

**ORADELL BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Oradell, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Oradell Board of Education**

**Oradell, New Jersey**

**For The Fiscal Year Ended June 30, 2023**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**Megan Bozios**  
Superintendent

**Peter Iappelli**  
Business Administrator/  
Board Secretary



## Oradell Public School District

350 Prospect Avenue | Oradell, NJ 07649 | [oradellschool.org](http://oradellschool.org) | (201)261-1180

*Our children,  
our hope,  
our future*

Januray 23, 2024

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Oradell School District (“The District”) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“The Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

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

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

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

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

The District continues to provide a full range of educational services appropriate to grade levels Pre-K through 6. These include both regular and special education for learning disabled students. The District completed the 2022-2023 fiscal year with an average daily enrollment of 796 students, which is 12 more students than the previous year. The following table details the changes in the average daily enrollment over the past ten years:

Fiscal Year	Average Daily Enrollment	Percent Change
2013-2014	782	(0.26)%
2014-2015	770	(0.55)%
2015-2016	763	(0.91)%
2016-2017	769	0.78%
2017-2018	739	3.65%
2018-2019	754	2.03%
2019-2020	760	0.80%
2020-2021	777	2.20%
2021-2022	784	.90%
2022-2023	796	1.92%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Borough of Oradell has a population of about 8,244 people and a total area of 2.57 square miles. The funding of the Oradell Public School continues to fall squarely on the backs of its taxpayers. Local property taxes account for nearly 90% of the district’s operating budget. Over the past ten years, average daily enrollment has seen modest fluctuations. While the median prices of homes and incomes have risen, so has the costs of goods and services required to operate the district within the state’s 2% cap.

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

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



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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

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

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

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

**8) OTHER INFORMATION:**

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

**B) Commendations** – The Oradell Public School District is proud of all that it accomplished during the 2022-2023 school year. The following is a sampling of the District's achievements:

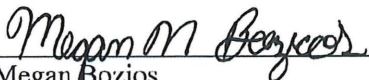
- The District continued to use data to identify student strengths and areas to strengthen. Resources were purchased and programs were put in place to address identified learning gaps, to implement intervention plans and to monitor for progress. As a result, the District continues to show strong

academic performance on local and state assessments, including an 85% passing rate on the NJSLA language arts portion for grades 3-6.

- The District continues to focus on providing a well-rounded educational experience. The district continued to grow its STEAM program during the 2022-2023 school year, providing both imbedded computer science and design thinking activities into the classroom and additional activities in the STEAM lab. One highlight of the program was the many sixth grade students who qualified for regional competition for the NJSBA's STEAM Tank challenge. We also had a successful school musical highlighting approximately 120 fifth and sixth graders. Additionally, our Oradell Public School Odyssey of the Mind team qualified for the World Championships for the 11<sup>th</sup> straight year.
- In an effort to keep an eye on students' emotional health, the District continued to use the Panorama dashboard to assess student levels of grit, self-efficacy and additional tools in an individual's social emotional toolbox. The District also worked in tandem with the local Education Foundation to bring in programming for both students and parents focused on the development of grit.

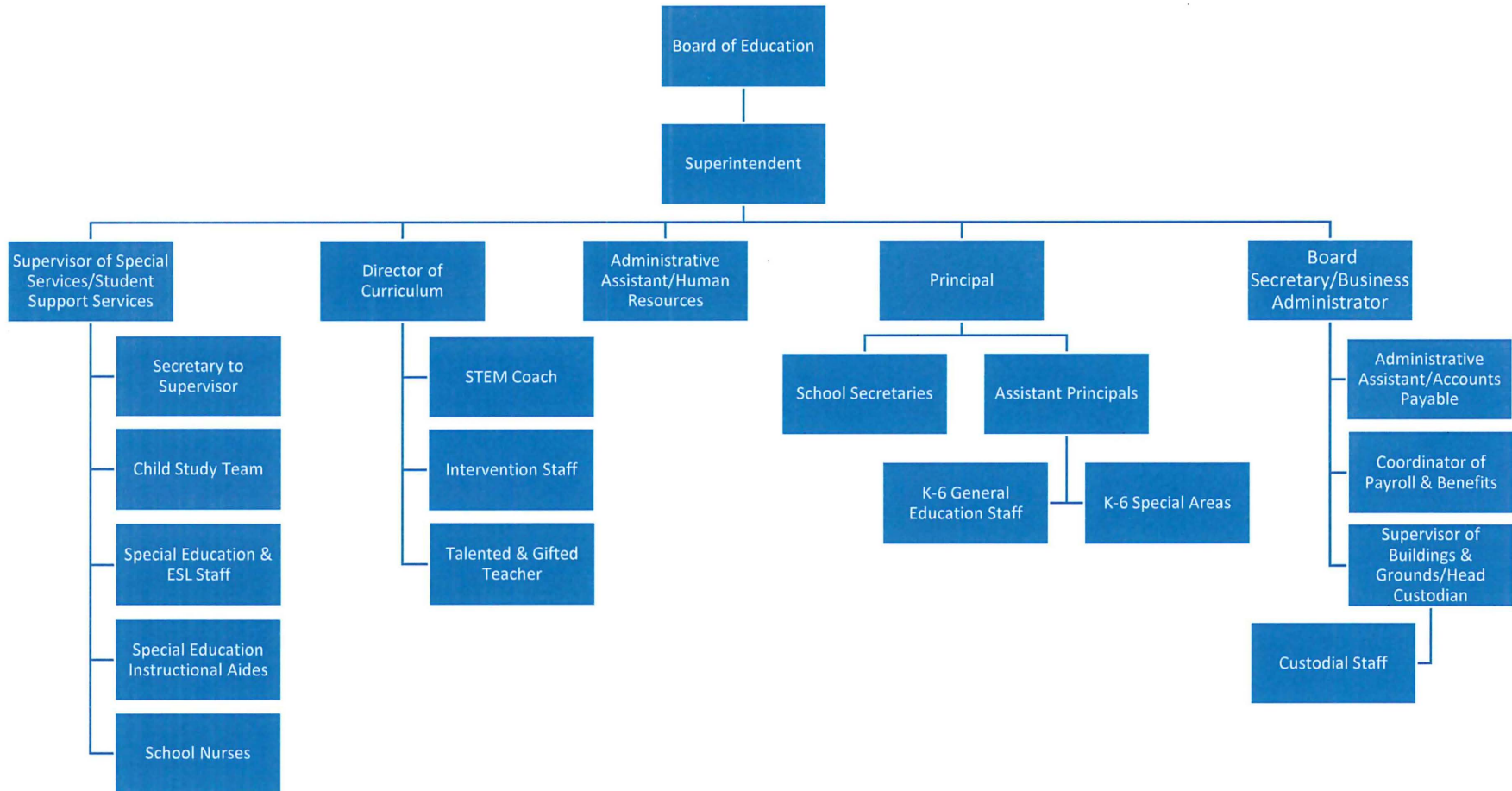
**9) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Oradell School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our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

Respectfully submitted,

  
Megan Bozios  
Superintendent

  
Peter Iappelli  
School Business Administrator/Board Secretary

# 2022-2023 OPS Organizational Chart



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

**ROSTER OF OFFICIALS  
JUNE 30, 2023**

**Members of the Board of Education**

Dorothy Watson-Nichols	President	2025
Gregory Derian	Vice President	2024
Pooja Bhatia-Nigam		2023
Jeremy Griffin		2023
Rita Walker		2023
Alena Acosta		2024
Mary Katherine Norian		2024
Jaime Downey		2025
John A. Walsh		2025

**Other Officials**

Megan N. Bozios	Superintendent of Schools
Peter Iappelli	School Business Administrator/ Board Secretary
Angelo DeSimone	Treasurer of School Monies

**ORADELL BOARD OF EDUCATION  
Consultants and Advisors**

**Attorney**

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

**Audit Firm**

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

**Official Depository**

Capital One Bank  
464 Route 17 North  
Paramus, NJ 07652

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

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

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

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of Financial Statements***

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oradell Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oradell Board of Education's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Supplementary Information***

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

### ***Other Information***

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

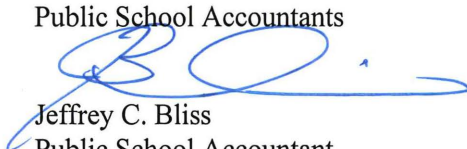
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

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

In accordance with Government Auditing Standards, we have also issued our report dated January 23, 2024 on our consideration of the Oradell Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Oradell Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Oradell Board of Education's internal control over financial reporting and compliance.

*LERCH, VINCI & BLISS, LLP*

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

  
Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 23, 2024

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

# ORADELL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

As management of the Oradell Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Oradell Board of Education for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Oradell Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,619,676. (Net Position)
- The District's total net position increased by \$379,647, or 3%.
- Overall District revenues were \$16,864,340. General revenues accounted for \$13,273,941, or 79%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,590,399 or 21% of total revenues.
- The school district had \$16,396,207 in expenses for governmental activities; only \$3,493,323 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$13,273,941 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,386,737. Of this amount, \$2,372,622 is restricted for capital projects, \$643,157 is restricted for required maintenance of District facilities, \$873,813 is restricted for excess surplus, \$205,140 is restricted for other purposes, \$135,469 is committed and assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$156,536.
- The General Fund fund balance at June 30, 2023 was \$4,337,739, an increase of \$36,518 compared to the ending fund balance at June 30, 2022 of \$4,301,221.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$562,393, which represents a decrease of \$158,427 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$720,820.

# ORADELL BOARD OF EDUCATION

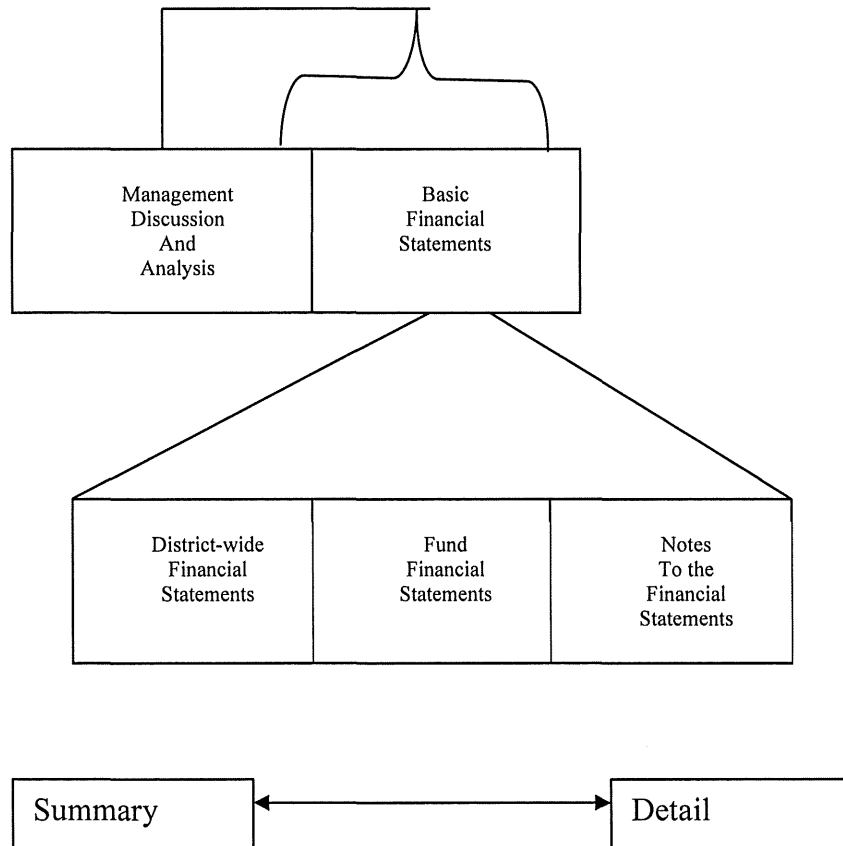
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# ORADELL BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2023

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

Major Features of the District-Wide and Fund Financial Statements

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

### District-Wide Statements

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

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

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

# ORADELL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

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

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

### Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has two kinds of funds:

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

### Notes to the Financial Statements

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

### Other Information

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

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

# ORADELL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net Position.** The District's *combined* net position was \$11,619,676 and \$11,240,029 on June 30, 2023 and 2022, respectively as follows:

#### Statement of Net Position as of June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>						
Current Assets	\$ 5,013,724	\$ 4,601,118	\$ 156,512	\$ 137,860	\$ 5,170,236	\$ 4,738,978
Capital Assets	<u>11,389,212</u>	<u>11,878,892</u>	<u>-</u>	<u>-</u>	<u>11,389,212</u>	<u>11,878,892</u>
<b>Total Assets</b>	<u>16,402,936</u>	<u>16,480,010</u>	<u>156,512</u>	<u>137,860</u>	<u>16,559,448</u>	<u>16,617,870</u>
<b>Deferred Outflows of Resources</b>	<u>423,635</u>	<u>500,512</u>	<u>-</u>	<u>-</u>	<u>423,635</u>	<u>500,512</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>16,826,571</u>	<u>16,980,522</u>	<u>156,512</u>	<u>137,860</u>	<u>16,983,083</u>	<u>17,118,382</u>
<b>Liabilities</b>						
Noncurrent Liabilities	4,066,899	4,417,929			4,066,899	4,417,929
Other Liabilities	<u>573,797</u>	<u>287,294</u>	<u>84,210</u>	<u>74,148</u>	<u>658,007</u>	<u>361,442</u>
<b>Total Liabilities</b>	<u>4,640,696</u>	<u>4,705,223</u>	<u>84,210</u>	<u>74,148</u>	<u>4,724,906</u>	<u>4,779,371</u>
<b>Deferred Inflows of Resources</b>	<u>565,925</u>	<u>1,098,982</u>	<u>-</u>	<u>-</u>	<u>565,925</u>	<u>1,098,982</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>5,206,621</u>	<u>5,804,205</u>	<u>84,210</u>	<u>74,148</u>	<u>5,290,831</u>	<u>5,878,353</u>
<b>Net Position</b>						
Net Investment in Capital Assets	9,155,356	9,135,119			9,155,356	9,135,119
Restricted	3,090,494	2,477,558			3,090,494	2,477,558
Unrestricted	<u>(698,476)</u>	<u>(436,360)</u>	<u>72,302</u>	<u>63,712</u>	<u>(626,174)</u>	<u>(372,648)</u>
<b>Total Net Position</b>	<u>\$ 11,547,374</u>	<u>\$ 11,176,317</u>	<u>\$ 72,302</u>	<u>\$ 63,712</u>	<u>\$ 11,619,676</u>	<u>\$ 11,240,029</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. 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. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

# ORADELL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

The District's total net position of \$11,619,676 at June 30, 2023 represents a \$379,647, or 3%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2023 and 2022.

