	
Equalization Aid	828,600		828,600	828,600	
Categorical Security Aid	125,909		125,909	125,909	
Categorical Transportation Aid	199,527		199,527	199,527	
Extraordinary Aid	251,938		251,938	672,926	420,988
Additional Nonpublic Transportation Aid			-	19,726	19,726
Homeless Tuition Reimbursement Aid				28,739	28,739
Security Grant				89,252	89,252
Bond Act Water Grant				9,311	9,311
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				5,079,602	5,079,602
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				71,666	71,666
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,203,545	1,203,545
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,390	1,390
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,053,963	1,053,963
Total - State Sources	2,496,100	-	2,496,100	10,474,282	7,978,182
Total Revenues	34,255,002	-	34,255,002	42,492,439	8,237,437
EXPENDITURES:					
Current Expense:					
Regular Programs:					
Instruction:					
Salaries of Teachers					
Kindergarten	491,623	\$ 9,866	501,489	501,084	405
Grades 1-5	3,126,532	(24,400)	3,102,132	2,950,307	151,825
Grades 6-8	2,310,368	-	2,310,368	2,209,456	100,912
Grades 9-12	3,113,422	(27,054)	3,086,368	3,035,466	50,902
Home Instruction:					
Salaries of Teachers	10,000	-	10,000	1,789	8,211
Purchased Professional - Educational Services	15,000	-	15,000	2,087	12,913
Undistributed Instruction:					
Purchased Professional - Educational Services	47,000	28,138	75,138	69,716	5,422
Purchased Technical Services	1,500	-	1,500	1,500	1,500
Other Purchased Services	53,516	(5,019)	48,497	45,154	3,343
General Supplies					
General Supplies	433,500	(117,337)	316,163	242,292	73,871
Textbooks	7,500	2,662	10,162	9,125	1,037
Other Objects	5,500	(960)	4,540	1,973	2,567
Total Regular Programs	9,615,461	(134,104)	9,481,357	9,068,449	412,908

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
Current Expense					
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 383,204	\$ (665)	\$ 382,539	\$ 373,735	\$ 8,804
Other Salaries for Instruction	359,457	170	359,627	341,548	18,079
Purchased Professional - Educational Services	3,000	-	3,000	2,260	740
General Supplies	6,250	169	6,419	3,052	3,367
Other Objects	1,000	(497)	503	-	503
Total Learning and/or Language Disabilities	752,911	(823)	752,088	720,595	31,493
Resource Room:					
Salaries of Teachers	1,910,873	(96,289)	1,814,584	1,733,759	80,825
Other Salaries for Instruction	515,994	(17,597)	498,397	449,497	48,900
Other Purchases Services	-	200	200	86	114
General Supplies	2,500	760	3,260	1,727	1,533
Other Objects	750	-	750	-	750
Total Resource Room	2,430,117	(112,926)	2,317,191	2,185,069	132,122
Autism:					
Salaries of Teachers	130,070	-	130,070	118,415	11,655
Other Salaries for Instruction	121,916	(20,937)	100,979	97,291	3,688
General Supplies	2,000	1,607	3,607	3,127	480
Total Autism	253,986	(19,330)	234,656	218,833	15,823
Preschool Disabilities - Part - Time:					
Salaries of Teachers	172,475	540	173,015	173,015	-
Other Salaries for Instruction	63,590	21,467	85,057	85,057	-
General Supplies	750	4,677	5,427	4,085	1,342
Total Preschool Disabilities - Part - Time	236,815	26,684	263,499	262,157	1,342
Preschool Disabilities - Full - Time:					
Salaries of Teachers	28,610	30,360	58,970	58,970	-
Other Salaries for Instruction	-	16,897	16,897	15,476	1,421
General Supplies	-	497	497	497	-
Total Preschool Disabilities - Full - Time	28,610	47,754	76,364	74,943	1,421
Home Instruction:					
Salaries of Teachers	10,000	863	10,863	10,863	-
Purchased Professional-Educational Services	10,000	(863)	9,137	3,474	5,663
Total Home Instruction	20,000	-	20,000	14,337	5,663
Total Special Education - Instruction	3,722,439	(58,641)	3,663,798	3,475,934	187,864
Basic Skills/Remedial:					
Salaries of Teachers	422,779	59,449	482,228	444,165	38,063
General Supplies	-	399	399	384	15
Total Basic Skills/Remedial	422,779	59,848	482,627	444,549	38,078
Bilingual Education:					
Salaries of Teachers	220,262	1,480	221,742	221,742	-
Other Salaries for Instruction	-	-	-	-	-
General Supplies	-	167	167	167	-
Total Bilingual Education	220,262	1,647	221,909	221,909	-

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
EXPENDITURES					
Current Expense					
Instruction (Continued)					
School Sponsored Co-Curricular Activities:					
Salaries	\$ 181,700	\$ (3,000)	\$ 178,700	\$ 168,561	\$ 10,139
Purchased Services	3,000	5,175	8,175	6,675	1,500
Supplies and Materials	6,000	-	6,000	4,214	1,786
Other Objects	6,800	-	6,800	3,681	3,119
Total School Sponsored Co-Curricular Activities	197,500	2,175	199,675	183,131	16,544
School Sponsored Athletics - Instruction:					
Salaries	376,978	311	377,289	361,980	15,309
Purchased Services	67,800	890	68,690	62,979	5,711
Supplies and Materials	42,000	9,363	51,363	48,112	3,251
Other Objects	7,350	190	7,540	7,540	-
Total School Sponsored Athletics - Instruction	494,128	10,754	504,882	480,611	24,271
Summer School - Instruction:					
Salaries	31,350	-	31,350	28,928	2,422
Other Salaries for Instruction	26,793	-	26,793	22,010	4,783
Total Summer School - Instruction	58,143	-	58,143	50,938	7,205
Summer School - Support Services					
Salaries	13,915	-	13,915	10,115	3,800
Total Summer School - Support Services	13,915	-	13,915	10,115	3,800
Total - Instruction	14,744,627	(118,321)	14,626,306	13,935,636	690,670
Undistributed Expenditures:					
Tuition:					
Tuition to Other LEA's Within the State - Regular		57,346	57,346	38,290	19,056
Tuition Charter	-	14,533	14,533	14,533	-
Tuition to Other LEA's Within the State - Special	1,000,000	(33,807)	966,193	484,667	481,526
Tuition to County Vocational School District - Regular	206,001	-	206,001	196,281	9,720
Tuition to County Vocational School District - Special		70,497	70,497	70,497	-
Tuition to CSSD and Regional Day Schools	950,000	(70,497)	879,503	638,242	241,261
Tuition to Private Schools for the Disabled - Within State	1,449,545	(128,354)	1,321,191	1,166,075	155,116
Tuition to Private Schools for the Disabled & Other LEA's	142,000	57,500	199,500	138,000	61,500
Tuition - Other	40,000	-	40,000	36,424	3,576
Total Tuition	3,787,546	(32,782)	3,754,764	2,783,009	971,755
Attendance and Social Work:					
Salaries	73,272	1,615	74,887	74,886	1
Total Attendance and Social Work	73,272	1,615	74,887	74,886	1
Health Services:					
Salaries	243,935	689	244,624	244,267	357
Purchased Professional and Technical Services	16,645	200	16,845	14,320	2,525
Supplies and Materials	3,050	148	3,198	2,198	1,000
Other Objects	2,000	-	2,000	-	2,000
Total Health Services	265,630	1,037	266,667	260,785	5,882
Speech, OT, PT and Related Services:					
Salaries	397,184	(660)	396,524	393,945	2,579
Purchased Professional -Educational Services	175,000	(4,410)	170,590	124,266	46,324
Supplies and Materials	250	722	972	972	-
Total Speech, OT, PT and Related Services	572,434	(4,348)	568,086	519,183	48,903

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Guidance:					
Salaries of Other Professional Staff	\$ 453,291	\$ 327	\$ 453,618	\$ 452,566	\$ 1,052
Salaries of Secretarial and Clerical Assistants	128,898	2,179	131,077	131,077	-
Other Purchased Professional - Technical Services	39,000	(7,180)	31,820	25,193	6,627
Other Purchased Services	-	250	250	250	-
Supplies and Materials	6,500	(880)	5,620	2,591	3,029
Other Objects	-	280	280	280	-
Total Guidance	627,689	(5,024)	622,665	611,957	10,708
Child Study Teams:					
Salaries of Other Professional Staff	564,327	(34,542)	529,785	497,357	32,428
Salaries of Secretarial and Clerical Assistants	103,237	-	103,237	103,236	1
Purchased Professional-Educational Services	19,326	51,359	70,685	62,405	8,280
Other Purchased Professional - Technical Services	16,500	-	16,500	16,468	32
Miscellaneous Purchased Services	3,350	250	3,600	2,951	649
Supplies and Materials	5,000	(56)	4,944	4,461	483
Other Objects	1,400	200	1,600	1,295	305
Total Child Study Teams	713,140	17,211	730,351	688,173	42,178
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	301,688	-	301,688	154,504	147,184
Travel	100	-	100	100	-
Other Objects	2,200	-	2,200	1,940	260
Total Improvement of Instruction Services:	303,988	-	303,988	156,444	147,544
Educational Media Services / School Library:					
Salaries	89,658	-	89,658	26,711	62,947
Salaries of Technology Coordinators	73,994	906	74,900	68,097	6,803
Supplies and Materials	15,500	(1,075)	14,425	12,466	1,959
Total Educational Media Services / School Library	179,152	(169)	178,983	107,274	71,709
Instructional Staff Training Services:					
Other Salaries	-	-	-	-	-
Other Purchased Services	24,500	(850)	23,650	1,384	22,266
Total Instructional Staff Training Services	24,500	(850)	23,650	1,384	22,266
Support Services - General Administration:					
Salaries	332,383	300	332,683	332,683	-
Legal Services	70,000	24,000	94,000	67,400	26,600
Audit Fees	42,000	35,407	77,407	35,290	42,117
Architectural / Engineering Services	25,000	(6,482)	18,518	17,400	1,118
Other Purchased Professional Services	5,540	-	5,540	4,863	677
Purchased Technical Services	13,080	212	13,292	13,292	-
Communications / Telephone	50,750	(6,326)	44,424	33,427	10,997
BOE Other Purchased Services	5,610	(300)	5,310	2,400	2,910
Miscellaneous Purchased Services	63,802	(5,518)	58,284	49,664	8,620
General Supplies	8,500	(4,496)	4,004	2,171	1,833
Miscellaneous Expenditures	5,000	-	5,000	4,025	975
BOE Membership Dues and Fees	12,250	-	12,250	11,988	262
Total Support Services - General Administration	633,915	36,797	670,712	574,603	96,109
Support Services - School Administration:					
Salaries of Principals/Asst. Principals	1,282,063	8,713	1,290,776	1,290,776	-
Salaries of Secretarial and Clerical Assistants	333,586	16,651	350,237	339,454	10,783
Purchased Professional and Technical Services	1,500	18	1,518	1,177	341
Other Purchased Services	10,900	1,379	12,279	7,686	4,593
Supplies and Materials	18,500	9,501	28,001	22,570	5,431
Other Objects	13,000	850	13,850	9,998	3,852
Total Support Services School Administration	1,659,549	37,112	1,696,661	1,671,661	25,000