### Change in Net Position For The Fiscal Years Ended June 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 142,626	\$ 51,682	\$ 91,188	\$ 6,188	\$ 233,814	\$ 57,870
Operating Grants and Contributions	3,332,952	3,983,750	5,888	2,987	3,338,840	3,986,737
Capital Grants and Contributions	17,745	52,141			17,745	52,141
<b>General Revenues</b>						
Property Taxes	13,096,611	12,819,035			13,096,611	12,819,035
Other	<u>177,330</u>	<u>99,001</u>	<u>-</u>	<u>-</u>	<u>177,330</u>	<u>99,001</u>
<b>Total Revenues</b>	<u>16,767,264</u>	<u>17,005,609</u>	<u>97,076</u>	<u>9,175</u>	<u>16,864,340</u>	<u>17,014,784</u>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	5,617,234	5,917,630			5,617,234	5,917,630
Special Education	2,975,252	3,043,103			2,975,252	3,043,103
Other Instruction	894,768	952,616			894,768	952,616
School Sponsored Activities and Athletics	135,771	67,914			135,771	67,914
<b>Support Services</b>						
Student and Instruction Related Services	2,453,967	2,456,420			2,453,967	2,456,420
General Administrative Services	512,941	529,199			512,941	529,199
School Administrative Services	588,381	567,319			588,381	567,319
Central Services and Info. Technology	393,034	411,726			393,034	411,726
Plant Operations and Maintenance	2,507,268	2,017,816			2,507,268	2,017,816
Pupil Transportation	251,089	179,594			251,089	179,594
Interest on Debt	66,502	83,713			66,502	83,713
Summer Program			77,528		77,528	-
Food Services	<u>-</u>	<u>-</u>	<u>10,958</u>	<u>10,034</u>	<u>10,958</u>	<u>10,034</u>
<b>Total Expenses</b>	<u>16,396,207</u>	<u>16,227,050</u>	<u>88,486</u>	<u>10,034</u>	<u>16,484,693</u>	<u>16,237,084</u>
Increase/(Decrease) in Net Position	371,057	778,559	8,590	(859)	379,647	777,700
Net Position, Beginning of Year	<u>\$ 11,176,317</u>	<u>\$ 10,397,758</u>	<u>\$ 63,712</u>	<u>\$ 64,571</u>	<u>\$ 11,240,029</u>	<u>\$ 10,462,329</u>
Net Position, End of Year	<u>\$ 11,547,374</u>	<u>\$ 11,176,317</u>	<u>\$ 72,302</u>	<u>\$ 63,712</u>	<u>\$ 11,619,676</u>	<u>\$ 11,240,029</u>



## ORADELL BOARD OF EDUCATION

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2023

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$16,767,264 for the fiscal year ended June 30, 2023, property taxes of \$13,096,611 represented 78% of revenues. Another significant portion of revenues came from federal, state and local grants and contributions which totaled \$3,350,697 and represented 20% of revenues.

The total cost of all governmental activities programs and services was \$16,396,207 for the fiscal year ended June 30, 2023. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$9,623,025 (59%) of total expenses and support services costs were \$6,706,680 (41%) of total expenses for the fiscal year ended June 30, 2023.

For fiscal year 2023, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$371,057 from the previous year.

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$16,396,207. After applying program revenues, derived from operating and capital grants and contributions of \$3,350,697 and charges for services of \$142,626 the net cost of services of the District is \$12,902,884 for the fiscal year ended June 30, 2023.

#### Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2023 and 2022

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 5,617,234	\$ 5,917,630	\$ 4,654,185	\$ 4,671,728
Special Education	2,975,252	3,043,103	1,536,479	1,587,172
Other Instruction	894,768	952,616	681,672	687,126
School Sponsored Activities and Athletics	135,771	67,914	24,154	14,012
Support Services				
Student and Instruction Related Services	2,453,967	2,456,420	2,071,653	1,899,158
General Administrative Services	512,941	529,199	466,018	460,199
School Administrative Services	588,381	567,319	505,033	455,810
Central Services and Info. Technology	393,034	411,726	347,630	345,912
Plant Operations and Maintenance	2,507,268	2,017,816	2,332,707	1,789,535
Pupil Transportation	251,089	179,594	216,851	145,112
Interest on Debt	<u>66,502</u>	<u>83,713</u>	<u>66,502</u>	<u>83,713</u>
 Total	 <u>\$ 16,396,207</u>	 <u>\$ 16,227,050</u>	 <u>\$ 12,902,884</u>	 <u>\$ 12,139,477</u>

**Business-Type Activities** – The District's total business-type activities revenues were \$97,076 for the fiscal year ended June 30, 2023. Operating grants and contributions accounted for only 6% of total revenues and 94% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$88,486 for the fiscal year ended June 30, 2023. Extended year summer program represented 88% of total expenses and food service represented 12% of the total expenses.

For fiscal year 2023, total business-type activities revenues exceeded expenses increasing net position by \$8,590 or 13% from the previous year.

**ORADELL BOARD OF EDUCATION**

**Management’s Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,386,737 at June 30, 2023, an increase of \$48,169 from last year’s fund balance of \$4,386,737. 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, unreserved fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

Revenues for the District’s governmental funds were \$18,042,522 while total expenditures were \$17,994,353 for the fiscal year ended June 30, 2023. Net Other Financing Sources were \$192,130 were noted.

**GENERAL FUND**

The General Fund includes the primary operations of the District in providing educational services to students from grades Pre-K through 6 including pupil transportation, extra-curricular activities and plant operation and maintenance costs.

The following schedule presents a summary of General Fund Revenues.

<b>General Fund Revenues</b>	<b>Fiscal Year Ended <u>June 30, 2023</u></b>	<b>Fiscal Year Ended <u>June 30, 2022</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Local Sources:				
Property Taxes	\$ 12,628,511	\$ 12,333,735	\$ 294,776	2%
Other	209,811	99,001	110,810	112%
State Sources	4,136,593	4,051,233	85,360	2%
Federal Sources	<u>-</u>	<u>12,406</u>	<u>(12,406)</u>	100%
 Total Revenues	 <u>\$ 16,974,915</u>	 <u>\$ 16,496,375</u>	 <u>\$ 478,540</u>	 3%

For fiscal year 2023, total General Fund revenues increased \$478,540 or 3% from the previous year.

The following schedule presents a summary of General Fund expenditures.

<b>General Fund Expenditures</b>	<b>Fiscal Year Ended <u>June 30, 2023</u></b>	<b>Fiscal Year Ended <u>June 30, 2022</u></b>	<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
Instruction	\$ 10,238,798	\$ 10,200,187	\$ 38,611	0%
Support Services	5,769,961	5,568,893	201,068	4%
Debt Service	113,677	110,903	2,774	3%
Capital Outlay	<u>815,961</u>	<u>48,041</u>	<u>767,920</u>	1598%
 Total Expenditures	 <u>\$ 16,938,397</u>	 <u>\$ 15,928,024</u>	 <u>\$ 1,010,373</u>	 6%

**ORADELL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

**GENERAL FUND (Continued)**

For fiscal year 2023, total General Fund expenditures increased \$1,010,373, or 6% from the previous year.

In fiscal year 2023, General Fund revenues exceeded expenditures by \$36,518. Therefore, the total fund balance at June 30, 2022 of \$4,301,221 increased to a fund balance of \$4,337,739 at June 30, 2023.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal year 2023, the District had \$11,389,212 invested in land, buildings, furniture, equipment and vehicles for governmental activities. The following is a comparison of the June 30, 2023 and 2022 balances:

	<b>Capital Assets</b>	
	<b>as of June 30, 2023 and 2022</b>	
	<b>Governmental Activities</b>	
	<u>2023</u>	<u>2022</u>
Land	\$ 5,592	\$ 5,592
Construction in Progress	529,978	44,000
Land Improvements	52,200	52,200
Building and Building Improvements	24,120,149	23,924,791
Machinery and Equipment	<u>494,037</u>	<u>1,185,302</u>
 Total	 25,201,956	 25,211,885
 Less: Accumulated Depreciation	 <u>(13,812,744)</u>	 <u>(13,332,993)</u>
 Total	 <u>\$ 11,389,212</u>	 <u>\$ 11,878,892</u>

Additional information on the District's capital assets is presented in Note 3 of this report.

**LONG TERM LIABILITIES**

At June 30, 2023 the District had \$4,066,899 of total outstanding long-term liabilities. For fiscal year 2022/2023 total outstanding long-term liabilities decreased by \$351,030. The following is a comparison of the June 30, 2023 and 2022 balances:

<b>Long-Term Liabilities Outstanding</b>		
<b>as of June 30, 2023 and 2022</b>		
	<u>2023</u>	<u>2022</u>
Bond Payable (including premium)	\$ 855,935	\$ 1,302,063
Capital Financing Agreements Payable	1,391,567	1,469,165
Compensated Absences Payable	78,605	92,151
Net Pension Liability	<u>1,740,792</u>	<u>1,554,550</u>
 Total	 <u>\$ 4,066,899</u>	 <u>\$ 4,417,929</u>

Additional information of the District's long-term liabilities is presented in Note 3 of this report.

# **ORADELL BOARD OF EDUCATION**

## **Management's Discussion and Analysis Fiscal Year Ended June 30, 2023**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts and the appropriation of restricted and unassigned fund balances.

For fiscal year 2023 General Fund budgetary revenues exceeded budgetary expenditures increasing budgetary fund balance \$116,961. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance decreased \$158,427 from an unassigned fund balance of \$720,820 at June 30, 2022 to \$562,393 at June 30, 2023. In addition at June 30, 2023 the District had balances in its capital reserve of \$2,372,622, maintenance reserve of \$643,157, emergency reserve of \$130,425, unemployment compensation reserve of \$25,717 and excess surplus of \$873,813.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2023-2024. Budgeted expenditures in the General Fund increased approximately 8% to \$14,964,726 for fiscal year 2023-2024. Budgeted special education instruction costs, as well as, employee benefits and capital outlay project costs were the main factors for the increase.

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

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

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**ORADELL BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,906,710	\$ 155,400	\$ 5,062,110
Cash with Fiscal Agent	6,851		6,851
Receivables, net	100,163	1,112	101,275
Capital Assets, Not Being Depreciated	535,570		535,570
Capital Assets, Being Depreciated, Net	<u>10,853,642</u>	<u>-</u>	<u>10,853,642</u>
Total Assets	<u>16,402,936</u>	<u>156,512</u>	<u>16,559,448</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	13,646		13,646
Deferred Amounts on Net Pension Liability	<u>409,989</u>	<u>-</u>	<u>409,989</u>
Total Deferred Outflows of Resources	<u>423,635</u>	<u>-</u>	<u>423,635</u>
Total Assets and Deferred Outflows of Resources	<u>16,826,571</u>	<u>156,512</u>	<u>16,983,083</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	461,722	-	461,722
Payable to Other Governments	15,544		15,544
Accrued Interest Payable	19,386		19,386
Unearned Revenue	77,145	84,210	161,355
Noncurrent Liabilities			
Due Within One Year	517,656		517,656
Due Beyond One Year	<u>3,549,243</u>	<u>-</u>	<u>3,549,243</u>
Total Liabilities	<u>4,640,696</u>	<u>84,210</u>	<u>4,724,906</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>565,925</u>	<u>-</u>	<u>565,925</u>
Total Deferred Inflows of Resources	<u>565,925</u>	<u>-</u>	<u>565,925</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,206,621</u>	<u>84,210</u>	<u>5,290,831</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	9,155,356		9,155,356
Restricted for			
Capital Projects	2,372,622		2,372,622
Plant Maintenance	643,157		643,157
Other Purposes	74,715		74,715
Unrestricted	<u>(698,476)</u>	<u>72,302</u>	<u>(626,174)</u>
Total Net Position	<u>\$ 11,547,374</u>	<u>\$ 72,302</u>	<u>\$ 11,619,676</u>

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

**ORADELL BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 5,617,234		\$ 963,049		\$ (4,654,185)		\$ (4,654,185)
Special Education	2,975,252	\$ 5,055	1,433,718		(1,536,479)		(1,536,479)
Other Instruction	894,768		213,096		(681,672)		(681,672)
School Sponsored Activities and Athletics	135,771	110,145	1,472		(24,154)		(24,154)
Support Services							
Student and Instruction Related Services	2,453,967		382,314		(2,071,653)		(2,071,653)
General Administrative Services	512,941		46,923		(466,018)		(466,018)
School Administrative Services	588,381		83,348		(505,033)		(505,033)
Central Services and Info. Technology	393,034		45,404		(347,630)		(347,630)
Plant Operations and Maintenance	2,507,268	27,426	129,390	\$ 17,745	(2,332,707)		(2,332,707)
Pupil Transportation	251,089		34,238		(216,851)		(216,851)
Interest on Debt	66,502	-	-	-	(66,502)	-	(66,502)
Total Governmental Activities	<u>16,396,207</u>	<u>142,626</u>	<u>3,332,952</u>	<u>17,745</u>	<u>(12,902,884)</u>	<u>-</u>	<u>(12,902,884)</u>
<b>Business-Type Activities</b>							
Summer Program	77,528	81,371				\$ 3,843	3,843
Food Service	<u>10,958</u>	<u>9,817</u>	<u>5,888</u>	<u>-</u>	<u>-</u>	<u>4,747</u>	<u>4,747</u>
Total Business-Type Activities	<u>88,486</u>	<u>91,188</u>	<u>5,888</u>	<u>-</u>	<u>-</u>	<u>8,590</u>	<u>8,590</u>
Total Primary Government	<u>\$ 16,484,693</u>	<u>\$ 233,814</u>	<u>\$ 3,338,840</u>	<u>\$ 17,745</u>	<u>(12,902,884)</u>	<u>8,590</u>	<u>(12,894,294)</u>
<b>General Revenues</b>							
Taxes:							
Property Taxes - General Purposes					12,628,511		12,628,511
Property Taxes - Debt Service, Net					468,100		468,100
Investment Earnings					102,188		102,188
Miscellaneous Income					<u>75,142</u>	<u>-</u>	<u>75,142</u>
Total General Revenues					<u>13,273,941</u>	<u>-</u>	<u>13,273,941</u>
Change in Net Position					371,057	8,590	379,647
Net Position, Beginning of Year					<u>11,176,317</u>	<u>\$ 63,712</u>	<u>11,240,029</u>
Net Position, End of Year					<u>\$ 11,547,374</u>	<u>\$ 72,302</u>	<u>\$ 11,619,676</u>

**FUND FINANCIAL STATEMENTS**



**ORADELL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,790,319	\$ 116,391		\$ 4,906,710
Cash with Fiscal Agent	6,851			6,851
Intergovernmental Receivables	47,958	49,587		97,545
Other Accounts Receivable	2,618	-	-	2,618
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,847,746	\$ 165,978	\$ -	\$ 5,013,724
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 402,472	\$ 24,291		\$ 426,763
Payroll Deductions and Withholdings Payable	34,959			34,959
Payable to Other Governments		15,544		15,544
Other Liabilities	72,576			72,576
Unearned Revenue	-	77,145	-	77,145
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	510,007	116,980	-	626,987
<b>Fund Balances</b>				
<b>Restricted:</b>				
Capital Reserve	2,042,622			2,042,622
Capital Reserve - Designated for Subsequent Year's Expenditures	330,000			330,000
Maintenance Reserve	543,157			543,157
Maintenance Reserve - Designated for Subsequent Year's Expenditures	100,000			100,000
Emergency Reserve	130,425			130,425
Unemployment Compensation Reserve	25,717			25,717
Excess Surplus	357,356			357,356
Excess Surplus - Designated for Subsequent Year's Expenditures	516,457			516,457
Student Activities		48,998		48,998
<b>Committed:</b>				
Year End Encumbrances	46,709			46,709
<b>Assigned:</b>				
Year End Encumbrances	88,760			88,760
<b>Unassigned</b>	156,536	-	-	156,536
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	4,337,739	48,998	-	4,386,737
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 4,847,746	\$ 165,978	\$ -	\$ 5,013,724

**ORADELL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2023**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 4,386,737

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,201,956 and the accumulated depreciation is \$13,812,744. 11,389,212

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 13,646

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

Deferred Outflows of Resources	\$ 409,989	
Deferred Inflows of Resources	<u>(565,925)</u>	
		(155,936)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (19,386)

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

Bonds Payable	(855,935)	
Capital Financing Agreements Payable	(1,391,567)	
Compensated Absences	(78,605)	
Net Pension Liability	<u>(1,740,792)</u>	
		<u>(4,066,899)</u>

**Total Net Position of Governmental Activities (Exhibit A-1)** \$ 11,547,374

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

**ORADELL BOARD OF EDUCATION**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Taxes	\$ 12,628,511		\$ 468,100	\$ 13,096,611
Tuition	5,055			5,055
Interest	102,188			102,188
Building Rentals	27,426			27,426
Miscellaneous	75,142	\$ 142,054	-	217,196
	<hr/>		<hr/>	<hr/>
Total - Local Sources	12,838,322	142,054	468,100	13,448,476
Intergovernmental				
State Sources	4,136,593	87,057		4,223,650
Federal Sources	-	370,396	-	370,396
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	16,974,915	599,507	468,100	18,042,522
<b>EXPENDITURES</b>				
Current				
Instruction				
Regular Instruction	6,239,487	46,255		6,285,742
Special Education Instruction	3,017,238	224,246		3,241,484
Other Instruction	946,268	62,701		1,008,969
School-Sponsored Activities and Athletics	35,805	99,646		135,451
Support Services				
Student and Instruction Related Services	2,601,580	71,974		2,673,554
General Administrative Services	550,667			550,667
School Administrative Services	664,862			664,862
Central Services and Info. Technology	437,573			437,573
Plant Operations and Maintenance	1,264,190	65,289		1,329,479
Pupil Transportation	251,089			251,089
Debt Service				
Principal	77,598		430,000	507,598
Interest and Other Charges	36,079		38,100	74,179
Capital Outlay	815,961	17,745	-	833,706
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	16,938,397	587,856	468,100	17,994,353
Net Change in Fund Balances				
	36,518	11,651	-	48,169
Fund Balance, Beginning of Year				
	4,301,221	37,347	-	4,338,568
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	\$ 4,337,739	\$ 48,998	\$ -	\$ 4,386,737

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

**ORADELL BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 48,169

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

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

Capital Outlay	\$ 833,706	
Depreciation Expense	<u>(742,703)</u>	91,003

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

Loss on Disposal of Capital Assets		(580,683)
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In the statement of activities, certain operating expenses - compensated absences and pension expenses are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	13,546	
Decrease in Pension Expenses	<u>283,747</u>	297,293

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

Principal Payments		
Bond Principal	430,000	
Capital Financing Agreements Principal	<u>77,598</u>	507,598

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

Amortization of Bond Premium	16,128	
Amortization of Deferred Amounts on Refunding	<u>(13,809)</u>	2,319

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

Decrease in Accrued Interest		<u>5,358</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 371,057**

**ORADELL BOARD OF EDUCATION  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 149,457	\$ 5,943	\$ 155,400
Intergovernmental Receivable	-	1,112	1,112
	149,457	7,055	156,512
Total Current Assets			
Noncurrent Assets			
Capital Assets			
Equipment		12,949	12,949
Accumulated Depreciation	-	(12,949)	(12,949)
	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets			
	149,457	7,055	156,512
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable			-
Unearned Revenue	84,210	-	84,210
	84,210	-	84,210
Total Liabilities	84,210	-	84,210
<b>NET POSITION</b>			
Unrestricted	65,247	7,055	72,302
Total Net Position	\$ 65,247	\$ 7,055	\$ 72,302

**ORADELL BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities Enterprise Funds</b>		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales		\$ 9,817	\$ 9,817
Program Fees	\$ 81,371	-	81,371
Total Operating Revenues	<u>81,371</u>	<u>9,817</u>	<u>91,188</u>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	64,750		64,750
Cost of Sales		8,106	8,106
Administration Charge	8,000		8,000
Repairs		203	203
Supplies and Materials	<u>4,778</u>	<u>2,649</u>	<u>7,427</u>
Total Operating Expenses	<u>77,528</u>	<u>10,958</u>	<u>88,486</u>
Operating Income (Loss)	<u>3,843</u>	<u>(1,141)</u>	<u>2,702</u>
<b>NONOPERATING REVENUES</b>			
Federal Sources			
Special Milk Program	-	5,888	5,888
Total Nonoperating Revenues	<u>-</u>	<u>5,888</u>	<u>5,888</u>
Change in Net Position	3,843	4,747	8,590
Net Position, Beginning of Year	\$ 61,404	\$ 2,308	\$ 63,712
Net Position, End of Year	<u>\$ 65,247</u>	<u>\$ 7,055</u>	<u>\$ 72,302</u>

**ORADELL BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Extended Year</b>	<b>Non-Major</b>	
	<b>Summer Program</b>	<b>Food</b>	<b>Total</b>
		<b>Service</b>	
		<b>Fund</b>	
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 93,933	\$ 9,817	\$ 103,750
Cash Payments for Employees Salaries and Benefits	(64,750)	-	(64,750)
Cash Payments to Suppliers for Goods and Services	(12,778)	(13,458)	(26,236)
Net Cash Provided by (Used for) Operating Activities	<u>16,405</u>	<u>(3,641)</u>	<u>12,764</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from Federal			
Subsidy Reimbursements	-	5,260	5,260
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>-</u>	<u>5,260</u>	<u>5,260</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,405	1,619	18,024
Cash and Cash Equivalents, Beginning of Year	\$ 133,052	\$ 4,324	\$ 137,376
Cash and Cash Equivalents, End of Year	<u>\$ 149,457</u>	<u>\$ 5,943</u>	<u>\$ 155,400</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
<b>Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ 3,843	\$ (1,141)	\$ 2,702
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used for) Operating Activities			
Change in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable		(2,500)	(2,500)
Increase/(Decrease) in Unearned Revenue	\$ 12,562	-	12,562
Total Adjustments	<u>12,562</u>	<u>(2,500)</u>	<u>10,062</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 16,405</u>	<u>\$ (3,641)</u>	<u>\$ 12,764</u>

**NOTES TO THE FINANCIAL STATEMENTS**



**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

During fiscal year 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**B. New Accounting Standards (Continued)**

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

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

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

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Basis of Presentation - Financial Statements (Continued)**

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

**Reclassifications**

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

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

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

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software 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.

**4. *Capital Assets***

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

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

**ORADELL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

***4. Capital Assets (Continued)***

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

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

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

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

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

***6. Compensated Absences***

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

***7. Pensions***

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

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

***8. Financing Agreements***

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

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

***9. Long-Term Obligations***

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

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 2023/2024 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 2C).

*Maintenance Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 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, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

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

ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

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

*Year-End Encumbrances* – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

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

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

11. *Fund Balance Policies*

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

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

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



**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**A. Budgetary Information (Continued)**

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of N.J.S.A. 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$1,162,466 and the special revenue fund by \$589,177. The increases were funded by the additional appropriation of capital reserve, maintenance reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$727,250 and maintenance reserve of \$16,493 from the general fund.

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.

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**B. Capital Reserve (Continued)**

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 1,771,337
Deposits:		
Return of Unencumbered		
Budget Withdrawals	\$ 328,535	
Approved by Board Resolution	<u>1,000,000</u>	
		<u>1,328,535</u>
		3,099,872
Withdrawals:		
Approved by Board Resolution		<u>727,250</u>
Balance, June 30, 2023		<u>\$ 2,372,622</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$6,261,269. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$330,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 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.

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	\$ 643,157
Deposits:	
Approved by Board Resolution	<u>16,493</u>
	659,650
Withdrawals:	
Approved by Board Resolution	<u>16,493</u>
Balance, June 30, 2022	<u>\$ 643,157</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$643,157. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$100,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**D. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022	<u>\$ 130,425</u>
Balance, June 30, 2023	<u>\$ 130,425</u>

**ORADELL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% 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, 2023 is \$873,813. Of this amount, \$516,457 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$357,356 will be appropriated in the 2024/2025 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$5,068,961 and bank and brokerage firm balances of the Board’s deposits amounted to \$5,295,902. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

**Depository Account**

Insured	\$ 5,254,202
Uninsured and Collateralized	34,849
Uninsured and Uncollateralized	<u>6,851</u>
	<u>\$ 5,295,902</u>

**ORADELL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 the Board’s bank balance of \$41,700 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	\$ 34,849
Uninsured and Uncollateralized	<u>6,851</u>
	<u>\$ 41,700</u>

**Investments**

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

As of June 30, 2023, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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

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

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**B. Receivables**

Receivables as of June 30, 2023 for the district’s individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	47,958	\$ 17,745		65,703
Federal	-	31,842	\$ 1,112	32,954
Other Accounts	<u>2,618</u>	<u>-</u>	<u>-</u>	<u>2,618</u>
Gross Receivables	50,576	49,587	1,112	101,275
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 50,576</u>	<u>\$ 49,587</u>	<u>\$ 1,112</u>	<u>\$ 101,275</u>

**C. Unearned Revenue**

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 33,985
Grant Draw Downs for Year-End Encumbrances	<u>43,160</u>
 Total Unearned for Year-End Governmental Funds	 <u>\$ 77,145</u>

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,592			\$ 5,592
Construction in Progress	44,000	\$ 529,978	\$ (44,000)	529,978
Total Capital Assets, Not Being Depreciated	<u>49,592</u>	<u>529,978</u>	<u>(44,000)</u>	<u>535,570</u>
Capital Assets, Being Depreciated:				
Land Improvements	52,200			52,200
Building and Building Improvements	23,924,791	195,358		24,120,149
Machinery and Equipment	1,185,302	152,370	(843,635)	494,037
Total Capital Assets Being Depreciated	<u>25,162,293</u>	<u>347,728</u>	<u>(843,635)</u>	<u>24,666,386</u>
Less Accumulated Depreciation for:				
Land Improvements	(52,200)			(52,200)
Building and Building Improvements	(12,647,167)	(693,714)		(13,340,881)
Machinery and Equipment	(633,626)	(48,989)	262,952	(419,663)
Total Accumulated Depreciation	<u>(13,332,993)</u>	<u>(742,703)</u>	<u>262,952</u>	<u>(13,812,744)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,829,300</u>	<u>(394,975)</u>	<u>(580,683)</u>	<u>10,853,642</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,878,892</u>	<u>\$ 135,003</u>	<u>\$ (624,683)</u>	<u>\$ 11,389,212</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and equipment	\$ 12,949	-	-	\$ 12,949
Total capital assets being depreciated	<u>12,949</u>	<u>-</u>	<u>-</u>	<u>12,949</u>
Less Accumulated Depreciation for:				
Machinery and equipment	(12,949)	-	-	(12,949)
Total accumulated depreciation	<u>(12,949)</u>	<u>-</u>	<u>-</u>	<u>(12,949)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular Instruction	\$ 10,723
Total Instruction	<u>10,723</u>
Support Services	
Student and Instruction Related Services	25,054
Central Services and Info. Technology	9,340
Plant Operations and Maintenance	<u>697,586</u>
Total Support Services	<u>731,980</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 742,703</u>

**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, 2023 are comprised of the following:

\$1,946,368, fiscal year 2017 Agreement for the Energy Savings Incentive Project (ESIP) for a term of 20 years due in semi-annual principal installments of \$37,049 to \$68,436 through March 18, 2036, interest at 2.46%	\$ 1,382,186
\$36,036, fiscal year 2020 Agreement for the acquisition of copier machines for a term of five (5) years due in monthly principal installments of \$649 to \$692 through August 15, 2024, interest at 5.70%	<u>9,381</u>
Total	<u>\$ 1,391,567</u>

**ORADELL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

**E. Financing Agreements (Continued)**

**Other Financing Agreements**

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,	<u>Capital Agreements</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 82,656	\$ 33,531
2025	80,830	31,666
2026	84,443	29,682
2027	89,644	27,574
2028	95,060	25,336
2029-2033	563,218	88,224
2034-2036	<u>395,716</u>	<u>17,239</u>
Total	<u>\$ 1,391,567</u>	<u>\$ 253,252</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, 2023 are comprised of the following issues:

\$4,620,000, 2012 Refunding Bonds, due in annual installments of \$415,000 to \$425,000 through February 15, 2025, interest at 3.00%	<u>\$840,000</u>
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**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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:**

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 425,000	\$ 25,200	\$ 450,200
2025	415,000	12,450	427,450
Total	<u>\$ 840,000</u>	<u>\$ 37,650</u>	<u>\$ 877,650</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 47,719,716
Less: Net Debt	<u>840,000</u>
Remaining Borrowing Power	<u>\$ 46,879,716</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2023</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 1,270,000		\$ 430,000	\$ 840,000	\$ 425,000
Add: Original Issue Premium	32,063	-	16,128	15,935	-
Total Bonds Payable	1,302,063	-	446,128	855,935	425,000
Capital Financing Agreements	1,469,165		77,598	1,391,567	82,656
Compensated Absences	92,151		13,546	78,605	10,000
Net Pension Liability	1,554,550	\$ 331,704	145,462	1,740,792	-
Governmental Activity Long-Term Liabilities	<u>\$ 4,417,929</u>	<u>\$ 331,704</u>	<u>\$ 682,734</u>	<u>\$ 4,066,899</u>	<u>\$ 517,656</u>

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 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 respective insurance funds are on file with the School's Business Administrator.

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

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

Fiscal Year Ended <u>June 30</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2022	None	\$ 13,791	\$ 5,713	\$ 25,717
2022	None	36,177	3,620	25,717
2021	None	34,456	33,034	25,717

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2023, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2023, 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](http://www.state.nj.us/treasury/pensions).

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

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

**Other Pension Funds**

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

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

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

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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



**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91%. The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 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>	On-behalf		
	<u>PERS</u>	<u>TPAF</u>	<u>DCRP</u>
2023	\$ 145,462	\$ 2,090,105	\$ 24,250
2022	153,679	2,103,315	18,963
2021	127,695	1,496,302	22,252

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$844, \$850 and \$809 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 \$449,542 during the fiscal year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$1,740,792 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was 0.01154 percent, which a decrease of 0.00158 percent from its proportionate share measured as of June 30, 2021 of 0.01312 percent.

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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$138,285 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 12,564	\$ 11,080
Changes of Assumptions	5,394	260,665
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	72,050	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>319,981</u>	<u>294,180</u>
Total	<u>\$ 409,989</u>	<u>\$ 565,925</u>

At June 30, 2023, 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:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2023	\$ (139,360)
2024	(31,936)
2025	(31,845)
2026	49,277
2027	(2,072)
Thereafter	<u>-</u>
	<u>\$ (155,936)</u>

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 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

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

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

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

***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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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 percent, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,236,408</u>	<u>\$ 1,740,792</u>	<u>\$ 1,319,003</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

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

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

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

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

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, 2021 through June 30, 2022. 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, 2022, 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$699,579 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$25,994,298. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was 0.05038 percent, which was a decrease of 0.00013 percent from its proportionate share measured as of June 30, 2021 of 0.05051 percent.

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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.

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 30,478,867</u>	<u>\$ 25,994,298</u>	<u>\$ 22,216,612</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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.