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Central Services:					
Salaries	\$ 496,504	-	\$ 496,504	\$ 496,490	\$ 14
Purchased Professional Services	2,500	-	2,500	1,425	1,075
Purchased Technical Services	44,050	\$ 1,500	45,550	42,846	2,704
Miscellaneous Purchased Services	8,600	500	9,100	7,666	1,434
Supplies and Materials	10,933	411	11,344	5,516	5,828
Interest on Capital Lease Agreement	5,598	-	5,598	5,598	-
Other Objects	2,136	-	2,136	1,285	851
Total Central Services	570,321	2,411	572,732	560,826	11,906
Administration Information Technology:					
Salaries	108,873	15,557	124,430	124,430	-
Purchased Professional Services	3,000	(3,000)	-	-	-
Other Purchased Services	101,850	10,778	112,628	109,828	2,800.00
Supplies and Materials	22,000	(10,405)	11,595	11,584	11
Total Administration Information Technology	235,723	12,930	248,653	245,842	2,811
Required Maintenance for School Facilities:					
Salaries	151,466	2,132	153,598	152,888	710
Cleaning, Repair and Maintenance	203,933	(17,999)	185,934	119,978	65,956
General Supplies	51,000	(992)	50,008	22,634	27,374
Total Required Maintenance for School Facilities	406,399	(16,859)	389,540	295,500	94,040
Custodial Services:					
Salaries	890,267	(4,868)	885,399	835,442	49,957
Purchased Professional & Technical Services	26,000	(786)	25,214	25,190	24
Cleaning, Repair and Maintenance Services	2,000	(1,000)	1,000	581	419
Other Purchased Property Services	30,000	-	30,000	19,962	10,038
Insurance	235,192	19,376	254,568	254,568	-
Travel	2,000	-	2,000	1,388	612
General Supplies	51,000	(7,650)	43,350	41,532	1,818
Energy (Natural Gas)	150,000	(17,137)	132,863	117,254	15,609
Energy (Electricity)	286,000	(3,000)	283,000	197,207	85,793
Energy (Gasoline)	2,000	1,000	3,000	2,995	5
Other Objects	1,248	-	1,248	645	603
Total Custodial Services	1,675,707	(14,065)	1,661,642	1,496,764	164,878
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance	60,727	42,488	103,215	100,577	2,638
General Supplies	20,120	(2,170)	17,950	17,860	90
Total Care and Upkeep of Grounds	80,847	40,318	121,165	118,437	2,728
Security					
General Supplies	25,000	-	25,000	2,977	22,023
Total Security	25,000	-	25,000	2,977	22,023
Total Operation and Maintenance of Plant Services	2,187,953	9,394	2,197,347	1,913,678	283,669
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	12,838	12,835	25,673	25,673	-
Salaries for Pupil Transportation (Between Home and School) - Special Education	72,118	(53,282)	18,836	18,836	-
Salaries for Pupil Transportation (Other than Between Home and School)	64,433	(25,935)	38,498	38,115	383
Cleaning, Repair and Maintenance Services	17,757	14,000	31,757	27,552	4,205
Contracted	51,000	(2,000)	49,000	49,000	-
Contracted Services (Other Than Between Home and School) - Vendors	5,700	14,575	20,275	19,649	626
Contracted Services (Regular Students) - ESCs & CTSA	99,950	2,050	102,000	99,229	2,771
Contracted Services (Special Education Students) - ESCs & CTSA	514,961	96,062	611,023	594,351	16,672
Contracted Services - Aid in Lieu of Payments - Non-Public	-	-	-	-	-
Travel - Workshops	-	-	-	-	-
Transportation Supplies	14,400	(2,000)	12,400	8,085	4,315
Other Objects	1,413	(1,000)	413	292	121
Total Student Transportation Services	854,570	55,305	909,875	880,782	29,093

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 2,000		\$ 2,000	\$ 813	\$ 1,187
Social Security Contributions	360,404	\$ (4,238)	356,166	348,517	7,649
Other Retirement Contributions - PERS	441,785	(49,506)	392,279	391,157	1,122
Other Retirement Contributions - DCRP	20,000	6,398	26,398	26,381	17
Workmen's Compensation	115,319	(34,176)	81,143	81,143	-
Health Benefits	4,850,916	(73,728)	4,777,188	3,777,773	999,415
Tuition Reimbursement	50,000	6,485	56,485	25,486	30,999
Other Employee Benefits	113,981	-	113,981	94,429	19,552
Unused Sick Payment to Terminated / Retired Staff	35,000	6,563	41,563	41,563	-
Total Unallocated Benefits - Employee Benefits	5,989,405	(142,202)	5,847,203	4,787,262	1,059,941
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				5,079,602	(5,079,602)
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				71,666	(71,666)
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,203,545	(1,203,545)
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,390	(1,390)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,053,963	(1,053,963)
Total On-Behalf Contributions	-	-	-	7,410,166	(7,410,166)
Total Personal Services - Employee Benefits	5,989,405	(142,202)	5,847,203	12,197,428	(6,350,225)
Total Undistributed Expenditures	18,678,787	(11,563)	18,667,224	23,247,915	(4,580,691)
Total General Current Expense	33,423,414	(129,884)	33,293,530	37,183,551	(3,890,021)
Capital Outlay:					
Equipment:					
Grades 1-5		9,659	9,659	7,969	1,690
Grades 6-8		9,370	9,370	9,370	-
Grades 9-12		14,347	14,347	14,083	264
Copiers Acquired Under Capital Financing Agreements (Non-Budget)		-	-	136,869	(136,869)
Undistributed Expenditures:					
Administration Information Technology	205,000	145,632	350,632	339,227	11,405
Care and Upkeep of Grounds		136,501	136,501	136,501	-
Security	12,000	7,555	19,555	19,555	-
School Transportation Services		8,954	8,954	8,682	272
Required Maintenance School Facilities	25,000	-	25,000	19,124	5,876
Total Equipment	242,000	332,018	574,018	691,380	(117,362)

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
Capital Outlay: (Continued)					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 100,000	-	\$ 100,000	\$ 82,793	\$ 17,207
Lease Purchase Agreements	411,755		411,755	411,755	-
Assessment for Debt Service on SDA Funding	30,028	-	30,028	30,028	-
Total Facilities Acquisition and Construction Services	<u>541,783</u>	<u>-</u>	<u>541,783</u>	<u>524,576</u>	<u>17,207</u>
Increase in Capital Reserve	<u>1,502,919</u>	<u>-</u>	<u>1,502,919</u>	<u>-</u>	<u>1,502,919</u>
Total Capital Outlay	<u>2,286,702</u>	<u>\$ 332,018</u>	<u>2,618,720</u>	<u>1,215,956</u>	<u>1,402,764</u>
Transfer of Funds to Charter Schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>35,710,116</u>	<u>202,134</u>	<u>35,912,250</u>	<u>38,399,507</u>	<u>(2,487,257)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,455,114)</u>	<u>(202,134)</u>	<u>(1,657,248)</u>	<u>4,092,932</u>	<u>5,750,180</u>
Other Financing Sources/(Uses)					
Capital Financing Agreement Proceeds (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,869</u>	<u>136,869</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,869</u>	<u>136,869</u>
Excess (Deficiency) of Revenues and other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(1,455,114)</u>	<u>(202,134)</u>	<u>(1,657,248)</u>	<u>4,229,801</u>	<u>5,887,049</u>
Fund Balance, July 1	<u>11,806,325</u>	<u>-</u>	<u>11,806,325</u>	<u>11,806,325</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,351,211</u>	<u>\$ (202,134)</u>	<u>\$ 10,149,077</u>	<u>\$ 16,036,126</u>	<u>\$ 5,887,049</u>
RECAPITULATION:					
Restricted:					
Capital Reserve				\$ 7,792,520	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,000,000	
Maintenance Reserve				1,359,261	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				1,300,000	
Current Year				1,300,000	
Unemployment Compensation				463,390	
Assigned:					
Year-End Encumbrances				62,039	
Designated for Subsequent Year's Expenditures				84,103	
Unassigned:				<u>1,674,813</u>	
Reconciliation to Governmental Funds Statements (GAAP):				16,036,126	
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ 672,926		
State Aid Not Recognized on GAAP Basis			<u>170,457</u>		
				<u>843,383</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 15,192,743</u>	