**ORADELL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

**Measurement Focus and Basis of Accounting**

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

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

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

**Actuarial Methods and Assumptions**

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$549,065, \$491,419 and \$468,918, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$664,333. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$20,379,045. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was 0.04024 percent, which was a decrease of 0.00148 percent from its proportionate share measured as of June 30, 2021 of 0.04172 percent.

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 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55%	2.75% to 4.25%
	Based on Years of Service	Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2022 was 3.54%. 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.

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ 25,031,063
Changes Recognized for the Fiscal Year:	
Service Cost	1,222,454
Interest on the Total OPEB Liability	540,067
Differences Between Expected and Actual Experience	(429,886)
Changes of Assumptions	(5,466,862)
Gross Benefit Payments	(534,953)
Contributions from the Member	17,162
Net Changes	<u>\$ (4,652,018)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 20,379,045</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 23,953,424</u>	<u>\$ 20,379,045</u>	<u>\$ 17,514,359</u>

**ORADELL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**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 (Continued)**

*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:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 16,844,526	\$ 20,379,045	\$ 25,021,850

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board’s operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$486,324 in federal aid to address the effects of the COVID-19 pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 12,628,511		\$ 12,628,511	\$ 12,628,511	
Tuition from Individuals				5,055	\$ 5,055
Interest on Capital Reserve	500		500		(500)
Interest				102,188	102,188
Building Rentals	15,000		15,000	27,426	12,426
Miscellaneous	4,000	-	4,000	75,142	71,142
<b>Total Local Sources</b>	<b>12,648,011</b>	<b>-</b>	<b>12,648,011</b>	<b>12,838,322</b>	<b>190,311</b>
State Sources					
Special Education Aid	701,912		701,912	701,912	
Security Aid	58,565		58,565	58,565	
Transportation Aid	29,595		29,595	29,595	
Extraordinary Aid	50,000		50,000	330,736	280,736
Nonpublic School Transportation Aid				4,680	4,680
Lead Testing for Schools				1,992	1,992
On-behalf TPAF Contributions - (Non-Budget)					
Pension Contribution				2,061,504	2,061,504
Pension - NCGI Premium				28,601	28,601
Post Retirement Medical Benefits				549,065	549,065
Long-Term Disability Insurance Premium				844	844
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	449,542	449,542
<b>Total State Sources</b>	<b>840,072</b>	<b>-</b>	<b>840,072</b>	<b>4,217,036</b>	<b>3,376,964</b>
<b>Total Revenues</b>	<b>13,488,083</b>	<b>-</b>	<b>13,488,083</b>	<b>17,055,358</b>	<b>3,567,275</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	601,131	\$ (112,458)	488,673	481,457	7,216
Grades 1-5	2,534,152	(32,715)	2,501,437	2,398,608	102,829
Grades 6-8	474,410	68,907	543,317	511,717	31,600
Regular Program - Home Instruction					
Salaries of Teachers		1,325	1,325	1,325	-
Home Instruction					
Purchased Professional-Educational Services	10,000	(9,999)	1		1
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	44,100	(18,304)	25,796	25,796	-
Purchased Technical Services	150,000	7,548	157,548	157,517	31
Other Purchased Services	10,864	955	11,819	11,819	-
General Supplies	194,496	88,575	283,071	280,747	2,324
Textbooks	44,000	(43,446)	554	554	-
<b>Total Regular Programs</b>	<b>4,063,153</b>	<b>(49,612)</b>	<b>4,013,541</b>	<b>3,869,540</b>	<b>144,001</b>
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	124,992	-	124,992	122,875	2,117
Other Salaries for Instruction	328,994	77,589	406,583	386,684	19,899
Purchased Professional-Educational Services		-			-
General Supplies	5,293	(3,690)	1,603	1,521	82
<b>Total Learning and/or Language Disabilities</b>	<b>459,279</b>	<b>73,899</b>	<b>533,178</b>	<b>511,080</b>	<b>22,098</b>

**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 678,282	\$ 62,707	\$ 740,989	\$ 733,109	\$ 7,880
Other Salaries for Instruction	45,691	14,130	59,821	56,821	3,000
General Supplies	2,060	824	2,884	2,808	76
Total Resource Room/Resource Center	<u>726,033</u>	<u>77,661</u>	<u>803,694</u>	<u>792,738</u>	<u>10,956</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	78,177	(662)	77,515	74,986	2,529
Other Salaries for Instruction	30,167	80	30,247	14,478	15,769
Purchased Professional-Educational Services	6,400	(6,400)	-	-	-
General Supplies	1,000	(845)	155	155	-
Total Preschool Disabilities - Part-Time	<u>115,744</u>	<u>(7,827)</u>	<u>107,917</u>	<u>89,619</u>	<u>18,298</u>
Total Special Education	<u>1,301,056</u>	<u>143,733</u>	<u>1,444,789</u>	<u>1,393,437</u>	<u>51,352</u>
Basic Skills/Remedial					
Salaries of Teachers	444,327	-	444,327	420,035	24,292
Other Salaries for Instruction	3,100	-	3,100	-	3,100
General Supplies	1,800	-	1,800	1,740	60
Total Basic Skills/Remedial	<u>449,227</u>	<u>-</u>	<u>449,227</u>	<u>421,775</u>	<u>27,452</u>
Bilingual Education					
Salaries of Teachers	134,241	4,332	138,573	138,573	-
General Supplies	400	-	400	400	-
Total Bilingual Education	<u>134,641</u>	<u>4,332</u>	<u>138,973</u>	<u>138,973</u>	<u>-</u>
School Sponsored Co/Extra-Curricular Activities					
Salaries	16,930	5,605	22,535	22,535	-
Purchased Services	4,200	1,005	5,205	3,107	2,098
Supplies and Materials	500	(500)	-	-	-
Total School Sponsored Co/Extra-Curricular Activities	<u>21,630</u>	<u>6,110</u>	<u>27,740</u>	<u>25,642</u>	<u>2,098</u>
Total Instruction	<u>5,969,707</u>	<u>104,563</u>	<u>6,074,270</u>	<u>5,849,367</u>	<u>224,903</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	475,370	(54,609)	420,761	360,210	60,551
Tuition to APSSD Within the State	744,498	(224,335)	520,163	414,532	105,631
Total Undistributed Expenditures - Instruction	<u>1,219,868</u>	<u>(278,944)</u>	<u>940,924</u>	<u>774,742</u>	<u>166,182</u>
Attendance and Social Work					
Salaries	39,624	7,804	47,428	45,921	1,507
Total Attendance and Social Work	<u>39,624</u>	<u>7,804</u>	<u>47,428</u>	<u>45,921</u>	<u>1,507</u>
Health Services					
Salaries	93,689	1,053	94,742	91,471	3,271
Purchased Professional and Technical Services	9,000	72,473	81,473	73,320	8,153
Supplies and Materials	3,000	2,484	5,484	5,106	378
Total Health Services	<u>105,689</u>	<u>76,010</u>	<u>181,699</u>	<u>169,897</u>	<u>11,802</u>

**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Speech, OT, PT & Related Services					
Salaries	\$ 298,913	\$ (5,777)	\$ 293,136	\$ 293,136	-
Purchased Professional-Educational Services	165,000	(24,905)	140,095	115,193	\$ 24,902
Supplies and Materials	1,500	-	1,500	1,385	115
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>465,413</b>	<b>(30,682)</b>	<b>434,731</b>	<b>409,714</b>	<b>25,017</b>
Other Support Serv. Students - Extra. Svcs.					
Purchased Professional-Educational Services	245,000	-	245,000	198,619	46,381
<b>Total Other Support Serv. Students - Extra. Serv.</b>	<b>245,000</b>	<b>-</b>	<b>245,000</b>	<b>198,619</b>	<b>46,381</b>
Guidance					
Salaries of Other Professional Staff	51,197	1,562	52,759	52,759	-
Supplies and Materials	1,250	(1,096)	154	154	-
<b>Total Guidance</b>	<b>52,447</b>	<b>466</b>	<b>52,913</b>	<b>52,913</b>	<b>-</b>
Child Study Team					
Salaries of Other Professional Staff	405,029	(905)	404,124	395,724	8,400
Salaries of Secretarial and Clerical Assistants	75,798	1,005	76,803	76,802	1
Other Salaries	20,000	2,325	22,325	22,325	-
Purchased Professional-Educational Services	62,000	(4,488)	57,512	55,157	2,355
Other Purchased Professional & Technical Services	-	-	-	-	-
Other Purchased Services	3,029	(1,200)	1,829	897	932
Supplies and Materials	5,200	1,650	6,850	6,170	680
Other Objects	1,350	-	1,350	1,326	24
<b>Total Child Study Team</b>	<b>572,406</b>	<b>(1,613)</b>	<b>570,793</b>	<b>558,401</b>	<b>12,392</b>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	186,381	1	186,382	186,381	1
Salaries of Other Professional Staff	15,000	-	15,000	8,825	6,175
Other Purchased Services	500	-	500	-	500
Supplies and Materials	1,000	-	1,000	15	985
Other Objects	1,000	-	1,000	305	695
<b>Total Improvement of Instructional Services</b>	<b>203,881</b>	<b>1</b>	<b>203,882</b>	<b>195,526</b>	<b>8,356</b>
Educational Media Services/School Library					
Salaries	70,895	1,553	72,448	72,448	-
Other Purchased Services	22,637	-	22,637	22,576	61
Supplies and Materials	16,390	1,184	17,574	16,739	835
<b>Total Educational Media Serv./School Library</b>	<b>109,922</b>	<b>2,737</b>	<b>112,659</b>	<b>111,763</b>	<b>896</b>
Instructional Staff Training Services					
Other Salaries	5,500	955	6,455	6,455	-
Purchased Professional/Educational Services	10,000	(4,065)	5,935	3,259	2,676
Other Purchased Services	7,000	3,110	10,110	9,711	399
Supplies and Materials	600	-	600	108	492
<b>Total Instructional Staff Training Services</b>	<b>23,100</b>	<b>-</b>	<b>23,100</b>	<b>19,533</b>	<b>3,567</b>

**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 245,490		\$ 245,490	\$ 245,080	\$ 410
Legal Services	52,000		52,000	48,067	3,933
Audit Fees	32,500	\$ 30,750	63,250	29,286	33,964
Architectural/Engineering Services	15,000	(1,014)	13,986	7,550	6,436
Communications/Telephone	24,500	(834)	23,666	18,360	5,306
Miscellaneous Purchased Services	8,000	(1,210)	6,790	5,794	996
BOE Other Purchased Services	5,400	1,272	6,672	6,672	-
General Supplies	3,475	4,720	8,195	2,810	5,385
Miscellaneous Expenditures	3,000	1,516	4,516	4,516	-
BOE Membership Dues and Fees	8,965	-	8,965	7,424	1,541
<b>Total General Administration</b>	<b>398,330</b>	<b>35,200</b>	<b>433,530</b>	<b>375,559</b>	<b>57,971</b>
School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	304,766	-	304,766	304,766	-
Salaries of Secretarial and Clerical Assistants	89,275	3,554	92,829	90,479	2,350
Other Salaries	1,000	-	1,000	735	265
Other Purchased Services	9,821	(1,669)	8,152	7,767	385
Supplies and Materials	4,200	5,010	9,210	5,006	4,204
Other Objects	5,000	(362)	4,638	4,638	-
<b>Total School Administration</b>	<b>414,062</b>	<b>6,533</b>	<b>420,595</b>	<b>413,391</b>	<b>7,204</b>
Central Services					
Salaries	267,292	(5,370)	261,922	254,568	7,354
Purchased Professional Services	10,676	-	10,676	10,116	560
Miscellaneous Purchased Services	2,940	-	2,940	904	2,036
Sale/Leaseback Payments	4,020	-	4,020	2,701	1,319
Supplies and Materials	6,000	(288)	5,712	4,729	983
Miscellaneous Expenditures	1,500	(225)	1,275	1,275	-
<b>Total Central Services</b>	<b>292,428</b>	<b>(5,883)</b>	<b>286,545</b>	<b>274,293</b>	<b>12,252</b>
Admin. Info. Tech.					
Purchased Technical Services	-	1,133	1,133	1,133	-
Other Purchased Services	2,800	5,370	8,170	4,675	3,495
Miscellaneous Purchased Services	4,750	(98)	4,652	1,773	2,879
Supplies and Materials	-	5,432	5,432	5,387	45
<b>Total Admin. Info. Tech.</b>	<b>7,550</b>	<b>11,837</b>	<b>19,387</b>	<b>12,968</b>	<b>6,419</b>
Required Maintenance for School Facilities					
Salaries	152,497	(6,305)	146,192	143,498	2,694
Cleaning, Repair and Maintenance	66,820	56,568	123,388	74,566	48,822
General Supplies	20,000	(5,649)	14,351	13,650	701
<b>Total Required Maintenance for School Fac.</b>	<b>239,317</b>	<b>44,614</b>	<b>283,931</b>	<b>231,714</b>	<b>52,217</b>
Custodial Services					
Salaries	354,832	(6,516)	348,316	326,212	22,104
Salaries of Non-Instructional Aides	62,000	(667)	61,333	61,333	-
Purchased Prof. And Technical Serv.	2,600	2,060	4,660	4,660	-
Cleaning, Repair and Maint. Serv.	18,500	5	18,505	18,505	-
Lease Purchase Payment-Energy Savings Impr Prog	105,338	(1)	105,337	105,337	-
Other Purchased Property Services	15,000	(2,900)	12,100	10,711	1,389
Insurance	135,800	8,447	144,247	144,247	-
Miscellaneous Purchased Services	4,089	(977)	3,112	2,944	168
General Supplies	31,000	(7,725)	23,275	23,275	-
Energy (Natural Gas)	65,000	1,864	66,864	65,546	1,318
Energy (Electricity)	115,000	-	115,000	107,128	7,872
Energy (Gasoline)	1,000	-	1,000	512	488
Other Objects	500	(375)	125	125	-
<b>Total Custodial Services</b>	<b>910,659</b>	<b>(6,785)</b>	<b>903,874</b>	<b>870,535</b>	<b>33,339</b>

**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT (Continued)</b>					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	\$ 15,000	\$ 49,318	\$ 64,318	\$ 21,262	\$ 43,056
General Supplies	-	-	-	-	-
Total Care and Upkeep of Grounds	<u>15,000</u>	<u>49,318</u>	<u>64,318</u>	<u>21,262</u>	<u>43,056</u>
Security					
Cleaning, Repair and Maint. Serv.	2,500	45,461	47,961	2,235	45,726
Purchased Prof. And Technical Serv.	6,500	(2,225)	4,275	4,275	-
General Supplies	1,000	(446)	554	-	554
Total Security	<u>10,000</u>	<u>42,790</u>	<u>52,790</u>	<u>6,510</u>	<u>46,280</u>
Student Transportation Services					
Contracted Serv. - Aid in Lieu of Payments - Non-Public	19,000	-	19,000	16,170	2,830
Contracted Services					
(Other than Between Home and School) - Vendors	6,000	5,340	11,340	11,340	-
Contracted Services (Spl. Ed. Students) - Vendors	200,000	49,372	249,372	223,579	25,793
Total Student Transportation Services	<u>225,000</u>	<u>54,712</u>	<u>279,712</u>	<u>251,089</u>	<u>28,623</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	155,000	393	155,393	155,393	-
Other Retirement Contributions-PERS	180,000	(8,841)	171,159	145,462	25,697
Other Retirement Contributions-Regular	25,000	-	25,000	24,250	750
Unemployment Compensation	12,000	-	12,000	8,193	3,807
Workmen's Compensation	75,820	-	75,820	75,030	790
Health Benefits	1,750,000	(49,175)	1,700,825	1,648,235	52,590
Tuition Reimbursement	36,000	(6,110)	29,890	5,843	24,047
Other Employee Benefits	106,500	1	106,501	92,377	14,124
Unused Sick Payment to Terminated/Retired Staff	-	6,520	6,520	6,520	-
Total Unallocated Benefits - Employee Benefits	<u>2,340,320</u>	<u>(57,212)</u>	<u>2,283,108</u>	<u>2,161,303</u>	<u>121,805</u>
On-behalf TPAF Contributions - (Non-Budget):					
Pension Contribution				2,061,504	(2,061,504)
Pension - NCGI Premium				28,601	(28,601)
Post Retirement Medical Benefits				549,065	(549,065)
Long Term Disability Insurance Premium				844	(844)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	449,542	(449,542)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,089,556</u>	<u>(3,089,556)</u>
Total Undistributed Expenditures	<u>7,890,016</u>	<u>(49,097)</u>	<u>7,840,919</u>	<u>10,245,209</u>	<u>(2,404,290)</u>
Total - Current Expenditures	<u>13,859,723</u>	<u>55,466</u>	<u>13,915,189</u>	<u>16,094,576</u>	<u>(2,179,387)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed Expenditures - Instruction		4,369	4,369		4,369
Undistributed Expenditures - Req. Maint. for School Facilities		-	-		-
Undistributed Expenditures - General Administration		3,787	3,787	3,787	-
Undistributed Expenditures - Administrative Information Technology		111,586	111,586	111,586	-
Undistributed Expenditures - Operations and Plant Maint.	-	110,065	110,065	83,292	26,773
Total Equipment	<u>-</u>	<u>229,807</u>	<u>229,807</u>	<u>198,665</u>	<u>31,142</u>

**ORADELL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>CAPITAL OUTLAY (Continued)</b>	<b>Original Budget</b>	<b>Budget Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final To Actual</b>
<b>EXPENDITURES (Continued)</b>					
Construction Services		\$ 877,193	\$ 877,193	\$ 617,296	\$ 259,897
Assessment for Debt Service on SDA Funding	\$ 27,860	-	27,860	27,860	-
Total Facilities Acquisition and Construction Services	27,860	877,193	905,053	645,156	259,897
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	28,360	1,107,000	1,135,360	843,821	291,539
Total Expenditures	13,888,083	1,162,466	15,050,549	16,938,397	(1,887,848)
Net Change in Fund Balances	\$ (400,000)	\$ (1,162,466)	\$ (1,562,466)	\$ 116,961	\$ 1,679,427
Fund Balance, Beginning of Year	4,626,635	-	4,626,635	4,626,635	-
Fund Balance, End of Year	\$ 4,226,635	\$ (1,162,466)	\$ 3,064,169	\$ 4,743,596	\$ 1,679,427
<b>Recapitulation</b>					
<b>Restricted Fund Balance:</b>					
Capital Reserve				\$ 2,042,622	
Capital Reserve - Designated for Subsequent Year's Expenditures				330,000	
Maintenance Reserve				543,157	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				100,000	
Emergency Reserve				130,425	
Unemployment Compensation Reserve				25,717	
Excess Surplus				357,356	
Excess Surplus - Designated for Subsequent Year's Expenditures				516,457	
<b>Committed Fund Balance:</b>					
Year End Encumbrances				46,709	
<b>Assigned Fund Balance:</b>					
Year End Encumbrances				88,760	
Designated for Subsequent Year's Expenditures					
<b>Unassigned Fund Balance</b>				562,393	
Reconciliation to Governmental Funds Statements (GAAP):				4,743,596	
Less: State Aid Revenue Not Recognized on GAAP Basis				(405,857)	
Fund Balance Per Governmental Funds (GAAP)				\$ 4,337,739	

**ORADELL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 64,072	(64,072)	\$ -	\$ 87,057	\$ 87,057
Federal	200,675	653,249	853,924	362,123	(491,801)
Other	17,000	-	17,000	183,732	166,732
	<u>281,747</u>	<u>589,177</u>	<u>870,924</u>	<u>632,912</u>	<u>(238,012)</u>
Total Revenues					
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	8,693	96,832	105,525	51,143	54,382
Tuition	175,205	44,922	220,127	220,127	-
Supplies and Materials	2,293	52,270	54,563	36,301	18,262
Textbooks	3,277	1,409	4,686	4,686	-
Other Objects		48,895	48,895	20,342	28,553
Co-curricular/Extra-curricular Activities	17,000	109,660	126,660	98,494	28,166
	<u>206,468</u>	<u>353,988</u>	<u>560,456</u>	<u>431,093</u>	<u>129,363</u>
Total Instruction					
Support Services					
Salaries		48,644	48,644	16,194	32,450
Employee Benefits		16,672	16,672	-	16,672
Purchased Professional and Technical Services		53,821	53,821	24,230	29,591
Purchased Professional and Educational Services	16,777	(5,327)	11,450	11,450	-
Other Purchased Services	48,947	39,167	88,114	60,334	27,780
Supplies and Materials	9,555	8,653	18,208	17,055	1,153
Other Objects	-	100	100	-	100
	<u>75,279</u>	<u>161,730</u>	<u>237,009</u>	<u>129,263</u>	<u>107,746</u>
Total Support Services					
Capital Outlay					
Construction Services		55,714	55,714	43,160	12,554
Non-Instructional Equipment	-	17,745	17,745	17,745	-
	<u>-</u>	<u>73,459</u>	<u>73,459</u>	<u>60,905</u>	<u>12,554</u>
Total Capital Outlay					
Total Expenditures	<u>281,747</u>	<u>589,177</u>	<u>870,924</u>	<u>621,261</u>	<u>249,663</u>
Net Change in Fund Balances	-	-	-	11,651	11,651
Fund Balances, Beginning of Year	<u>37,347</u>	<u>-</u>	<u>37,347</u>	<u>37,347</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 37,347</u>	<u>\$ -</u>	<u>\$ 37,347</u>	<u>\$ 48,998</u>	<u>\$ 11,651</u>
<b>Restricted Fund Balance</b>					
Student Activities				<u>\$ 48,998</u>	

**ORADELL BOARD OF EDUCATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 17,055,358	\$ 632,912
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2022, net of cancellations		9,755
Encumbrances, June 30, 2023		(43,160)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2021/2022 State Aid)	325,414	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2022/2023 State Aid)	<u>(405,857)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 16,974,915</u>	<u>\$ 599,507</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 16,938,397	\$ 621,261
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2022, net of cancellations		9,755
Encumbrances, June 30, 2023	<u>-</u>	<u>(43,160)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 16,938,397</u>	<u>\$ 587,856</u>



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

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

Public Employees Retirement System

Last Ten Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.01154 %	0.01312 %	0.01167 %	0.01032 %	0.01070 %	0.01198 %	0.01225 %	0.01206 %	0.01217 %	0.01385 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,740,792	\$ 1,554,550	\$ 1,903,535	\$ 1,860,300	\$ 2,107,382	\$ 2,788,755	\$ 3,627,957	\$ 2,706,898	\$ 2,278,086	\$ 2,647,114
District's Covered Payroll	\$ 871,731	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261	\$ 863,005
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	199.69 %	174.95 %	212.01 %	229.53 %	280.05 %	347.08 %	435.41 %	333.56 %	276.71 %	306.73 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91 %	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 145,462	\$ 153,679	\$ 127,695	\$ 100,427	\$ 106,461	\$ 110,982	\$ 108,823	\$ 103,671	\$ 100,307	\$ 104,361
Contributions in Relation to the Contractually Required Contribution	<u>145,462</u>	<u>153,679</u>	<u>127,695</u>	<u>100,427</u>	<u>106,461</u>	<u>110,982</u>	<u>108,823</u>	<u>103,671</u>	<u>100,307</u>	<u>104,361</u>
Contribution Deficiently (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 881,106	\$ 871,731	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261
Contributions as a Percentage of Covered Payroll	16.51 %	17.63 %	14.37 %	11.19 %	13.14 %	14.75 %	13.54 %	12.44 %	12.36	12.68 %

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>25,994,298</u>	<u>24,284,432</u>	<u>32,565,463</u>	<u>29,236,099</u>	<u>28,524,493</u>	<u>30,780,524</u>	<u>35,991,367</u>	<u>30,794,856</u>	<u>24,295,013</u>	<u>23,172,447</u>
Total	<u>\$ 25,994,298</u>	<u>\$ 24,284,432</u>	<u>\$ 32,565,463</u>	<u>\$ 29,236,099</u>	<u>\$ 28,524,493</u>	<u>\$ 30,780,524</u>	<u>\$ 35,991,367</u>	<u>\$ 30,794,856</u>	<u>\$ 24,295,013</u>	<u>\$ 23,172,447</u>
District's Covered Payroll	\$ 6,053,640	\$ 5,502,288	\$ 5,653,537	\$ 5,481,322	\$ 5,053,002	\$ 4,895,026	\$ 4,708,379	\$ 4,652,286	\$ 4,571,132	\$ 4,610,548
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %	33.76 %

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

**ORADELL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Change of Benefit Terms:**                      None.

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**POSTEMPLOYMENT BENEFITS INFORMATION**

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

**Postemployment Health Benefit Plan**

**Last Six Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 1,222,454	\$ 1,415,703	\$ 782,193	\$ 727,750	\$ 862,968	\$ 1,041,253
Interest on Total OPEB Liability	540,067	649,332	642,322	749,223	817,375	703,583
Changes of Benefit Terms		(26,643)				
Differences Between Expected and Actual Experience	(429,886)	(5,236,018)	4,706,531	(2,296,746)	(2,340,036)	-
Changes of Assumptions	(5,466,862)	24,695	5,242,300	265,549	(2,168,267)	(2,934,327)
Gross Benefit Payments	(534,953)	(511,492)	(499,624)	(546,715)	(505,239)	(563,601)
Contribution from the Member	17,162	16,600	15,144	16,206	17,462	20,753
Net Change in Total OPEB Liability	(4,652,018)	(3,667,823)	10,888,866	(1,084,733)	(3,315,737)	(1,732,339)
Total OPEB Liability - Beginning	25,031,063	28,698,886	17,810,020	18,894,753	22,210,490	23,942,829
Total OPEB Liability - Ending	<u>\$ 20,379,045</u>	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	20,379,045	25,031,063	28,698,886	17,810,020	18,894,753	22,210,490
Total OPEB Liability - Ending	<u>\$ 20,379,045</u>	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Covered Payroll	<u>\$ 6,925,371</u>	<u>\$ 6,390,863</u>	<u>\$ 6,551,376</u>	<u>\$ 6,291,821</u>	<u>\$ 5,805,504</u>	<u>\$ 5,698,520</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**ORADELL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Changes in Benefit Terms:</b>	None.
<b>Changes of Assumptions</b>	Assumptions used in calculating the OPEB liability are presented in Note 4E.



**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**



**ORADELL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	From Exhibit <u>E-1</u>	IDEIA Part B <u>Basic</u>	IDEIA Part B <u>Preschool</u>	<u>American Rescue Plan -</u>		Title I <u>Part A</u>	Title II <u>Part A</u>	Title III <u>Immigrant</u>	Title IV <u>Title IV</u>	To Exhibit <u>E-1B</u>
			<u>IDEIA Part B Basic</u>	<u>IDEIA Part B Preschool</u>						
<b>REVENUES</b>										
Intergovernmental										
State	\$ 68,830									\$ 68,830
Federal	-	\$ 205,697	\$ 28,375	\$ 3,777	\$ 69	\$ 14,534	\$ 10,200	\$ 669	\$ 1,735	265,056
Other	<u>183,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,732</u>
Total Revenues	<u>252,562</u>	<u>205,697</u>	<u>28,375</u>	<u>3,777</u>	<u>69</u>	<u>14,534</u>	<u>10,200</u>	<u>669</u>	<u>1,735</u>	<u>517,618</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	-					9,050				9,050
Tuition	-	191,752	28,375							220,127
Supplies and Materials	25,525			3,777	69	5,484		669	295	35,819
Textbooks	4,686									4,686
Other Objects	8,102									8,102
Co-curricular/Extra-curricular Activities	<u>98,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,494</u>
Total Instruction	<u>136,807</u>	<u>191,752</u>	<u>28,375</u>	<u>3,777</u>	<u>69</u>	<u>14,534</u>	<u>-</u>	<u>669</u>	<u>295</u>	<u>376,278</u>
Support Services										
Purchased Professional and Educational Services	-						10,200		1,250	11,450
Other Purchased Services	46,389	13,945								60,334
Supplies and Materials	<u>14,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190</u>	<u>14,745</u>
Total Support Services	<u>60,944</u>	<u>13,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,200</u>	<u>-</u>	<u>1,440</u>	<u>86,529</u>
Capital Outlay										
Construction Services	<u>43,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,160</u>
Total Capital Outlay	<u>43,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,160</u>
Total Expenditures	<u>240,911</u>	<u>205,697</u>	<u>28,375</u>	<u>3,777</u>	<u>69</u>	<u>14,534</u>	<u>10,200</u>	<u>669</u>	<u>1,735</u>	<u>505,967</u>
Net Change in Fund Balances	11,651	-	-	-	-	-	-	-	-	11,651
Fund Balances, Beginning of Year	<u>37,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,347</u>
Fund Balances, End of Year	<u>\$ 48,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,998</u>

**ORADELL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	From Exhibit E-1A	SDA Emergent and Capital Maintenance Needs	Climate Awareness Grant	ESSER II		American Rescue Plan - ESSER III					Exhibit E-1 Grand Total	
				Learning Acceleration	Mental Health	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	Mental Health		
<b>REVENUES</b>												
Intergovernmental												
State	\$ 68,830	\$ 17,745	\$ 482									\$ 87,057
Federal	265,056			-	\$ 1,500	\$ 45,603	\$ 3,250	\$ 12,240	\$ 4,200	\$ 30,274		362,123
Other	183,732	-	-	-	-	-	-	-	-	-		183,732
<b>Total Revenues</b>	<b>517,618</b>	<b>17,745</b>	<b>482</b>	<b>-</b>	<b>1,500</b>	<b>45,603</b>	<b>3,250</b>	<b>12,240</b>	<b>4,200</b>	<b>30,274</b>		<b>632,912</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers	9,050					37,893			4,200			51,143
Tuition	220,127											220,127
Supplies and Materials	35,819		482									36,301
Textbooks	4,686											4,686
Other Objects	8,102							12,240				20,342
Co-curricular/Extra-curricular Activities	98,494	-	-	-	-	-	-	-	-	-	-	98,494
<b>Total Instruction</b>	<b>376,278</b>	<b>-</b>	<b>482</b>	<b>-</b>	<b>-</b>	<b>37,893</b>	<b>-</b>	<b>12,240</b>	<b>4,200</b>	<b>-</b>		<b>431,093</b>
Support Services												
Salaries	-						3,250			12,944		16,194
Purchased Professional and Technical Services	-				1,500	5,400				17,330		24,230
Purchased Professional and Educational Services	11,450											11,450
Other Purchased Services	60,334											60,334
Supplies and Materials	14,745	-	-	-	-	2,310	-	-	-	-	-	17,055
<b>Total Support Services</b>	<b>86,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>7,710</b>	<b>3,250</b>	<b>-</b>	<b>-</b>	<b>30,274</b>		<b>129,263</b>
Capital Outlay												
Construction Services	43,160											43,160
Non-Instructional Equipment	-	17,745	-	-	-	-	-	-	-	-	-	17,745
<b>Total Capital Outlay</b>	<b>43,160</b>	<b>17,745</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>60,905</b>
<b>Total Expenditures</b>	<b>505,967</b>	<b>17,745</b>	<b>482</b>	<b>-</b>	<b>1,500</b>	<b>45,603</b>	<b>3,250</b>	<b>12,240</b>	<b>4,200</b>	<b>30,274</b>		<b>621,261</b>
Net Change in Fund Balances	11,651	-	-	-	-	-	-	-	-	-		11,651
Fund Balances, Beginning of Year	37,347	-	-	-	-	-	-	-	-	-		37,347
Fund Balances, End of Year	\$ 48,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 48,998