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers / Modification</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 542,511	\$ 1,937,234	\$ 2,479,745	\$ 1,429,946	\$ (1,049,799)
State Sources	224,212	109,073	333,285	279,533	(53,752)
Local Sources	-	118,580	118,580	113,426	(5,154)
Total Revenues	<u>766,723</u>	<u>2,164,887</u>	<u>2,931,610</u>	<u>1,822,905</u>	<u>(1,108,705)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	24,949	243,894	268,843	34,919	233,924
Purchased Services	156,499	133,584	290,083	239,164	50,919
Tuition	-	-	-	-	-
Textbooks	13,140	(596)	12,544	10,651	1,893
Instructional Supplies	400,925	456,529	857,454	654,748	202,706
Student Activities	-	109,974	109,974	109,974	-
Total Instruction	<u>595,513</u>	<u>943,385</u>	<u>1,538,898</u>	<u>1,049,456</u>	<u>489,442</u>
Support Services:					
Purchased Professional Technical Service	16,200	51,940	68,140	34,927	33,213
Other Purchased Services	114,846	14,497	129,343	57,705	71,638
Supplies and Materials	14,542	305,582	320,124	112,822	207,302
Scholarship Awarded	-	8,606	8,606	8,606	-
Total Support Services	<u>145,588</u>	<u>380,625</u>	<u>526,213</u>	<u>214,060</u>	<u>312,153</u>
Facilities Acquisition and Constructions Services:					
Non-Instructional Equipment	<u>25,622</u>	<u>840,877</u>	<u>866,499</u>	<u>564,543</u>	<u>301,956</u>
Total Facilities Acquisition and Construction Services	<u>25,622</u>	<u>840,877</u>	<u>866,499</u>	<u>564,543</u>	<u>301,956</u>
Total Expenditures	<u>766,723</u>	<u>2,164,887</u>	<u>2,931,610</u>	<u>1,828,059</u>	<u>1,103,551</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,154)</u>	<u>(5,154)</u>
Fund Balance, July 1	<u>28,770</u>	<u>-</u>	<u>28,770</u>	<u>28,770</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 28,770</u>	<u>\$ -</u>	<u>\$ 28,770</u>	<u>\$ 23,616</u>	<u>\$ (5,154)</u>

Recapitulation
Restricted:
Scholarships
Student Activities

\$ 10,662
12,954
\$ 23,616

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	(C-1) \$ 42,492,439	(C-2) \$ 1,822,905
Grant encumbrances recognized for budgetary purposes, not recognized for GAAP purposes, recognized for budgetary statements. Encumbrances, June 30, 2022		(530,000)
State Aid payments and Extraordinary Aid (2020/2021) recognized for GAAP purposes, not recognized for budgetary statements.	654,734	
State Aid payments and Extraordinary Aid (2021/2022) not recognized for GAAP purposes, recognized for budgetary statements.	<u>(843,383)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>42,303,790</u>	(B-2) \$ <u>1,292,905</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-series)	(C-1) \$ <u>38,399,507</u>	(C-2) \$ <u>1,828,059</u>
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, 2022	<u>-</u>	<u>(530,000)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	(B-2) \$ <u>38,399,507</u>	(B-2) \$ <u>1,298,059</u>

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

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

Public Employees Retirement System

Last 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)	0.03340%	0.03400%	0.03472%	0.03551%	0.03702%	0.03736%	0.03608%	0.04300%	0.03836%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 3,956,773</u>	<u>\$ 5,543,768</u>	<u>\$ 6,255,567</u>	<u>\$ 6,991,073</u>	<u>\$ 8,617,972</u>	<u>\$ 11,064,930</u>	<u>\$ 8,098,239</u>	<u>\$ 8,050,372</u>	<u>\$ 7,330,857</u>
District's Covered-Employee Payroll	<u>\$ 2,429,436</u>	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>	<u>\$ 2,844,778</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	162.87%	224.16%	254.51%	283.23%	354.00%	444.53%	331.04%	310.95%	257.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

WALDWICK BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 391,157	\$ 371,893	\$ 337,699	\$ 353,176	\$ 353,844	\$ 340,437	\$ 310,153	\$ 354,468	\$ 297,337
Contributions in Relation to the Contractually Required Contribution	<u>391,157</u>	<u>371,893</u>	<u>337,699</u>	<u>353,176</u>	<u>353,844</u>	<u>340,437</u>	<u>310,153</u>	<u>354,468</u>	<u>297,337</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	<u>\$ 2,473,647</u>	<u>\$ 2,429,436</u>	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>
Contributions as a Percentage of Covered-Employee Payroll	15.81%	15.31%	13.65%	14.37%	14.34%	13.98%	12.46%	14.49%	11.48%

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

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

Teachers Pension and Annuity Fund

Last 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)	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 61,342,746</u>	<u>\$ 82,180,949</u>	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
Total	<u>\$ 61,342,746</u>	<u>\$ 82,180,949</u>	<u>\$ 77,046,469</u>	<u>\$ 80,196,264</u>	<u>\$ 86,143,185</u>	<u>\$ 95,878,948</u>	<u>\$ 77,909,246</u>	<u>\$ 64,643,853</u>	<u>\$ 61,006,204</u>
District's Covered-Employee Payroll	<u>\$ 14,583,113</u>	<u>\$ 13,872,087</u>	<u>\$ 13,844,809</u>	<u>\$ 13,526,956</u>	<u>\$ 12,982,675</u>	<u>\$ 13,078,937</u>	<u>\$ 12,992,364</u>	<u>\$ 12,145,441</u>	<u>\$ 12,331,615</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

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

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

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

Change of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Five Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 3,632,204	\$ 2,060,598	\$ 1,965,009	\$ 2,217,096	\$ 2,676,238
Interest on Total OPEB Liability	1,830,807	1,783,085	2,155,076	2,267,074	1,955,616
Changes of Benefit Terms	(75,119)				
Differences Between Expected and Actual Experience	(14,282,103)	13,996,485	(8,274,788)	(4,182,552)	
Changes of Assumptions	69,628	14,758,581	738,956	(6,248,735)	(8,073,783)
Gross Benefit Payments	(1,442,163)	(1,406,585)	(1,521,369)	(1,456,049)	(1,431,551)
Contributions from the Member	46,805	42,634	45,098	50,323	52,713
Net Change in Total OPEB Liability	<u>(10,219,941)</u>	<u>31,234,798</u>	<u>(4,892,018)</u>	<u>(7,352,843)</u>	<u>(4,820,767)</u>
Total OPEB Liability - Beginning	<u>80,795,609</u>	<u>49,560,811</u>	<u>54,452,829</u>	<u>61,805,672</u>	<u>66,626,439</u>
Total OPEB Liability - Ending	<u>\$ 70,575,668</u>	<u>\$ 80,795,609</u>	<u>\$ 49,560,811</u>	<u>\$ 54,452,829</u>	<u>\$ 61,805,672</u>
District's Proportionate Share of OPEB Liability		\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	70,575,668	80,795,609	49,560,811	54,452,829	61,805,672
Total OPEB Liability - Ending	<u>\$ 70,575,668</u>	<u>\$ 80,795,609</u>	<u>\$ 49,560,811</u>	<u>\$ 54,452,829</u>	<u>\$ 61,805,672</u>
District's Covered-Employee Payroll	<u>\$ 17,056,768</u>	<u>\$ 16,345,240</u>	<u>\$ 16,302,682</u>	<u>\$ 15,995,328</u>	<u>\$ 15,417,110</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Employee Payroll	0%	0%	0%	0%	0%

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

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

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

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

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

	Elementary and Secondary Education Act (E. S. E. A.)				I. D. E. A.				Total Exhibit E-1a	Total Exhibit E-1b	Total
	Title I	Title II	Title III	Title IV	Consolidated	Part B	ARP Consolidated	Part B			
	Part A	Part A	Immigrant		Part B	Preschool	Part B	Preschool			
REVENUES:											
Federal Sources	\$ 122,667	\$ 29,112	\$ 3,615	\$ 13,324	\$ 395,845	\$ 15,369	\$ 72,776	\$ 6,697	\$ 770,541		\$ 1,429,946
State Sources	-	-	-	-	-	-	-	-	38,213	\$ 241,320	279,533
Local Sources	-	-	-	-	-	-	-	-	113,426	-	113,426
Total Revenues	122,667	29,112	3,615	13,324	395,845	15,369	72,776	6,697	922,180	241,320	1,822,905
EXPENDITURES:											
Instruction:											
Salaries of Teachers	26,826	390							7,703		34,919
Purchased Services				815			72,776	6,697	-	158,876	239,164
Tuition										10,651	10,651
Textbooks										8,658	8,658
Instructional Supplies	95,841		3,615	12,509	356,922	15,369	-	-	161,834	8,658	654,748
Student Activities	-	-	-	-	-	-	-	-	109,974	-	109,974
Total Instruction	122,667	390	3,615	13,324	356,922	15,369	72,776	6,697	279,511	178,185	1,049,456
Support Services:											
Purchased Professional Technical Service									10,292	24,635	34,927
Other Purchased Services		28,722							28,983	-	57,705
Supplies and Materials					38,923				35,399	38,500	112,822
Scholarship Awarded	-	-	-	-	-	-	-	-	8,606	-	8,606
Total Support Services	-	28,722	-	-	38,923	-	-	-	83,280	63,135	214,060
Facilities Acquisition and Constructions Services:											
Non-Instructional Equipment	-	-	-	-	-	-	-	-	564,543	-	564,543
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	564,543	-	564,543
Total Expenditures	122,667	29,112	3,615	13,324	395,845	15,369	72,776	6,697	927,334	241,320	1,828,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	(5,154)	-	(5,154)
Fund Balance, July 1	-	-	-	-	-	-	-	-	28,770	-	28,770
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,616	\$ -	\$ 23,616