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**ENTERPRISE FUND**

**EXHIBIT G-1**

**ORADELL BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-4

**EXHIBIT G-2**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-5

**EXHIBIT G-3**

**PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Financial Statements are Presented on Exhibit B-6



**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

ORADELL BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	5/10/2012	\$ 4,620,000	2/15/2024	425,000	3.00%				
			2/15/2025	415,000	3.00%	\$ 1,270,000	-	\$ 430,000	\$ 840,000
						<u>\$ 1,270,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ 840,000</u>

**ORADELL BOARD OF EDUCATION  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>REVENUES</b>	<b><u>Original Budget</u></b>	<b><u>Budget Adjustments</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Local Sources					
Property Taxes	\$ 468,100	-	\$ 468,100	\$ 468,100	-
Total Revenues	<u>468,100</u>	<u>-</u>	<u>468,100</u>	<u>468,100</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Redemption of Bond Principal	430,000	-	430,000	430,000	-
Interest on Bonds	<u>38,100</u>	<u>-</u>	<u>38,100</u>	<u>38,100</u>	<u>-</u>
Total Expenditures	<u>468,100</u>	<u>-</u>	<u>468,100</u>	<u>468,100</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements:</u>						
Energy Savings Incentive Project (ESIP)	\$ 1,946,368	2.46%	\$ 1,452,241		\$ 70,055	\$ 1,382,186
68 Copiers	36,036	5.70%	<u>16,924</u>	<u>-</u>	<u>7,543</u>	<u>9,381</u>
			<u>\$ 1,469,165</u>	<u>\$ -</u>	<u>\$ 77,598</u>	<u>\$ 1,391,567</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 8,219,528	\$ 8,192,648	\$ 8,105,230	\$ 8,252,637	\$ 8,701,442	\$ 9,209,648	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119	\$ 9,155,356
Restricted	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558	3,090,494
Unrestricted	(1,963,838)	(1,829,044)	(1,512,335)	(1,850,714)	(1,692,154)	(1,563,591)	(1,563,242)	(789,512)	(436,360)	(698,476)
Total Governmental Activities Net Position	<u>\$ 7,110,429</u>	<u>\$ 7,812,243</u>	<u>\$ 8,423,669</u>	<u>\$ 8,447,480</u>	<u>\$ 9,135,341</u>	<u>\$ 9,204,225</u>	<u>\$ 9,370,121</u>	<u>\$ 10,397,758</u>	<u>\$ 11,176,317</u>	<u>\$ 11,547,374</u>
Business-Type Activities										
Net Investment in Capital Assets	6480	\$ 5,184	\$ 9,063	\$ 6,473	\$ 3,884	\$ 1,294				
Restricted										
Unrestricted	\$ 37,600	36,245	44,130	50,897	52,735	54,143	64,571	\$ 64,571	\$ 63,712	\$ 72,302
Total Business-Type Activities Net Position	<u>\$ 44,080</u>	<u>\$ 41,429</u>	<u>\$ 53,193</u>	<u>\$ 57,370</u>	<u>\$ 56,619</u>	<u>\$ 55,437</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>	<u>\$ 63,712</u>	<u>\$ 72,302</u>
District-Wide										
Net Investment in Capital Assets	\$ 8,226,008	\$ 8,197,832	\$ 8,114,293	\$ 8,259,110	\$ 8,705,326	\$ 9,210,942	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119	\$ 9,155,356
Restricted	854,739	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558	3,090,494
Unrestricted	(1,926,238)	(1,792,799)	(1,468,205)	(1,799,817)	(1,639,419)	(1,509,448)	(1,498,671)	(724,941)	(372,648)	(626,174)
Total District Net Position	<u>\$ 7,154,509</u>	<u>\$ 7,853,672</u>	<u>\$ 8,476,862</u>	<u>\$ 8,504,850</u>	<u>\$ 9,191,960</u>	<u>\$ 9,259,662</u>	<u>\$ 9,434,692</u>	<u>\$ 10,462,329</u>	<u>\$ 11,240,029</u>	<u>\$ 11,619,676</u>

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

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 4,699,308	\$ 5,572,721	\$ 5,996,527	\$ 6,952,407	\$ 6,770,203	\$ 6,271,824	\$ 6,025,833	\$ 6,147,474	\$ 5,917,630	\$ 5,617,234
Special Education	1,673,792	1,766,934	1,862,442	2,062,668	2,464,103	2,641,712	2,881,463	3,351,013	3,043,103	2,975,252
Other Instruction	538,289	654,929	676,687	643,808	949,075	838,689	776,230	958,231	952,616	894,768
School Sponsored Activities and Athletics	24,073	32,672	43,938	55,062	43,588	34,978	27,012	46,367	67,914	135,771
<b>Support Services:</b>										
Student & Instruction Related Services	1,800,615	1,831,207	1,999,876	2,061,498	1,975,724	2,254,787	2,330,291	2,380,912	2,456,420	2,453,967
General Administrative Services	400,855	398,210	450,012	450,402	584,582	623,514	587,506	470,304	529,199	512,941
School Administrative Services	585,470	722,483	828,704	952,768	901,436	695,111	637,310	703,078	567,319	588,381
Central Services and Info. Technology	399,492	386,686	369,219	422,606	419,806	440,208	375,838	490,560	411,726	393,034
Plant Operations and Maintenance	1,457,602	1,575,083	1,622,744	1,705,808	1,645,958	1,770,999	1,880,360	1,904,383	2,017,816	2,507,268
Pupil Transportation	90,365	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594	251,089
Interest on Long-Term Debt	148,673	137,089	142,254	164,216	149,139	134,886	121,289	102,606	83,713	66,502
<b>Total Governmental Activities Expenses</b>	<u>11,818,534</u>	<u>13,167,810</u>	<u>14,120,921</u>	<u>15,590,423</u>	<u>16,050,224</u>	<u>15,862,113</u>	<u>15,731,521</u>	<u>16,642,280</u>	<u>16,227,050</u>	<u>16,396,207</u>
<b>Business-Type Activities:</b>										
Food Service	18,749	10,586	15,033	19,221	15,158	15,290	5,293		10,034	10,958
Summer Program	79,812	76,118	70,788	58,937	62,164	59,584	121,485			77,528
<b>Total Business-Type Activities Expense</b>	<u>98,561</u>	<u>86,704</u>	<u>85,821</u>	<u>78,158</u>	<u>77,322</u>	<u>74,874</u>	<u>126,778</u>	<u>-</u>	<u>10,034</u>	<u>88,486</u>
<b>Total District Expenses</b>	<u>\$ 11,917,095</u>	<u>\$ 13,254,514</u>	<u>\$ 14,206,742</u>	<u>\$ 15,668,581</u>	<u>\$ 16,127,546</u>	<u>\$ 15,936,987</u>	<u>\$ 15,858,299</u>	<u>\$ 16,642,280</u>	<u>\$ 16,237,084</u>	<u>\$ 16,484,693</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
Instruction (Tuition)	\$ 195,350	\$ 122,670	\$ 78,250							\$ 5,055
Instruction (School-Sponsored Activities)								\$ 35,175	\$ 51,682	\$ 110,145
Support Services			\$ 68,736	75,562						\$ 27,426
Operating Grants and Contributions	1,578,782	2,855,491	3,458,146	4,271,564	4,795,117	\$ 3,801,831	\$ 3,533,152	\$ 4,918,389	3,983,750	3,332,952
Capital Grants and Contributions	1,960	37,400	32,994	-	2,126				52,141	17,745
<b>Total Governmental Activities Program Revenues</b>	<u>1,776,092</u>	<u>3,015,561</u>	<u>3,638,126</u>	<u>4,347,126</u>	<u>4,797,243</u>	<u>3,801,831</u>	<u>3,533,152</u>	<u>4,953,564</u>	<u>4,087,573</u>	<u>3,493,323</u>
<b>Business-Type Activities:</b>										
<b>Charges for Services</b>										
Food Service	\$ 9,792	\$ 10,097	\$ 10,796	\$ 9,218	\$ 8,511	\$ 7,966	\$ 6,573		\$ 6,188	\$ 9,817
Summer Program	80,285	69,625	82,680	69,635	64,360	62,671	69,428			81,371
Operating Grants and Contributions	4,444	4,331	4,109	3,482	3,700	3,055			2,987	5,888
<b>Total Business Type Activities Program Revenues</b>	<u>94,521</u>	<u>84,053</u>	<u>97,585</u>	<u>82,335</u>	<u>76,571</u>	<u>73,692</u>	<u>76,001</u>	<u>-</u>	<u>9,175</u>	<u>97,076</u>
<b>Total District Program Revenues</b>	<u>\$ 1,870,613</u>	<u>\$ 3,099,614</u>	<u>\$ 3,735,711</u>	<u>\$ 4,429,461</u>	<u>\$ 4,873,814</u>	<u>\$ 3,875,523</u>	<u>\$ 3,609,153</u>	<u>\$ 4,953,564</u>	<u>\$ 4,096,748</u>	<u>\$ 3,590,399</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (10,042,442)	\$ (10,152,249)	\$ (10,482,795)	\$ (11,243,297)	\$ (11,252,981)	\$ (12,060,282)	\$ (12,198,369)	\$ (11,688,716)	\$ (12,139,477)	\$ (12,902,884)
Business-Type Activities	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)		(859)	8,590
<b>Total District-Wide Net Expense</b>	<u>\$ (10,046,482)</u>	<u>\$ (10,154,900)</u>	<u>\$ (10,471,031)</u>	<u>\$ (11,239,120)</u>	<u>\$ (11,253,732)</u>	<u>\$ (12,061,464)</u>	<u>\$ (12,249,146)</u>	<u>\$ (11,688,716)</u>	<u>\$ (12,140,336)</u>	<u>\$ (12,894,294)</u>



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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,043,194	\$ 10,294,274	\$ 10,514,068	\$ 10,724,349	\$ 11,257,005	\$ 11,459,631	\$ 11,735,516	\$ 12,091,897	\$ 12,333,735	\$ 12,628,511
Property Taxes Levied for Debt Service, Net	504,138	521,200	523,700	500,360	525,150	527,850	525,100	507,700	485,300	468,100
Unrestricted Grants and Contributions		14,467	7,611	7,779	7,775	2,136				
Investment Earnings	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181	102,188
Miscellaneous Income	45,847	23,422	40,569	22,658	131,242	105,723	76,123	112,923	91,820	75,142
<b>Total Governmental Activities</b>	<b>10,595,255</b>	<b>10,854,063</b>	<b>11,094,221</b>	<b>11,267,108</b>	<b>11,940,842</b>	<b>12,129,166</b>	<b>12,364,843</b>	<b>12,716,353</b>	<b>12,918,036</b>	<b>13,273,941</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 10,595,255</b>	<b>\$ 10,854,063</b>	<b>\$ 11,094,221</b>	<b>\$ 11,267,108</b>	<b>\$ 11,940,842</b>	<b>\$ 12,129,166</b>	<b>\$ 12,364,843</b>	<b>\$ 12,716,353</b>	<b>\$ 12,918,036</b>	<b>\$ 13,273,941</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 552,813	\$ 701,814	\$ 611,426	\$ 23,811	\$ 687,861	\$ 68,884	\$ 166,474	\$ 1,027,637	\$ 778,559	\$ 371,057
Business-Type Activities	(4,040)	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-	(859)	8,590
<b>Total District</b>	<b>\$ 548,773</b>	<b>\$ 699,163</b>	<b>\$ 623,190</b>	<b>\$ 27,988</b>	<b>\$ 687,110</b>	<b>\$ 67,702</b>	<b>\$ 115,697</b>	<b>\$ 1,027,637</b>	<b>\$ 777,700</b>	<b>\$ 379,647</b>

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

	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Restricted	\$ 1,338,802	\$ 2,085,833	\$ 2,565,471	\$ 2,398,304	\$ 2,843,605	\$ 2,419,587	\$ 2,378,356	\$ 2,986,666	\$ 3,487,093	\$ 4,045,734
Committed									298,231	46,709
Assigned	86,839	76,185	323,648	218,928	321,753	331,808	132,963	384,233	120,491	88,760
Unassigned	198,927	182,100	190,346	189,422	187,085	166,281	84,043	361,971	395,406	156,536
<b>Total General Fund</b>	<u>\$ 1,624,568</u>	<u>\$ 2,344,118</u>	<u>\$ 3,079,465</u>	<u>\$ 2,806,654</u>	<u>\$ 3,352,443</u>	<u>\$ 2,917,676</u>	<u>\$ 2,595,362</u>	<u>\$ 3,732,870</u>	<u>\$ 4,301,221</u>	<u>\$ 4,337,739</u>
<b>All Other Governmental Funds</b>										
Restricted	\$ 88,290	\$ 32,190	\$ 1,241,053	\$ 374,973	\$ 63,426	\$ 1,839	\$ 35,455	\$ 27,467	\$ 37,347	\$ 48,998
<b>Total all Other Governmental Funds</b>	<u>\$ 88,290</u>	<u>\$ 32,190</u>	<u>\$ 1,241,053</u>	<u>\$ 374,973</u>	<u>\$ 63,426</u>	<u>\$ 1,839</u>	<u>\$ 35,455</u>	<u>\$ 27,467</u>	<u>\$ 37,347</u>	<u>\$ 48,998</u>