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

	CRRSA			American Rescue	Coronavirus	SDA	Student		Total
	ESSER II	Learning Acceleration	Mental Health	Plan ESSER	Relief Fund	Emergent and Capital Maint.	Activities / Athletics	Scholarship	Exhibit E-1a
REVENUES:									
Federal Sources	\$ 190,060	\$ 6,203	\$ 11,792	\$ 561,586	\$ 900				\$ 770,541
State Sources						\$ 38,213			38,213
Local Sources	-	-	-	-	-	-	\$ 112,769	\$ 657	113,426
Total Revenues	190,060	6,203	11,792	561,586	900	38,213	112,769	657	922,180
EXPENDITURES:									
Instruction:									
Salaries of Teachers		6,143	1,560						7,703
Purchased Services									-
Instructional Supplies	161,834								161,834
Student Activities	-	-	-	-	-	-	109,974	-	109,974
Total Instruction	161,834	6,143	1,560	-	-	-	109,974	-	279,511
Support Services:									
Purchased Professional Technical Service		60	10,232						10,292
Other Purchased Services					900	28,083			28,983
Supplies and Materials	3,813			31,586					35,399
Scholarship Awarded	-	-	-	-	-	-	-	8,606	8,606
Total Support Services	3,813	60	10,232	31,586	900	28,083	-	8,606	83,280
Facilities Acquisition and Constructions Services:									
Non-Instructional Equipment	24,413	-	-	530,000	-	10,130	-	-	564,543
Total Facilities Acquisition and Construction Services	24,413	-	-	530,000	-	10,130	-	-	564,543
Total Expenditures	190,060	6,203	11,792	561,586	900	38,213	109,974	8,606	927,334
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	2,795	(7,949)	(5,154)
Fund Balance, July 1	-	-	-	-	-	-	10,159	18,611	28,770
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,954	\$ 10,662	\$ 23,616

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2022</u>
		<u>Prior Periods</u>	<u>Current Year</u>	
2020-21 School Improvement Project	\$ 30,550,000	\$ 317,275	\$ 4,168,262	\$ 26,064,463
	<u>\$ 30,550,000</u>	<u>\$ 317,275</u>	<u>\$ 4,168,262</u>	<u>\$ 26,064,463</u>
Project Balance				\$ 26,064,463
Less: Authorized But Not Issued				<u>-</u>
Fund Balance - Budgetary Basis, June 30, 2022				<u>\$ 26,064,463</u>
Fund Balance - GAAP Basis, June 30, 2022				<u>\$ 26,064,463</u>
<u>Reconciliation to GAAP</u>				
Restricted for Capital Projects:				
Reserve for Encumbrances				\$ 22,391,463
Available for Capital Projects				<u>3,673,000</u>
Total Fund Balance - Restricted for Capital Projects - GAAP Basis - June 30, 2022				<u>\$ 26,064,463</u>

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Revenues and Other Financing**Sources**

Serial Bond Proceeds	<u>\$ 30,550,000</u>
Total Revenues and Other Financing Sources	<u>30,550,000</u>

Expenditures and Other Financing Uses

Facilities Acquisition and Construction Services	
Construction Services	2,365,837
Professional Services	279,187
Architectural/Engineering Services	<u>1,523,238</u>
Total Expenditures and Other Financing Uses	<u>4,168,262</u>

Excess of Revenues over Expenditures	26,381,738
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Fund Balance (Deficit) - Beginning	<u>(317,275)</u>
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Fund Balance- Ending	<u>\$ 26,064,463</u>
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**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HIGH SCHOOL, MIDDLE SCHOOL, TRAPHAGEN AND CRESCENT ELEMENTARY SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Serial Bond Proceeds	-	\$ 30,550,000	\$ 30,550,000	\$ 30,550,000
Total Revenues and Other Financing Sources	-	30,550,000	30,550,000	30,550,000
Expenditures and Other Financing Uses				
Legal Services		61,756	61,756	284,900
Architectural / Engineering Services	\$ 317,275	1,523,238	1,840,513	3,063,965
Other Purchased Professional and Technical Services		217,431	217,431	766,135
Construction Services		2,365,837	2,365,837	26,312,000
General Supplies	-	-	-	123,000
Total Expenditures and Other Financing Uses	317,275	4,168,262	4,485,537	30,550,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (317,275)	\$ 26,381,738	\$ 26,064,463	\$ -

Additional Project Information:

Project Number	5410-030-20-1000
Grant Date	Not Applicable
Bond Authorization Date	August 3, 2021
Bonds Authorized	\$ 30,550,000
Bonds Issued	August 18, 2021
Authorized Cost	\$ 30,550,000
Percentage Completion	15%
Target Completion Date	September 30, 2023

PROPRIETARY FUNDS

EXHIBIT G-1

**WALDWICK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING SCHEDULE 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

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
Refunding School Bonds	12/6/2011	\$ 5,170,000	9/15/2022	\$ 625,000	4.000 %	\$ 1,250,000		\$ 625,000	\$ 625,000
Series 2021 School Bonds	8/3/2021	30,550,000	7/15/2023	970,000	1.000 %				
			7/15/2024	995,000	1.000				
			7/15/2025-2042	22,280,000	2.000				
			7/15/2043-2044	3,080,000	2.125				
			7/15/2045-2046	3,225,000	2.250				
						-	\$ 30,550,000	-	30,550,000
						<u>\$ 1,250,000</u>	<u>\$ 30,550,000</u>	<u>\$ 625,000</u>	<u>\$ 31,175,000</u>
							Issued for Cash	<u>\$ 30,550,000</u>	
							Paid By Budget Appropriation	<u>\$ 625,000</u>	

WALDWICK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2022</u>
<u>Capital Financing Agreements</u>						
Copiers	\$ 136,869			\$ 136,869	\$ 2,118	\$ 134,751
Traphagen Building #11	2,000,000	1.81%	\$ 411,755	-	411,755	-
Total			<u>\$ 411,755</u>	<u>\$ 136,869</u>	<u>\$ 413,873</u>	<u>\$ 134,751</u>

**WALDWICK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:					
Local Property Tax Levy	\$ 662,500	-	\$ 662,500	\$ 662,500	-
Total Revenues	<u>662,500</u>	<u>-</u>	<u>662,500</u>	<u>662,500</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	625,000		625,000	625,000	
Interest	<u>37,500</u>	<u>-</u>	<u>37,500</u>	<u>37,500</u>	<u>-</u>
Total Expenditures	<u>662,500</u>	<u>-</u>	<u>662,500</u>	<u>662,500</u>	<u>-</u>
Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	-	
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Waldwick Board of Education's 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.

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

	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 12,009,130	\$ 12,509,265	\$ 13,234,026	\$ 13,514,313	\$ 13,888,639	\$ 16,853,079	\$ 17,868,898	\$ 18,406,134	\$ 19,350,115	\$ 19,731,929
Restricted	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575	11,638,787
Unrestricted	1,622,051	(5,870,944)	(6,146,959)	(6,042,517)	(6,646,260)	(8,629,162)	(6,719,457)	(5,810,714)	(6,069,169)	(3,801,181)
Total Governmental Activities Net Position	\$ 14,142,400	\$ 7,253,481	\$ 8,227,227	\$ 9,571,956	\$ 10,072,539	\$ 10,964,556	\$ 13,710,665	\$ 17,441,175	\$ 21,736,521	\$ 27,569,535
Business-Type Activities										
Net Investment in Capital Assets	\$ 10,562	\$ 9,167	\$ 13,873	\$ 19,924	\$ 33,703	\$ 35,137	\$ 39,130	\$ 40,172	\$ 73,638	\$ 72,673
Unrestricted	40,101	56,424	62,032	72,227	50,954	89,771	112,413	127,687	73,207	94,918
Total Business-Type Activities Net Position	\$ 50,663	\$ 65,591	\$ 75,905	\$ 92,151	\$ 84,657	\$ 124,908	\$ 151,543	\$ 167,859	\$ 146,845	\$ 167,591
District-Wide										
Investment in Capital Assets	\$ 12,019,692	\$ 12,518,432	\$ 13,247,899	\$ 13,534,237	\$ 13,922,342	\$ 16,888,216	\$ 17,908,028	\$ 18,446,306	\$ 19,423,753	\$ 19,804,602
Restricted	511,219	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575	11,638,787
Unrestricted	1,662,152	(5,814,520)	(6,084,927)	(5,970,290)	(6,595,306)	(8,539,391)	(6,607,044)	(5,683,027)	(5,995,962)	(3,706,263)
Total District Net Position	\$ 14,193,063	\$ 7,319,072	\$ 8,303,132	\$ 9,664,107	\$ 10,157,196	\$ 11,089,464	\$ 13,862,208	\$ 17,609,034	\$ 21,883,366	\$ 27,737,126

Source: District's Financial Records

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

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 11,801,806	\$ 12,138,523	\$ 14,109,146	\$ 14,895,765	\$ 16,752,442	\$ 17,096,355	\$ 15,969,264	\$ 15,203,662	\$ 17,448,115	\$ 15,236,760
Special Education	6,138,484	6,420,299	7,175,056	7,120,068	7,751,562	8,650,460	8,658,956	8,542,619	8,445,836	7,739,900
Other Instruction	1,218,791	1,089,432	1,317,451	1,327,565	1,390,437	1,495,761	1,376,681	1,278,528	1,383,582	1,432,277
School Sponsored Activities and Athletics	853,495	778,886	897,075	961,012	1,100,894	1,131,571	1,097,167	1,072,484	1,217,539	1,084,566
Support Services:										
Student and Instruction Related Services	3,421,190	3,507,437	4,051,175	4,613,436	5,123,674	5,505,003	4,653,046	4,318,366	4,570,837	3,877,079
General Administration Services	749,144	756,375	632,699	724,919	817,703	767,480	758,818	770,712	850,654	769,527
School Administrative Services	1,654,444	1,610,925	1,971,077	2,089,066	2,359,692	2,636,863	2,746,545	2,583,780	2,919,422	2,626,833
Central Services	775,651	777,340	883,974	507,806	564,502	1,048,027	750,827	948,010	1,137,739	1,185,263
Plant Operations and Maintenance	2,135,670	2,140,290	2,198,405	2,153,455	2,449,697	2,268,926	2,346,799	2,247,044	2,417,173	2,525,206
Pupil Transportation	649,994	697,149	600,407	974,052	1,032,221	739,605	954,389	678,017	525,203	931,905
Interest on Long-Term Debt	180,582	228,193	208,039	188,767	168,553	176,810	150,866	120,890	90,348	105,470
Total Governmental Activities Expenses	29,579,251	30,144,849	34,044,504	35,555,911	39,511,377	41,516,861	39,463,358	37,764,112	41,006,448	37,514,786
Business-Type Activities:										
Food Service	211,302	232,605	232,419	234,946	273,127	288,188	324,237	245,926	21,421	319,417
Total Business-Type Activities Expense	211,302	232,605	232,419	234,946	273,127	288,188	324,237	245,926	21,421	319,417
Total District Expenses	\$ 29,790,553	\$ 30,377,454	\$ 34,276,923	\$ 35,790,857	\$ 39,784,504	\$ 41,805,049	\$ 39,787,595	\$ 38,010,038	\$ 41,027,869	\$ 37,834,203
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 16,500	\$ 34,656	\$ 64,323	\$ 35,814	\$ 91,180	\$ 61,934	\$ 88,310	\$ 78,156	\$ 58,025	\$ 175,768
Operating Grants and Contributions	4,495,468	4,043,880	7,244,511	8,680,425	11,018,331	12,595,207	10,767,724	9,484,316	13,205,907	9,669,726
Capital Grants and Contributions	4,675	83,225	49,817	-	34,721	16,580	86,736	85,348	-	-
Total Governmental Activities Program Revenues	4,516,643	4,161,761	7,358,651	8,716,239	11,144,232	12,673,721	10,942,770	9,647,820	13,263,932	9,845,494
Business-Type Activities:										
Charges for Services										
Food Service	\$ 218,593	\$ 246,244	\$ 242,463	\$ 250,898	\$ 265,403	\$ 328,439	\$ 350,872	\$ 260,197	\$ 195	\$ 339,713
Operating Grants and Contributions	1,328	985	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	219,921	247,229	242,463	250,898	265,403	328,439	350,872	260,197	195	339,713
Total District Program Revenues	\$ 4,736,564	\$ 4,408,990	\$ 7,601,114	\$ 8,967,137	\$ 11,409,635	\$ 13,002,160	\$ 11,293,642	\$ 9,908,017	\$ 13,264,127	\$ 10,185,207
Net (Expense) / Revenue										
Governmental Activities	\$ (25,062,608)	\$ (25,983,088)	\$ (26,685,853)	\$ (26,839,672)	\$ (28,367,145)	\$ (28,843,140)	\$ (28,520,588)	\$ (28,116,292)	\$ (27,742,516)	\$ (27,669,292)
Business-Type Activities	8,619	14,624	10,044	15,952	(7,724)	40,251	26,635	14,271	(21,226)	20,296
Total District-Wide Net Expense	\$ (25,053,989)	\$ (25,968,464)	\$ (26,675,809)	\$ (26,823,720)	\$ (28,374,869)	\$ (28,802,889)	\$ (28,493,953)	\$ (28,102,021)	\$ (27,763,742)	\$ (27,648,996)

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

	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 Purpose	\$ 25,109,832	\$ 25,642,924	\$ 26,771,760	\$ 27,307,195	\$ 27,994,354	\$ 28,773,818	\$ 30,285,211	\$ 30,271,296	\$ 30,967,007	\$ 31,586,347
Levied for Debt Service	637,814	665,947	687,000	691,900	695,800	693,800	695,900	697,000	682,400	662,500
Federal and State Aid - Unrestricted	16,341	6,051	37,173	37,244	53,778	135,145	91,417	190,282	257,458	907,138
Interest and Investment Earnings - Restricted									1,021	21,217
Miscellaneous	114,533	110,104	163,666	148,062	123,796	132,394	194,169	207,711	129,976	325,104
Total Governmental Activities	25,878,520	26,425,026	27,659,599	28,184,401	28,867,728	29,735,157	31,266,697	31,366,289	32,037,862	33,502,306
Business-Type Activities:										
Interest and Investment Earnings	-	-	270	294	230	-	-	2,045	212	450
Total Business-Type Activities	-	-	270	294	230	-	-	2,045	212	450
Total District-Wide	\$ 25,878,520	\$ 26,425,026	\$ 27,659,869	\$ 28,184,695	\$ 28,867,958	\$ 29,735,157	\$ 31,266,697	\$ 31,368,334	\$ 32,038,074	\$ 33,502,756
Change in Net Position										
Governmental Activities	\$ 815,912	\$ 441,938	\$ 973,746	\$ 1,344,729	\$ 500,583	\$ 892,017	\$ 2,746,109	\$ 3,249,997	\$ 4,295,346	\$ 5,833,014
Business-Type Activities	8,619	14,624	10,314	16,246	(7,494)	40,251	26,635	16,316	(21,014)	20,746
Total District	\$ 824,531	\$ 456,562	\$ 984,060	\$ 1,360,975	\$ 493,089	\$ 932,268	\$ 2,772,744	\$ 3,266,313	\$ 4,274,332	\$ 5,853,760

Source: District's Financial Records

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

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022
General Fund:										
Restricted	\$ 2,008,989	\$ 2,072,349	\$ 2,616,070	\$ 3,817,767	\$ 4,639,759	\$ 3,167,789	\$ 4,333,340	\$ 7,223,393	\$ 9,983,151	\$ 14,215,171
Assigned	269,549	155,407	133,779	196,430	148,641	89,196	146,695	379,311	310,666	146,142
Unassigned	294,120	283,149	282,092	254,394	288,458	357,672	306,229	261,852	857,774	831,430
Total General Fund	\$ 2,572,658	\$ 2,510,905	\$ 3,031,941	\$ 4,268,591	\$ 5,076,858	\$ 3,614,657	\$ 4,786,264	\$ 7,864,556	\$ 11,151,591	\$ 15,192,743
All Other Governmental Funds:										
Reserved	\$ 11,218									
Assigned										\$ 26,088,079
Restricted						\$ 1,213,279	\$ 96,345	39,361	\$ (288,505)	-
Total All Other Governmental Funds	\$ 11,218	\$ -	\$ -	\$ -	\$ -	\$ 1,213,279	\$ 96,345	\$ 39,361	\$ (288,505)	\$ 26,088,079

Source: District's Financial Records

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Local Property Tax levy	\$ 25,747,646	\$ 26,308,871	\$ 27,458,760	\$ 27,999,095	\$ 28,690,154	\$ 29,467,618	\$ 30,981,111	\$ 30,968,296	\$ 31,649,407	\$ 32,248,847
Miscellaneous	133,990	149,201	228,223	183,876	214,976	219,098	313,698	304,934	167,663	408,663
Federal Sources	425,694	430,698	437,384	486,632	431,496	549,898	567,218	531,936	754,887	923,093
State Sources	4,083,158	3,677,026	4,032,040	4,449,799	4,873,739	5,567,530	6,703,398	7,103,769	8,333,976	10,565,166
Local Sources									94,988	113,426
Total Revenues	30,390,488	30,565,796	32,156,407	33,119,402	34,210,365	35,804,144	38,565,425	38,908,935	41,000,921	44,259,195
EXPENDITURES:										
Current:										
Regular Instruction	11,440,644	11,792,455	12,115,170	12,475,446	13,052,352	13,351,377	13,810,530	13,819,261	15,217,552	15,854,353
Special Education Instruction	6,011,836	6,296,702	6,455,732	6,257,011	6,493,856	7,354,435	7,864,579	8,008,632	7,527,768	7,971,356
Other Instruction	1,186,415	1,062,104	1,149,281	1,117,307	1,084,211	1,198,973	1,230,329	1,183,054	1,223,092	1,479,558
School Sponsored Activities and Athletics	829,047	757,850	779,676	813,284	870,288	898,665	953,268	975,491	1,077,891	1,122,236
Support Services:										
Student and Instruction Related Services	3,317,351	3,405,829	3,501,534	3,879,849	3,997,061	4,290,783	4,055,458	3,946,739	3,967,607	4,032,368
General Administration Services	733,752	741,375	1,683,247	1,734,799	690,382	645,429	680,989	721,423	766,791	793,148
School Administrative Services	1,601,268	1,562,060	565,741	640,250	1,818,715	2,045,912	2,363,603	2,343,607	2,512,848	2,742,585
Central Services	750,441	752,934	2,125,194	2,087,945	2,358,016	919,706	881,402	912,680	1,029,079	1,096,305
Plant Operations and Maintenance	2,084,824	2,092,988	591,339	499,940	554,307	2,072,455	2,225,274	2,190,572	2,234,860	2,383,609
Pupil Transportation	643,767	691,428	842,724	932,133	969,191	717,574	734,668	671,196	510,067	920,068
Capital outlay	1,943,704	772,379	1,108,705	722,860	787,891	3,416,576	2,567,371	451,105	844,416	5,020,402
Debt Service										
Principal	445,000	465,000	490,000	515,000	540,000	956,575	975,088	1,007,180	1,024,402	1,038,873
Interest and Other Charges	262,842	245,663	227,028	206,928	185,828	184,606	168,193	137,200	105,379	73,467
Total Expenditures	31,250,891	30,638,767	31,635,371	31,882,752	33,402,098	38,053,066	38,510,752	36,368,140	38,041,752	44,528,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(860,403)	(72,971)	521,036	1,236,650	808,267	(2,248,922)	54,673	2,540,795	2,959,169	(269,133)
OTHER FINANCING SOURCES (USES):										
Proceeds from Borrowing										30,550,000
Capital Leases (Non-Budget)						2,000,000				136,869
Transfers In	1,723,092	666,785	161			2,018,180	350,000	64,123		
Transfers Out	(1,723,092)	(666,785)	(161)			(2,018,180)	(350,000)	(64,123)		
Total Other Financing Sources (Uses)	-	-	-	-	-	2,000,000	-	-	-	30,686,869
Net Change in Fund Balances	\$ (860,403)	\$ (72,971)	\$ 521,036	\$ 1,236,650	\$ 808,267	\$ (248,922)	\$ 54,673	\$ 2,540,795	\$ 2,959,169	\$ 30,417,736
Debt Service as a Percentage of Noncapital Expenditures	2.42%	2.38%	2.35%	2.32%	2.23%	3.29%	3.18%	3.19%	3.04%	2.82%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>NJ Clean Energy Audit</u>	<u>E-Rate</u>	<u>Technology Fees</u>	<u>Facility Rental</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2013	\$ 16,500	\$ 16,555	\$ 18,393	14,485						\$ 3,614	\$ 56,719	\$ 126,266
2014	34,656	14,268	8,757		\$ 9,642					4,647	75,370	147,340
2015	64,324	10,220	3,393	9,097			\$ 16,137		\$ 43,985	5,307	75,365	227,828
2016	35,814	12,903			12,480		17,125		17,440	11,006	77,108	183,876
2017	91,180	17,936			6,781		13,316	\$ 14,395	11,782	4,923	54,663	214,976
2018	14,000	28,907		21,235	26,023	\$ 7,750	10,210	21,487	47,934	3,981	24,029	205,556
2019	39,900	62,107	3,172	12,348	6,548	5,320	15,237	37,785	48,410	4,166	49,471	284,464
2020	39,441	141,554	-	8,875	500	4,500	24,003	18,640	38,715	14,201	14,505	304,934
2021	36,666	27,165	-	8,842	7,265	1,750	9,122	13,900	32,705	-	30,248	167,663
2022	62,342	160,118	-	-	-	-	-	14,050	33,290	5,900	132,963	408,663