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

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Property Taxes	\$ 10,547,332	\$ 10,815,474	\$ 11,037,768	\$ 11,224,709	\$ 11,782,155	\$ 11,987,481	\$ 12,260,616	\$ 12,599,597	\$ 12,819,035	\$ 13,096,611
Tuition Charges	195,350	122,670	78,250							5,055
Interest Earnings	2,076	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181	102,188
Miscellaneous	72,119	51,875	65,691	71,936	180,187	120,914	101,455	149,297	146,895	244,622
State Sources	1,339,576	1,613,767	1,709,550	1,807,475	2,053,787	2,376,714	2,553,803	3,069,337	4,171,687	4,223,650
Federal Sources	214,894	221,250	217,233	231,840	245,849	244,022	237,511	289,646	374,863	370,396
<b>Total Revenue</b>	<b>12,371,347</b>	<b>12,825,736</b>	<b>13,116,765</b>	<b>13,347,922</b>	<b>14,281,648</b>	<b>14,762,957</b>	<b>15,181,489</b>	<b>16,111,710</b>	<b>17,519,661</b>	<b>18,042,522</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	4,721,068	4,827,298	4,980,626	5,422,164	5,415,971	5,645,138	5,632,393	5,409,089	6,271,426	6,285,742
Special Education Instruction	1,668,651	1,629,069	1,636,361	1,750,893	2,129,556	2,505,667	2,811,210	3,121,285	3,179,750	3,241,484
Other Instruction	538,289	640,639	636,436	588,609	744,556	754,738	731,112	845,094	1,014,030	1,008,969
School Sponsored Activities and Athletics	24,073	32,672	43,660	51,857	39,572	33,750	28,798	46,255	69,695	135,451
<b>Support Services:</b>										
Student & Inst. Related Services	1,791,206	1,777,519	1,832,974	1,798,599	1,761,678	2,131,959	2,260,240	2,193,243	2,585,595	2,673,554
General Administrative Services	399,883	430,151	446,886	433,751	543,361	566,817	561,433	412,594	548,384	550,667
School Administrative Services	587,838	643,352	705,244	756,996	720,891	614,971	610,704	632,610	606,233	664,862
Central Services and Info. Technology	398,254	361,407	329,906	355,207	354,587	396,091	342,313	433,240	439,187	437,573
Plant Operations and Maintenance	968,487	1,017,702	1,061,038	1,089,183	990,367	1,207,672	1,196,800	1,165,418	1,400,203	1,329,479
Pupil Transportation	87,321	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594	251,089
Capital Outlay	180,996	153,101	818,437	1,442,378	487,773	612,776	603,552	12,945	51,130	833,706
<b>Debt Service:</b>										
Principal	380,619	411,970	392,331	502,574	552,471	489,653	506,711	510,142	502,752	507,598
Interest and Other Charges	161,233	147,610	139,356	175,422	160,013	144,674	131,990	112,923	93,451	74,179
<b>Total Expenditures</b>	<b>11,907,918</b>	<b>12,162,286</b>	<b>13,151,773</b>	<b>14,486,813</b>	<b>14,047,406</b>	<b>15,259,311</b>	<b>15,505,645</b>	<b>14,982,190</b>	<b>16,941,430</b>	<b>17,994,353</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>463,429</b>	<b>663,450</b>	<b>(35,008)</b>	<b>(1,138,891)</b>	<b>234,242</b>	<b>(496,354)</b>	<b>(324,156)</b>	<b>1,129,520</b>	<b>578,231</b>	<b>48,169</b>
<b>Other Financing sources (uses)</b>										
Proceeds from Bonds/Lease - Purchase	36,794		1,946,368				36,036			
Insurance Recoveries			32,850							
Transfers in	64,440			466,600		5,544		1,839		
Transfers out	(64,440)			(466,600)		(5,544)		(1,839)		
<b>Total Other Financing Sources (uses)</b>	<b>36,794</b>	<b>-</b>	<b>1,979,218</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,036</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 500,223</b>	<b>\$ 663,450</b>	<b>\$ 1,944,210</b>	<b>\$ (1,138,891)</b>	<b>\$ 234,242</b>	<b>\$ (496,354)</b>	<b>\$ (288,120)</b>	<b>\$ 1,129,520</b>	<b>\$ 578,231</b>	<b>\$ 48,169</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.62%</b>	<b>4.66%</b>	<b>4.31%</b>	<b>5.20%</b>	<b>5.25%</b>	<b>4.33%</b>	<b>4.29%</b>	<b>4.16%</b>	<b>3.53%</b>	<b>3.39%</b>

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Interest Earned</u></b>	<b><u>Refunds/ Reimbursements</u></b>	<b><u>E-Rate</u></b>	<b><u>Rents</u></b>	<b><u>Clean Energy Rebates</u></b>	<b><u>Prior Year Cancelled Payables</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2014	\$ 195,350	\$ 2,076	\$ 9,035		\$ 14,398			\$ 22,414	\$ 243,273
2015	122,670	700	8,000		13,005			2,417	146,792
2016	78,250	8,235	17,082		14,065			9,422	127,054
2017		11,745			13,836			8,822	34,403
2018		19,670	22,030	\$ 1,916	24,092	\$ 33,000	\$ 42,704	7,500	150,912
2019		33,826	9,620	1,150	31,242	55,000		8,711	139,549
2020		28,104	24,370	3,731	31,259			16,763	104,227
2021		3,833	91,603	3,437	14,960	592		2,331	116,756
2022		7,181	45,204	8,144	25,513			12,959	99,001
2023	5,055	102,188	33,050	22,101	27,426			19,991	209,811

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2014	\$ 3,565,500	\$ 1,246,404,200	\$ 189,737,100		\$ 7,298,700	\$ 1,447,005,500	\$ 1,337,625	\$ 1,448,343,125	\$ 1,630,493,967	\$ 0.747
2015	3,565,500	1,248,969,400	187,018,800		7,325,200	1,446,878,900	1,356,001	1,448,234,901	1,645,169,703	0.762
2016	3,622,100	1,250,345,100	186,327,100		7,325,200	1,447,619,500	1,344,599	1,448,964,099	1,717,435,009	0.775
2017 (A)	3,229,300	1,414,167,200	210,872,100		8,484,500	1,636,753,100	1,640,262	1,638,393,362	1,686,217,246	0.720
2018	2,515,600	1,439,519,000	211,847,800		9,238,100	1,663,120,500	1,607,928	1,664,728,428	1,750,681,475	0.720
2019	2,820,000	1,449,748,800	212,150,000		9,417,200	1,674,136,000	1,648,675	1,675,784,675	1,783,988,149	0.732
2020	3,470,500	1,480,325,100	205,642,100		9,831,400	1,699,269,100	1,660,525	1,700,929,625	1,750,018,181	0.741
2021	3,491,500	1,496,005,200	201,285,300		11,052,600	1,711,834,600	1,693,957	1,713,528,557	1,766,338,710	0.748
2022	3,913,700	1,578,976,600	208,680,500		13,435,000	1,805,005,800	1,700,271	1,806,706,071	1,850,073,434	0.725
2023	4,262,500	1,656,173,700	216,523,500		14,058,700	1,891,018,400	-	1,891,018,400	1,963,302,731	0.711

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Overlapping Rates

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Calendar Year	Total Direct School Tax Rate	River Dell Regional High School District	Borough of Oradell	Municipal Library	County of Bergen	Total Direct and Overlapping Tax Rate
2014	\$ 0.747	\$ 0.993	\$ 0.744	\$ 0.037	\$ 0.263	\$ 2.784
2015	0.762	1.066	0.774	0.038	0.271	2.911
2016	0.775	1.074	0.797	0.039	0.288	2.973
2017 (A)	0.720	0.958	0.731	0.035	0.258	2.702
2018	0.720	0.987	0.744	0.037	0.257	2.745
2019	0.732	0.997	0.760	0.037	0.260	2.786
2020	0.741	0.953	0.781	0.035	0.253	2.763
2021	0.748	0.958	0.795	0.035	0.260	2.796
2022	0.725	0.905	0.770	0.035	0.239	2.674
2023	0.711	0.883	0.790	0.035	0.249	2.668

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Taxpayer	2023		2014	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hajjar Med Off Bldg	\$ 20,815,800	1.10%	\$ 18,618,500	1.29%
600 Kinderkamack Road LLC	17,509,800	0.93%	14,000,000	0.97%
RW Oradell LLC	12,906,300	0.68%		
Dabby Bergen Medi Pro LLC	12,050,200	0.64%		
White Beeches Golf Club	8,298,900	0.44%	6,171,000	0.43%
Holy Name Real Estate Corp	8,034,000	0.42%	5,310,000	0.37%
WFCM 2016-C34 C/O Colliers Tri State	7,233,100	0.38%		
Hackensack Golf Club	6,847,600	0.36%		
Huntington Properties LLC	6,729,600	0.36%		
PSE&G	6,404,400	0.34%	6,808,600	0.47%
Cranston Associates			17,778,300	1.23%
Rio Vista Property			9,897,000	0.68%
Kamack Realty Corp			8,579,800	0.59%
Emerson Real Estate LLC			5,500,000	0.38%
Oradell Office Plaza			4,800,000	0.33%
	<u>\$ 106,829,700</u>	<u>5.65%</u>	<u>\$ 97,463,200</u>	<u>6.73%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 10,547,332	\$ 10,547,332	100.00%	
2015	10,815,474	10,815,474	100.00%	
2016	11,037,768	11,037,768	100.00%	
2017	11,224,709	11,224,709	100.00%	
2018	11,782,155	11,782,155	100.00%	
2019	11,987,481	11,987,481	100.00%	
2020	12,260,616	12,260,616	100.00%	
2021	12,599,597	12,599,597	100.00%	
2022	12,819,035	12,819,035	100.00%	
2023	13,096,611	13,096,611	100.00%	



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

Governmental Activities

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Capital Financing Agreements</u>	<u>Total District</u>	<u>Population</u>	<u>(E)</u>	<u>Per Capita</u>
2014	\$ 4,565,000	\$ 60,365	\$ 4,625,365	8,083	\$	572
2015	4,190,000	23,395	4,213,395	8,089		521
2016	3,805,000	1,962,432	5,767,432	8,113		711
2017	3,405,000	1,859,858	5,264,858	8,125		648
2018	2,995,000	1,717,387	4,712,387	8,174		577
2019	2,570,000	1,652,734	4,222,734	8,160		517
2020	2,135,000	1,617,059	3,752,059	8,132		461
2021	1,700,000	1,541,917	3,241,917	8,094		401
2022	1,270,000	1,469,165	2,739,165	8,181		335
2023	840,000	1,391,567	2,231,567	8,165		273

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 4,565,000	\$ 26,790	\$ 4,538,210	0.31%	\$ 561
2015	4,190,000	26,790	4,163,210	0.29%	515
2016	3,805,000	26,790	3,778,210	0.26%	466
2017	3,405,000		3,405,000	0.21%	419
2018	2,995,000		2,995,000	0.18%	366
2019	2,570,000		2,570,000	0.15%	315
2020	2,135,000		2,135,000	0.13%	263
2021	1,700,000		1,700,000	0.10%	210
2022	1,270,000		1,270,000	0.07%	155
2023	840,000		840,000	0.04%	103

Source: District records

**ORADELL BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT  
AS OF DECEMBER 31, 2022  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt:	
Oradell Board of Education	\$ 1,270,000
River Dell Regional High School - Oradell's Share	1,184,525
Borough of Oradell	<u>18,078,937</u>
Total Direct Debt	<u>20,533,462</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	14,340,092
Bergen County Utilities Authority - Wastewater (B)	<u>2,572,707</u>
Total Overlapping Debt	<u>16,912,799</u>
Total Direct and Overlapping Debt	<u>\$ 37,446,261</u>

Source:

Borough of Oradell's 2022 Annual Debt Statement  
 County of Bergen's 2022 Annual Debt Statement  
 Bergen County Utilities Authority's 2022 Annual Audit

(A) The debt for this entity was apportioned to Oradell by dividing the municipality's 2022 equalized value by the total 2021 equalized value for Bergen County.

(B) The debt was computed based upon usage

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 42,020,986	\$ 41,300,565	\$ 41,508,962	\$ 43,323,518	\$ 43,897,399	\$ 45,310,079	\$ 45,860,987	\$ 45,681,731	\$ 45,750,696	\$ 47,719,716
Total net debt applicable to limit	<u>4,565,000</u>	<u>4,190,000</u>	<u>3,805,000</u>	<u>3,405,000</u>	<u>2,995,000</u>	<u>2,570,000</u>	<u>2,135,000</u>	<u>1,700,000</u>	<u>1,270,000</u>	<u>840,000</u>
Legal debt margin	<u>\$ 37,455,986</u>	<u>\$ 37,110,565</u>	<u>\$ 37,703,962</u>	<u>\$ 39,918,518</u>	<u>\$ 40,902,399</u>	<u>\$ 42,740,079</u>	<u>\$ 43,725,987</u>	<u>\$ 43,981,731</u>	<u>\$ 44,480,696</u>	<u>\$ 46,879,716</u>
Total net debt applicable to the limit as a percentage of debt limit	10.86%	10.15%	9.17%	7.86%	6.82%	5.67%	4.66%	3.72%	2.78%	1.76%

Source: Annual Debt Statements

**Legal Debt Margin Calculation for Fiscal Year 2023**

	Equalized valuation basis
	2022 \$ 2,027,185,310
	2021 1,890,485,478
	2020 <u>1,808,695,157</u>
	<u>\$ 5,726,365,945</u>
Average equalized valuation of taxable property	\$ 1,908,788,648
Debt limit (2.5 % of average equalization value)	47,719,716
Total Net Debt Applicable to Limit	<u>840,000</u>
Legal debt margin	<u>\$ 46,879,716</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	8,083	\$ 73,883	4.20%
2015	8,089	77,323	3.50%
2016	8,113	78,836	3.10%
2017	8,125	81,024	3.30%
2018	8,174	85,191	2.70%
2019	8,160	88,241	2.10%
2020	8,132	91,972	6.80%
2021	8,094	97,343	4.20%
2022	8,181	97,343 (E)	2.50%
2023	8,165	97,343 (E)	2.50% (E)

Source: New Jersey State Department of Education

(E) Estimate

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

	2023		2014	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<b><u>Function/Program</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>
Instruction										
Regular	51.7	48.5	51.0	53.0	60.0	55.0	45.0	45.7	50.6	53.0
Special Education	9.5	21.0	12.0	22.0	11.1	16.0	25.0	13.0	13.0	13.0
Support Services:										
Student & instruction related services	9.0	19.5	23.0	21.0	27.0	24.6	28.0	28.8	22.5	22.5
General administration	2.0	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	4.0	5.6	5.6	5.6	4.0	5.5	4.5	4.7	5.0	5.0
Central services	3.4	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0
Administrative Information Technology	1.0									
Plant operations and maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5	6.5
Total	<u>86.6</u>	<u>105.8</u>	<u>102.6</u>	<u>112.6</u>	<u>113.1</u>	<u>113.1</u>	<u>115.0</u>	<u>104.7</u>	<u>102.6</u>	<u>105.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2014	805	\$ 11,185,070	\$ 13,894	-1.06%	63	1:11	782	751	-0.26%	96.04%
2015	775	11,449,605	14,774	6.33%	63	1:11	739	709	-5.50%	95.94%
2016	763	11,801,649	15,467	4.70%	65	1:11	757	726	2.44%	95.90%
2017	769	12,366,439	16,081	3.97%	65	1:11	767	735	1.32%	95.83%
2018	750	12,847,149	17,130	6.52%	65	1:11	739	707	-3.65%	95.67%
2019	760	14,012,208	18,437	7.63%	65	1:11	754	725	2.03%	96.15%
2020	777	14,263,392	18,357	-0.43%	70	1:11	751	729	-0.40%	97.07%
2021	748	14,346,180	19,179	4.48%	59	1:12	746	730	-0.67%	97.86%
2022	784	16,294,097	21,147	10.26%	64	1:12	781	748	4.69%	95.77%
2023	803	16,578,870	20,646	-2.37%	66	1:12	796	756	1.92%	94.97%

Sources: District records



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

	<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>	<u>2023</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	801	801	763	769	750	760	775	748	784	803

Number of Schools at June 30, 2023  
Elementary = 1

Source: District Records

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

	Oradell Elementary <u>School</u>
2014	\$ 189,611
2015	222,290
2016	257,205
2017	304,754
2018	175,805
2019	244,713
2020	242,431
2021	297,452
2022	337,775
2023	231,714

Source: District Records

**ORADELL BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2023  
(Unaudited)**

	<u>Coverage (A)</u>	<u>Deductible (A)</u>
Northeast Bergen County School Board Group		
School Package Policy		
Property-Blanket Building & Contents (Oradell School Only)	\$ 28,729,320	\$ 5,000
Flood/Earthquake	5,000,000	100,000
General Liability Coverage	1,000,000	
Employee Benefit Liability	1,000,000	10,000
School Board Errors and Omission Coverage	1,000,000	
Automobile Coverage	1,000,000	1,000
Excess Liability Coverage - Auto	9,000,000	
Excess Liability Coverage - General	50,000,000	
Educators Legal Liability/Employment Legal Liability	1,000,000	
Employers Liability Coverage	1,000,000	10,000
Environmental Impairment	4,000,000	15,000
Public Employee Dishonesty Crime Coverage		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	500,000	100,000
Forgery or Alteration	250,000	5,000
Computer Fraud	250,000	5,000
Funds Transfer Fraud	250,000	5,000
Cyper Liability		
Third Party Liability Coverages	2,000,000	15,000
First Party Coverages	1,000,000	15,000
Data Breach Response and Crises		
Management Coverage	1,000,000	15,000
Public Employees' Faithful Performance Blanket		
Position Bonds		
School Business Administrator/Board Secretary	200,000	
Treasurer of School Monies	236,000	

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

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Oradell Board of Education's basic financial statements and have issued our report thereon dated January 23, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

### Report on Compliance and Other Matters

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

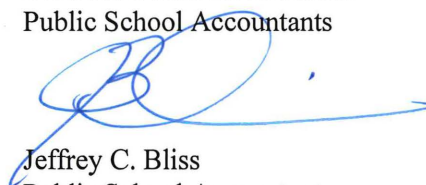
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Oradell Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 23, 2024.