Source: District records (GAAP Basis)

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2013	\$ 15,742,200	\$ 1,387,823,400	N/A	N/A	\$ 124,881,800	\$ 28,570,600	N/A	\$ 1,557,018,000	\$ 100,000	\$ 1,557,118,000	\$ 1,501,747,889	\$ 1.673
2014	15,172,800	1,388,543,300	N/A	N/A	125,681,800	28,570,600	N/A	1,557,968,500	100,000	1,558,068,500	1,502,749,915	1.726
2015	8,237,600	1,399,054,600	N/A	N/A	125,861,800	28,570,600	N/A	1,561,724,600	100,000	1,561,824,600	1,539,999,306	1.776
2016	8,428,600	1,408,833,800	N/A	N/A	128,126,700	28,570,600	N/A	1,573,959,700	100,000	1,573,959,700	1,543,242,913	1.801
2017	11,496,900	1,410,802,300	N/A	N/A	125,968,400	28,720,600	N/A	1,576,988,200	100,000	1,577,088,200	1,579,923,809	1.845
2018	8,547,400	1,414,823,500	N/A	N/A	125,912,300	28,720,600	\$ 19,600,000	1,597,603,800	100,000	1,597,703,800	1,631,626,486	1.873
2019	8,741,400	1,416,214,300	N/A	N/A	127,880,600	28,493,100	19,600,000	1,600,929,400	100,000	1,601,029,400	1,668,827,336	1.955
2020	9,523,000	1,421,148,400	N/A	N/A	128,905,600	28,493,100	19,600,000	1,607,670,100	100,000	1,607,770,100	1,703,927,975	1.948
2021	9,593,300	1,424,512,900	N/A	N/A	142,157,700	28,493,100	19,600,000	1,624,357,000	100,000	1,624,457,000	1,748,583,267	1.967
2022	8,943,300	1,431,060,700	N/A	N/A	142,157,700	28,493,100	19,600,000	1,630,254,800	100,000	1,630,354,800	1,838,736,267	2.007

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County (2)</u>
2013	\$ 2.454	\$ 1.673	\$ 0.559	\$ 0.222
2014	2.510	1.726	0.558	0.226
2015	2.572	1.776	0.559	0.237
2016	2.602	1.801	0.559	0.242
2017	2.656	1.845	0.554	0.257
2018	2.679	1.873	0.556	0.250
2019	2.766	1.955	0.556	0.255
2020	2.767	1.948	0.556	0.263
2021	2.794	1.967	0.556	0.271
2022	2.848	2.007	0.568	0.273

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Source: Tax Duplicate, Borough of Waldwick

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

Taxpayer	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
D&R Waldwick LLC	\$ 19,600,000	1.20%
HSRE-EV Waldwick LLC	16,232,000	1.00%
Waldwick Sports Complex LLC	10,900,000	0.67%
LKD Realty Inc.	7,367,800	0.45%
Public Service Electric & Gas	4,500,000	0.28%
Granatell Group 41N LLC	5,177,300	0.32%
168 Franklin Concepts Corp	4,102,100	0.25%
Med-Tech PTNRS LLC	3,766,600	0.23%
UB Waldwick LLC	3,473,400	0.21%
Lesterick Corp. Inc.	3,375,000	0.21%
	<u>\$ 78,494,200</u>	<u>4.81%</u>

	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Waldwick Spash Park LLC	\$ 10,900,000	0.70%
LKD Realty Inc.	7,367,800	0.47%
Public Service Electric & Gas	5,214,700	0.33%
Hamilton Properties	5,177,300	0.33%
Franklin Assets Inc	4,102,100	0.26%
Med Tech Partners LLC	3,766,000	0.24%
Waldwick North LLC	3,600,000	0.23%
Waldwick Shopping Center	3,473,400	0.22%
Wyckoff Ave Assoc. LLC	3,341,700	0.21%
Lesterick Corp. Inc.	3,225,000	0.21%
	<u>\$ 50,168,000</u>	<u>3.22%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 25,747,646	\$ 25,747,646	100.00%	-
2014	26,308,871	26,308,871	100.00%	-
2015	27,458,760	27,458,760	100.00%	-
2016	27,999,095	27,999,095	100.00%	-
2017	28,690,154	28,690,154	100.00%	-
2018	29,467,618	29,467,618	100.00%	-
2019	30,981,111	30,981,111	100.00%	-
2020	30,968,296	30,968,296	100.00%	-
2021	31,649,407	31,649,407	100.00%	-
2022	32,248,847	32,248,847	100.00%	-

Source: District Records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Financing</u>			
2013	\$ 5,635,000		\$ 5,635,000	9,758	\$ 577
2014	5,170,000		5,170,000	9,790	528
2015	4,680,000		4,680,000	9,899	473
2016	4,165,000		4,165,000	9,885	421
2017	3,625,000		3,625,000	9,895	366
2018	3,065,000	\$ 1,603,425	4,668,425	10,158	460
2019	2,480,000	1,213,337	3,693,337	10,109	365
2020	1,870,000	816,157	2,686,157	10,261	262
2021	1,250,000	411,755	1,661,755	10,076	165
2022	31,175,000	134,751	31,309,751	10,076 *	3,107

Source: District records

* - Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2013	\$ 5,635,000		\$ 5,635,000	0.36%	\$ 577
2014	5,170,000		5,170,000	0.33%	528
2015	4,680,000		4,680,000	0.30%	473
2016	4,165,000		4,165,000	0.26%	421
2017	3,625,000		3,625,000	0.23%	366
2018	3,065,000		3,065,000	0.19%	302
2019	2,480,000		2,480,000	0.15%	245
2020	1,870,000		1,870,000	0.12%	182
2021	1,250,000		1,250,000	0.08%	124
2022	31,175,000		31,175,000	1.91%	3,094

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALDWICK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
School District	\$ 31,175,000
Borough of Waldwick	<u>11,931,128</u>
 Total Direct Debt	 <u>43,106,128</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	13,873,024
Northwest Bergen Regional Sewerage Authority (B)	<u>4,876,382</u>
	 <u>18,749,406</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 61,855,534</u></u>

- (A) The debt for this entity was apportioned to the Borough of Waldwick by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (a) Borough of Waldwick 2021 Annual Debt Statement

Source: School District Financial Statements

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

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2021 \$ 1,828,613,081
	2020 1,727,191,771
	2019 <u>1,693,388,407</u>
	<u>\$ 5,249,193,259</u>
Average equalized valuation of taxable property	\$ 1,749,731,086
Debt limit (4 % of average equalization value)	69,989,243 ^a
Total Net Debt Applicable to Limit	<u>31,175,000</u>
Legal debt margin	<u>\$ 38,814,243</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>
Debt limit	\$ 62,427,934	\$ 60,805,459	\$ 6,038,682	\$ 60,785,634	\$ 61,788,334	\$ 62,779,981	\$ 64,568,152	\$ 66,166,829	\$ 67,766,670	\$ 69,989,243
Total net debt applicable to limit	<u>5,635,000</u>	<u>5,170,000</u>	<u>4,680,000</u>	<u>4,165,000</u>	<u>3,625,000</u>	<u>3,065,000</u>	<u>2,480,000</u>	<u>1,870,000</u>	<u>1,250,000</u>	<u>31,175,000</u>
Legal debt margin	<u>\$ 56,792,934</u>	<u>\$ 55,635,459</u>	<u>\$ 1,358,682</u>	<u>\$ 56,620,634</u>	<u>\$ 58,163,334</u>	<u>\$ 59,714,981</u>	<u>\$ 62,088,152</u>	<u>\$ 64,296,829</u>	<u>\$ 66,516,670</u>	<u>\$ 38,814,243</u>
Total net debt applicable to the limit as a percentage of debt limit	9.03%	8.50%	77.50%	6.85%	5.87%	4.88%	3.84%	2.83%	1.84%	44.54%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2013	7.9%	\$ 71,286	9,758
2014	4.5%	73,883	9,790
2015	3.7%	77,323	9,899
2016	3.8%	78,836	9,885
2017	3.5%	81,024	9,895
2018	3.2%	85,191	10,158
2019	2.6%	88,241	10,109
2020	8.4%	91,972	10,261
2021	5.4%	91,972 *	10,067
2022	N/A	N/A	10,067 *

* - Estimated

(1) County of Bergen

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

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

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	111	112	117	109	113	112	112	119	118	116
Special education	35	35	36	36	34	36	36	31	31	33
Other special education	34	36	32	31	29	28	29	32	31	35
Support Services:										
Student & Instruction related services	34	34	33	32	34	32	31	30	31	31
General administration	3	3	3	3	3	2	2	2	2	2
School administrative services	11	11	12	12	11	13	14	14	14	14
Central services	7	7	8	8	7	7	6	6	6	5
Plant operations and maintenance	19	19	19	18	17	17	16	15	15	15
Pupil transportation	2	2	3	2	2	2	3	3	2	1
Total	<u>256</u>	<u>259</u>	<u>263</u>	<u>251</u>	<u>250</u>	<u>249</u>	<u>249</u>	<u>252</u>	<u>250</u>	<u>252</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2013	1,631	\$ 28,599,345	\$ 17,535	5.55%	146	1:13	1:14	1:12	1,618	1,542	1.57%	95.30%
2014	1,616	29,155,725	18,042	2.89%	147	1:13	1:14	1:12	1,596	1,526	-1.36%	95.61%
2015	1,605	29,809,638	18,573	2.94%	153	1:11	1:13	1:11	1,577	1,507	-1.19%	95.56%
2016	1,576	30,437,964	19,313	3.99%	145	1:11	1:12	1:11	1,584	1,517	0.44%	95.77%
2017	1,592	31,888,379	20,030	3.71%	147	1:10	1:12	1:09	1,585	1,509	0.06%	95.21%
2018	1,614	33,495,309	20,753	3.61%	148	1:10	1:10	1:09	1,586	1,514	0.06%	95.46%
2019	1,619	34,800,100	21,495	3.57%	148	1:11	1:09	1:09	1,597	1,521	0.69%	95.24%
2020	1,635	34,772,655	21,268	-1.06%	150	1:11	1:08	1:09	1,613	1,546	1.00%	95.85%
2021	1,622	36,067,555	22,236	4.56%	149	1:11	1:09	1:09	1,599	1,548	-0.87%	96.81%
2022	1,594	38,395,586	24,088	8.32%	149	1:11	1:09	1:10	1,583	1,494	-1.00%	94.38%

Sources: District records

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
District Building										
<u>Elementary</u>										
Crescent										
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)										
Enrollment	356	326	330	340	346	353	349	366	344	337
Traphagen										
Square Feet	33,300	36,400	36,400	36,400	36,400	36,400	48,304	45,244	45,244	45,244
Capacity (students)										
Enrollment	430	437	443	408	417	419	442	424	425	428
<u>Middle School</u>										
Square Feet										
Capacity (students)										
Enrollment	366	366	345	364	362	367	364	376	267	369
<u>High School</u>										
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)										
Enrollment	456	459	465	456	449	440	441	452	460	444

Number of Schools at June 30, 2022

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

Source: District Records

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

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

		<u>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>
School Facilities	Project #(s)										
Crescent E.S.	N/A	\$ 40,277	\$ 35,754	\$ 38,664	\$ 48,661	\$ 91,560	\$ 51,686	\$ 54,559	\$ 64,332	\$ 47,064	\$ 42,902
Traphagen E.S.	N/A	38,876	37,723	40,793	51,341	96,803	54,532	76,388	84,366	61,721	56,261
Waldwick Jr/Sr High School	N/A	<u>184,327</u>	<u>163,629</u>	<u>176,945</u>	<u>222,695</u>	<u>419,428</u>	<u>236,541</u>	<u>274,776</u>	<u>294,415</u>	<u>215,387</u>	<u>196,337</u>
Grand Total		<u>\$ 263,480</u>	<u>\$ 237,106</u>	<u>\$ 256,402</u>	<u>\$ 322,697</u>	<u>\$ 607,791</u>	<u>\$ 342,759</u>	<u>\$ 405,723</u>	<u>\$ 443,113</u>	<u>\$ 324,172</u>	<u>\$ 295,500</u>

Source: School District's Financial Statements

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

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

Source: School District's records

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

SINGLE AUDIT SECTION



LERCH, VINCI & 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 M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Waldwick Board of Education's basic financial statements and have issued our report thereon dated February 9, 2023.

Report on Internal Control Over Financial Reporting

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

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

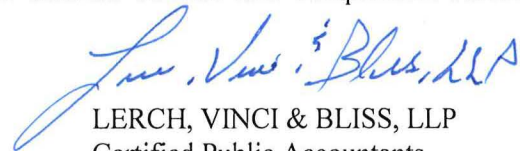
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters


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

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS0118

Fair Lawn, New Jersey
February 9, 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
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the Waldwick 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 federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and 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; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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, U.S. Uniform Guidance 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 Waldwick 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 federal and state program. Our audit does not provide a legal determination of the Waldwick 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 Waldwick Board of Education's federal and 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 Waldwick 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, U.S. Uniform Guidance 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 Waldwick Board of Education's compliance with the requirements of each major federal and 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, U.S. Uniform Guidance, 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 Waldwick 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 Waldwick 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Waldwick 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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

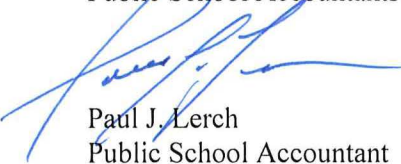
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick Board of Education as of and for the fiscal year ended June 30, 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 February 9, 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 federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 9, 2023

**WALDWICK 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 A.L. Number	Federal FAIN Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2021		Carryover Amount			Total Budgetary Expenditures	Refund of Prior Year Balance	Balance at June 30, 2022			Memo GAAP Receivable
						Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
General Fund:																
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	\$ 23,147	7/1/21	6/30/22	-	-	-	-	\$ 22,343	\$ 23,147	-	\$ (804)	-	-	\$ (804)
Total General Fund						-	-	-	-	22,343	23,147	-	(804)	-	-	(804)
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
Title I, Part A	84.010	S010A200030	65,768	7/1/21	9/30/22			\$ (58,190)	\$ 58,190	91,309	97,772		(32,649)	\$ 26,186		(6,463)
Title I, Part A, Carryover	84.010	S010A200030	139,201	7/1/20	9/30/21	\$ (104,906)	\$ 83,147	58,190	(58,190)	46,716	24,895		-	62		
Title I, Part A, Carryover	84.010	S010A190030		7/1/19	9/30/20		8,904					\$ 8,904				
Total Title I, Part A Cluster						(104,906)	92,051	-	-	138,025	122,667	8,904	(32,649)	26,248	-	(6,463)
Title II, Part A	84.367A	S367A200029	26,144	7/1/21	9/30/22			(9,621)	9,621	14,635	18,658		(21,130)	17,107		(4,023)
Title II, Part A, Carryover	84.367A	S367A200029	29,149	7/1/20	9/30/21	(37,106)	34,799	9,621	(9,621)	27,485	10,454		-	14,724		
Title II, Part A, Carryover	84.367A	S367A190029		7/1/19	9/30/20		1,780					1,780				
Total Title II, Part A Cluster						(37,106)	36,579	-	-	42,120	29,112	1,780	(21,130)	31,831	-	(4,023)
Title III, Immigrant	84.365A	S365A200030		7/1/21	9/30/22			(71)	71				(71)	71		-
Title III, Immigrant, Carryover	84.365A	S365A200030	2,753	7/1/20	9/30/21	(5,042)	4,362	71	(71)	4,971	3,615		-	676		
Total Title III Cluster						(5,042)	4,362	-	-	4,971	3,615	-	(71)	747	-	-
Title IV, Part A	84.424A	S424A200030	10,000	7/1/21	9/30/22			(2,998)	2,998	9,786	12,784		(3,212)	214		(2,998)
Title IV, Part A, Carryover	84.424A	S424A200031	10,000	7/1/20	9/30/21	(4,648)	4,454	2,998	(2,998)	1,650	540		-	916		
Total Title IV, Part A Cluster						(4,648)	4,454	-	-	11,436	13,324	-	(3,212)	1,130	-	(2,998)
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	384,571	7/1/21	9/30/22			(18,888)	18,888	385,338	395,845		(18,121)	7,614		(10,507)
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A200100	406,341	7/1/20	9/30/21	(54,001)	53,326	18,888	(18,888)	35,113			-	34,438		
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A190100		7/1/19	9/30/20		1,500					1,500				
Total I.D.E.A. Part B, Preschool	84.173	H173A200114	15,369	7/1/21	9/30/22					15,369	15,369		-	-		
ARP IDEA - Basic	84.027X	H027X210100	78,414	7/1/21	9/30/22					72,776	72,776		(5,638)	5,638		
ARP IDEA - Preschool	84.173X	H173X210114	6,697	7/1/21	9/30/22					6,697	6,697		-	-		
Total Special Education Cluster (IDEA)						(54,001)	54,826	-	-	515,293	490,687	1,500	(23,759)	47,690	-	(10,507)