### Purpose of this Report

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

*Leach, Vinci & Bliss, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 23, 2024



# 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  
JOHN CUIFFO, CPA, PSA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinion on Each Major State Program***

We have audited the Oradell Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Oradell Board of Education's major state programs for the fiscal year ended June 30, 2023. The Oradell Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Oradell Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 Oradell Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Oradell Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Oradell Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



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.

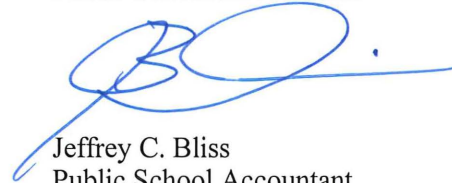
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & BLISS, LLP*

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



Jeffrey C. Bliss  
Public School Accountant  
PSA Number CS00932

Fair Lawn, New Jersey  
January 23, 2024

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2022		Carryover / (Walkover)		Cash Received	Budgetary Expenditures	Funds Released		Balance, June 30, 2023		(Memo) GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Amount Def. Rev.	Accounts Receivable			Account Receivable	Unearned Revenue	(Account Receivable)	Unearned Revenue	
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education</b>															
Special Milk Program for Children	10.556	231NJ304N1099	7/1/22-6/30/23	\$ 5,888					\$ 4,776	\$ 5,888			\$ (1,112)		(1,112)
Special Milk Program for Children	10.556	221NJ304N1099	7/1/21-6/30/22	2,987	\$ (484)	-	-	-	484	-	-	-	-	-	\$ -
<b>Total U.S. Department of Agriculture</b>					<b>(484)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,260</b>	<b>5,888</b>	<b>-</b>	<b>-</b>	<b>(1,112)</b>	<b>-</b>	<b>(1,112)</b>
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/22-9/30/23	215,049			\$ 2,912	\$ (2,912)	202,242	205,697			(15,719)	\$ 12,264	(3,455)
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/21-9/30/22	189,623	(18,687)	\$ 2,912	(2,912)	2,912	15,775				-		-
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	35,793	(3,777)	3,777			3,479	3,777			(298)	\$ -	(298)
I.D.E.A. Preschool	84.173A	H173A210114	7/1/22-9/30/23	14,786					28,375	28,375			-	-	-
I.D.E.A. Preschool	84.173A	H173A210114	7/1/21-9/30/22	13,589	(13,589)	13,589	(13,589)	13,589					-	-	-
ARP IDEA - Preschool	84.173X	H173X210114	7/1/21-9/30/22	3,059	(1,996)	69	-	-	1,996	69			-	-	-
<b>Total Special Education Cluster (IDEA)</b>					<b>(38,049)</b>	<b>20,347</b>	<b>-</b>	<b>-</b>	<b>251,867</b>	<b>237,918</b>	<b>-</b>	<b>-</b>	<b>(16,017)</b>	<b>12,264</b>	<b>(3,753)</b>
Title III	84.365A	S365A200030	7/1/21-9/30/22		(1,315)	346			969				-		-
Title III Immigrant	84.365A	S365A210030	7/1/22-9/30/23	2,353			64	(64)		669			(2,417)	1,748	(669)
Title III Immigrant	84.365A	S365A200030	7/1/21-9/30/22	1,540	(413)	64	(64)	64	349				-	-	-
<b>Total Title III Cluster (ESEA)</b>					<b>(1,728)</b>	<b>410</b>	<b>-</b>	<b>-</b>	<b>1,318</b>	<b>669</b>	<b>-</b>	<b>-</b>	<b>(2,417)</b>	<b>1,748</b>	<b>(669)</b>
Title IA	84.010A	S010A210030	7/1/22-9/30/23	16,249					13,784	14,534			(2,465)	1,715	(750)
Title IA	84.010A	S010A210030	7/1/21-9/30/22		(3,099)	715			2,384		\$ 715	\$ (715)	-	-	-
Title IIA	84.367A	S367A210029	7/1/22-9/30/23	9,648			552	(552)	8,226	10,200			(1,974)	-	(1,974)
Title IIA	84.367A	S367A200029	7/1/21-9/30/22	7,932	(552)	552	(552)	552					-	-	-
Title IV	84.424	S424A210031	7/1/22-9/30/23				1,820	(1,820)	1,440	1,735			(380)	85	(295)
Title IV	84.424	S424A200031	7/1/21-9/30/22	10,000	(1,820)	1,820	(1,820)	1,820	-	-			-	-	-
<b>Total ESEA Programs</b>					<b>(5,471)</b>	<b>3,087</b>	<b>-</b>	<b>-</b>	<b>25,834</b>	<b>26,469</b>	<b>715</b>	<b>(715)</b>	<b>(4,819)</b>	<b>1,800</b>	<b>(3,019)</b>
ESSER II - Learning Acceleration	84.425D	S425D200027	3/13/20-9/30/23	24,945	(842)	54			788		54	(54)	-	-	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	44,900	(15,737)	1,600			15,637	1,500	100	(100)	-	-	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	76,582	(76,582)	76,582			40,070	45,603			(36,512)	30,979	(5,533)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	65,172	(65,172)	57,172			9,250	3,250			(55,922)	53,922	(2,000)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			12,240	12,240			(27,760)	27,760	-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	40,000			4,200	4,200			(40,000)	35,800	(4,200)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	40,156			22,450	30,274			(22,550)	9,882	(12,668)
<b>Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)</b>					<b>(283,333)</b>	<b>255,564</b>	<b>-</b>	<b>-</b>	<b>100,435</b>	<b>97,067</b>	<b>154</b>	<b>(154)</b>	<b>(182,744)</b>	<b>158,343</b>	<b>(24,401)</b>
<b>Total Special Revenue Fund</b>					<b>(328,581)</b>	<b>279,408</b>	<b>-</b>	<b>-</b>	<b>379,454</b>	<b>362,123</b>	<b>869</b>	<b>(869)</b>	<b>(205,997)</b>	<b>174,155</b>	<b>(31,842)</b>
<b>Total U.S. Department of Education</b>					<b>\$ (328,581)</b>	<b>\$ 279,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 379,454</b>	<b>\$ 362,123</b>	<b>\$ 869</b>	<b>\$ (869)</b>	<b>\$ (205,997)</b>	<b>\$ 174,155</b>	<b>\$ (31,842)</b>
<b>Total Federal Awards</b>					<b>\$ (329,065)</b>	<b>\$ 279,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 384,714</b>	<b>\$ 368,011</b>	<b>\$ 869</b>	<b>\$ (869)</b>	<b>\$ (207,109)</b>	<b>\$ 174,155</b>	<b>\$ (32,954)</b>

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

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo GAAP Receivable	Cumulative Total Expenditures
								(Accounts Receivable)	Unearned Revenue	Due to Grantor		
<b>State Department of Education</b>												
<b>General Fund:</b>												
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 701,912		\$ 635,173	\$ 701,912		\$ (66,739)				\$ 701,912
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	540,286	\$ (50,688)	50,688							-
Security Aid	23-495-034-5120-089	7/1/22-6/30/23	58,565		52,997	58,565		(5,568)				58,565
Security Aid	22-495-034-5120-089	7/1/21-6/30/22	58,565	(\$494)	5,494	-		-				-
Total State Aid-Public Cluster				(56,182)	744,352	760,477		(72,307)				760,477
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	29,595		26,781	29,595		(2,814)				29,595
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	29,595	(2,777)	2,777							-
Nonpublic School Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	4,680		4,680			(4,680)			\$ (4,680)	4,680
Nonpublic School Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	4,930	(4,930)	4,930							-
Total Transportation Aid Cluster				(7,707)	34,488	34,275		(7,494)			(4,680)	34,275
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	330,736			330,736		(330,736)				330,736
Extraordinary Aid	22-495-034-5120-473	7/1/21-6/30/22	266,455	(266,455)	266,455							-
Lead testing for Schools Aid	23-495-034-5120-104	7/1/22-6/30/23	86,898		1,992	1,992						1,992
Reimbursed TPAF Social Security Contribution	23-495-034-5120-003	7/1/22-6/30/23	449,542		406,264	449,542		(43,278)			(43,278)	449,542
Reimbursed TPAF Social Security Contribution	22-495-034-5120-003	7/1/21-6/30/22	440,414	(21,450)	21,450							-
TPAF Pension Benefit Contributions	23-495-034-5094-002	7/1/22-6/30/23	2,061,504		2,061,504	2,061,504						2,061,504
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	28,601		28,601	28,601						28,601
TPAF - Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	549,065		549,065	549,065						549,065
TPAF - Long-Term Disability Insurance Premium	23-495-034-5094-004	7/1/22-6/30/23	844		844	844						844
Total Extraordinary Aid and On-Behalf TPAF				(287,905)	3,336,175	3,422,284		(374,014)			(43,278)	3,422,284
School Security Grant	20E00255	7/1/20-6/30/22	39,735	(660)	660							-
Total School Security Grant Cluster				(660)	660							-
Total General Fund				(352,454)	4,115,675	4,217,036		(453,815)			(47,958)	4,217,036
<b>Special Revenue Fund:</b>												
New Jersey Nonpublic Aid												
Auxiliary Services												
Compensatory Education	23-101-034-5120-067	7/1/22-6/30/23	18,976		18,976	18,997				\$ 3,079		18,997
Compensatory Education	22-101-034-5120-067	7/1/21-6/30/22	14,333	3,225			\$ 3,225					-
English as a Second Language	22-101-034-5120-067	7/1/21-6/30/22	2,192	2,192			2,192					-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				5,417	18,976	18,997	5,417			3,079		15,897
Handicapped Services												
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	10,431		10,431	4,552				5,879		4,552
Examination and Classification	22-100-034-5120-066	7/1/21-6/30/22	16,108	3,792			3,792					-
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	14,880		14,880	13,113				1,767		13,113
Corrective Speech	22-100-034-5120-066	7/1/21-6/30/22	20,460	3,925			3,925					-
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	9,912		9,912	5,121				4,791		5,121
Supplementary Instruction	22-100-034-5120-066	7/1/21-6/30/22	8,095	1,817			1,817					-
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				9,534	35,223	22,786	9,534			12,437		22,786
Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	4,686		4,686	4,686						4,686
Technology Aid	23-100-034-5120-064	7/1/22-6/30/23	2,982		2,982	2,956				26		2,956
Technology Aid	22-100-034-5120-064	7/1/21-6/30/22	3,276	971			971					-
Nursing Services	23-100-034-5120-373	7/1/22-6/30/23	7,952		7,952	7,950				2		7,950
Nursing Services	22-100-034-5120-373	7/1/21-6/30/22	8,736	15			15					-
Security	21-100-034-5120-070	7/1/22-6/30/23	14,555		14,555	14,555						14,555
Total Other Nonpublic Aid				986	30,175	30,147	986			28		30,147
Schools Development Authority												
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	17,745			17,745		(17,745)			(17,745)	17,745
Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/22	34,757	(34,757)	34,757							-
Climate Awareness Education	23E00131	7/1/22-6/30/23	6,660		482	482		(6,178)	6,178			482
Total Special Revenue Fund				(34,757)	35,239	18,227		(23,923)	6,178		(17,745)	18,227
Total State Financial Assistance Subject to Single Audit Determination				\$ (371,274)	\$ 4,235,288	\$ 4,304,093	\$ 15,937	\$ (477,738)	\$ 6,178	\$ 15,544	\$ (65,703)	\$ 4,304,093

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2023			Memo		
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>State Financial Assistance</b>													
<b>Not Subject to Major Program Determination</b>													
<b>General Fund</b>													
TPAF Pension Benefit Contributions	23-495-034-5094-002	7/1/22-6/30/23	\$ 2,061,504		\$ (2,061,504)	\$ (2,061,504)							\$ (2,061,504)
TPAF Pension - NCGI Premium	23-495-034-5094-004	7/1/22-6/30/23	28,601		(28,601)	(28,601)							(28,601)
TPAF - Post Retirement Medical	23-495-034-5094-001	7/1/22-6/30/23	549,065		(549,065)	(549,065)							(549,065)
TPAF - Long-Term Disability Insurance Premium	23-495-034-5094-004	7/1/22-6/30/23	844		(844)	(844)							(844)
<b>Total State Financial Assistance</b>													
<b>Subject to Major Program Determination</b>				\$ (371,274)	\$ 1,595,274	\$ 1,664,079	\$ 15,937	\$ (477,738)	\$ 6,178	\$ 15,544	\$ (65,703)	\$ 1,664,079	

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

**ORADELL BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 1 REPORTING ENTITY**

The Oradell Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

**NOTE 4 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 \$80,443 for the general fund and a decrease of \$33,405 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		\$ 4,136,593	\$ 4,136,593
Special Revenue Fund	\$ 370,396	87,057	457,453
Food Service Fund	<u>5,888</u>	<u>-</u>	<u>5,888</u>
Total Awards Financial Assistance	<u>\$ 376,284</u>	<u>\$ 4,223,650</u>	<u>\$ 4,599,934</u>

**ORADELL BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 5 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 6 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$449,542 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$2,090,105, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$549,065 and TPAF Long-Term Disability Insurance in the amount of \$844 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

**NOTE 7 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 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 8 DE MINIMIS INDIRECT COST RATE**

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

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Part I – Summary of Auditor’s Results**

**Financial Statement Section**

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

**Federal Awards Section**

**NOT APPLICABLE**

**ORADELL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

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

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

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

M) Internal Control over compliance:

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

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

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

O) Identification of major programs:

GMIS Number(s):

495-034-5120-473

495-034-5120-003

Name of State Program:

Extraordinary Aid

Reimbursed TPAF Social Security



**ORADELL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

ORADELL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**ORADELL BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.