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

**WALDWICK BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.I. Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Carryover Amount		Cash Received	Total Budgetary Expenditures	Refund of Prior Year Balance	Balance at June 30, 2022			Memo GAAP Receivable	
				From	To	Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue				Accounts Receivable	Deferred Revenue	Due to Grantor		
Coronavirus Relief Fund	21.019	N/A	\$ 41,503	3/1/20	12/31/21		\$ 900				\$ 900					*	
Non-Public Digital Divide	21.019	N/A	10,397	7/16/20	10/31/20	\$ (348)	348									*	
Total Coronavirus Relief Fund Cluster						(348)	1,248	-	-	-	900	-	-	-	-	*	
CRRSA, ESSER II	84.425D	S425D200027	438,069	3/13/20	9/30/23	(438,069)	438,069			\$ 190,060	190,060	\$ (248,009)	\$ 248,009			*	
CRRSA, Learning Acceleration	84.425D	S425D200027	28,113	3/13/20	9/30/23	(28,113)	28,113			6,203	6,203	(21,910)	21,910			*	
CRRSA, Mental Health	84.425D	S425D200027	45,000	3/13/20	9/30/23	(45,000)	45,000			6,902	11,792	(38,098)	33,208		\$ (4,890)	*	
ARP, ESSER	84.425U	S425U210027	984,532	3/13/20	9/30/24						561,586	(984,532)	422,946		(561,586)	*	
ARP, Accelerated Learning Coach and Educator Support	84.425U	S425U210027	134,081	3/13/20	9/30/24							(134,081)	134,081		-	*	
ARP, Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	3/13/20	9/30/24							(40,000)	40,000		-	*	
ARP, Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	3/13/20	9/30/24							(40,000)	40,000		-	*	
ARP, NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	3/13/20	9/30/24							(45,000)	45,000		-	*	
Total ESSER Fund Cluster						(511,182)	511,182	-	-	203,165	769,641	-	(1,551,630)	985,154	-	(566,476)	*
Total Special Revenue Fund						(717,233)	704,702	-	-	915,010	1,429,946	12,184	(1,632,451)	1,092,800	-	(590,467)	*
Sub-Total Federal Financial Awards						\$ (717,233)	\$ 704,702	\$ -	\$ -	\$ 937,353	\$ 1,453,093	\$ 12,184	\$ (1,633,255)	\$ 1,092,800	\$ -	\$ (591,271)	*

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

WALDWICK BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Balance at June 30, 2022			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	GAAP Receivable
State Department of Education													
General Fund:													
Equalization Aid	21-495-034-5120-078	\$260,174	7/1/20	6/30/21	\$ (14,173)		\$ 14,173						*
Equalization Aid	22-495-034-5120-078	828,600	7/1/21	6/30/22			765,663	\$ 828,600		\$ (62,937)			*
Special Education Categorical Aid	21-495-034-5120-089	1,090,126	7/1/20	6/30/21	(59,385)		59,385						*
Special Education Categorical Aid	22-495-034-5120-089	1,090,126	7/1/21	6/30/22			1,007,325	1,090,126		(82,801)			*
Security Aid	21-495-034-5120-084	125,909	7/1/20	6/30/21	(6,859)		6,859						*
Security Aid	22-495-034-5120-084	125,909	7/1/21	6/30/22			116,345	125,909		(9,564)			*
Total State Aid Public Cluster					(80,417)	-	1,969,750	2,044,635	-	(155,302)	-	-	*
Transportation Aid	21-495-034-5120-014	199,527	7/1/20	6/30/21	(10,869)		10,869						*
Transportation Aid	22-495-034-5120-014	199,527	7/1/21	6/30/22			184,372	199,527		(15,155)			*
Additional Nonpublic Transportation Aid	21-495-034-5120-014	20,264	7/1/20	6/30/21	(20,264)		20,264						*
Additional Nonpublic Transportation Aid	22-495-034-5120-014	19,726	7/1/21	6/30/22				19,726		(19,726)		\$ (19,726)	*
Total Transportation Aid Cluster					(31,133)	-	215,505	219,253	-	(34,881)	-	(19,726)	*
Extraordinary Aid	21-495-034-5120-044	563,448	7/1/20	6/30/21	(563,448)		563,448						*
Extraordinary Aid	22-495-034-5120-044	672,926	7/1/21	6/30/22			-	672,926		(672,926)			*
Total Extraordinary Aid Cluster					(563,448)	-	563,448	672,926	-	(672,926)	-	-	*
Reimbursed Social Security Tax	21-495-034-5094-003	1,045,820	7/1/20	6/30/21	(51,500)		51,500						*
Reimbursed Social Security Tax	22-495-034-5094-003	1,053,963	7/1/21	6/30/22			1,003,927	1,053,963		(50,036)		(50,036)	*
Total Reimbursed Social Security Tax Cluster					(51,500)	-	1,055,427	1,053,963	-	(50,036)	-	(50,036)	*
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002	5,079,602	7/1/21	6/30/22			5,079,602	5,079,602					*
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	22-495-034-5094-004		7/1/21	6/30/22			71,666	71,666					*
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	22-495-034-5094-001	71,666	7/1/21	6/30/22									*
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	22-495-034-5094-004	1,203,545	7/1/21	6/30/22			1,203,545	1,203,545					*
On-Behalf Teachers' Pension and Annuity Fund Cluster		1,390	7/1/21	6/30/22			1,390	1,390					*
Securing Our Children's Future Bond Act - Water Grant	N/A	9,311	7/1/21	6/30/22			89,252	89,252					*
Securing Our Children's Future Bond Act - Security Grant	N/A	89,252	7/1/21	6/30/22			9,311	9,311					*
Total Securing Our Children's Future Bond Act Cluster							98,563	98,563					*
Homeless Tuition Reimbursement Aid	N/A	28,739	7/1/21	6/30/22				28,739		(28,739)		(28,739)	*
Total General Fund					(726,498)	-	10,258,896	10,474,282	-	(941,884)	-	(98,501)	10,474,282

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

WALDWICK BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Balance at June 30, 2022			MEMO				
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures Pass through Funds	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	21-100-034-5120-064	14,600	7/1/20	6/30/21		\$ 1,187			\$ 1,187						
Textbook Aid	22-100-034-5120-064	12,544	7/1/21	6/30/22			\$ 12,544	\$ 10,651			\$ 1,893		\$ 10,651		
Textbook Aid Cluster						1,187	12,544	10,651	1,187		1,893		10,651		
Nursing Services Aid	21-100-034-5120-070	26,010	7/1/20	6/30/21		3,133			3,133						
Nursing Services Aid	22-100-034-5120-070	24,640	7/1/21	6/30/22			24,640	24,635			5		24,635		
Nursing Services Aid Cluster						3,133	24,640	24,635	3,133		5		24,635		
School Security Aid	21-100-034-5120-509	44,625	7/1/20	6/30/21		10,534			10,096		438				
School Security Aid	22-100-034-5120-509	38,500	7/1/21	6/30/22			38,500	38,500					38,500		
School Security Aid Cluster						10,534	38,500	38,500	10,096				38,500		
Technology Initiative Aid	22-100-034-5120-509	8,778	7/1/21	6/30/22			8,778	8,658			120		8,658		
School Security Aid Cluster							8,778	8,658			120		8,658		
Auxiliary Services:															
Compensatory Education	21-100-034-5120-067	89,704	7/1/20	6/30/21		51,559			51,559						
Compensatory Education	22-100-034-5120-067	83,309	7/1/21	6/30/22			83,309	71,395			11,914		71,395		
English Language Learner	21-100-034-5120-067	16,342	7/1/20	6/30/21		3,846			3,846						
English Language Learner	22-100-034-5120-067	21,011	7/1/21	6/30/22			21,011	16,169			4,842		16,169		
Auxiliary Services Cluster:						55,405	104,320	87,564	55,405		16,756		87,564		
Nonpublic Handicapped Aid (Chapter 193):															
Examination and Classification	21-100-034-5120-066	39,021	7/1/20	6/30/21		20,438			20,438						
Examination and Classification	22-100-034-5120-066	39,250	7/1/21	6/30/22			39,250	26,884			12,366		26,884		
Speech Correction	21-100-034-5120-066	30,441	7/1/20	6/30/21		6,471			6,471						
Speech Correction	22-100-034-5120-066	38,130	7/1/21	6/30/22			38,130	25,017			13,113		25,017		
Supplemental Instruction	21-100-034-5120-066	21,856	7/1/20	6/30/21		4,856			4,856						
Supplemental Instruction	22-100-034-5120-066	28,910	7/1/21	6/30/22			28,910	19,411			9,499		19,411		
Nonpublic Handicapped Aid (Chapter 193) Cluster:						31,765	106,290	71,312	31,765		34,978		71,312		
SDA - Emergent Capital and Maintenance Needs Grant	N/A	38,213	7/1/21	6/30/22			38,213	38,213					38,213		
Total Special Revenue Fund						102,024	333,285	279,533	101,586		53,752		279,533		
Total State Financial Assistance						\$ (726,498)	\$ 102,024	\$ 10,592,181	\$ 10,753,815	\$ 101,586	\$ (941,884)	\$ -	\$ 53,752	\$ (98,501)	\$ 10,753,815
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002								(5,079,602)						
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	22-495-034-5094-004								(71,666)						
On Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	22-495-034-5094-001								(1,203,545)						
On-Behalf- Teachers' Pension & Annuity Fund - Long Term Disability	22-495-034-5094-004								(1,390)						
Total for State Financial Assistance-Major Program Determination									\$ 4,397,612						

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

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$188,649 for the general fund and \$530,000 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	\$ 23,147	\$ 10,285,633	\$ 10,308,780
Special Revenue Fund	<u>899,946</u>	<u>279,533</u>	<u>1,179,479</u>
Total Financial Assistance	<u>\$ 923,093</u>	<u>\$ 10,565,166</u>	<u>\$ 11,488,259</u>

**WALDWICK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$1,053,963 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 \$5,151,268, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,203,545 and TPAF Long-Term Disability Insurance in the amount of \$1,390 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.

**WALDWICK 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

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

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

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425D	S425D200027	CRRSA (ESSER II)
84.425U	S425U210027	ARP ESSER (ESSER III)

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

Auditee qualified as low-risk auditee? yes X no

**WALDWICK BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

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

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

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

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

Identification of major programs:

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

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

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

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

**WALDWICK 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 federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**WALDWICK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 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.