

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

Waldwick, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Waldwick Board of Education

Waldwick, New Jersey

For The Fiscal Year Ended June 30, 2023

Prepared by

Business Office

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INTRODUCTORY SECTION

December 8, 2023

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education. The District completed the 2022-2023 fiscal year with an average daily enrollment of 1,560 students, which is a decrease from the previous year's enrollment. The following details the changes in the average daily student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	1,560	-1.4%
2021-22	1,583	-1%
2020-21	1,599	-1%
2019-20	1,613	1%
2018-19	1,597	7%
2017-18	1,586	0%
2016-17	1,585	0%
2015-16	1,584	.4%
2014-15	1,577	-1.2%
2013-14	1,596	-1.4%

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

3) MAJOR INITIATIVES: All four schools continued the technology initiative with various devices purchased and installed. The school district continued its maintenance and construction program. The district completed multiple projects at the high school including the installation of a new softball and soccer turf field. Additionally, the district has upgraded facilities for athletic and extra-curricular activities with the addition of a new stadium scoreboard and a new sound system for theatrical productions. The district had a construction referendum receive voter approval on April 20, 2021 for upgrades to all four schools, with the majority being for work at the high school and middle school. The referendum work at the Traphagen and Crescent elementary schools was completed and the work at the high school and middle school is expected to be completed during the summer of 2024.

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

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

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

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

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

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

7) DEBT ADMINISTRATION: At June 30, 2023, the District's long-term debt issue is for \$30,550,000 of general obligation bonds to provide funding for the school referendum.

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

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

10) OTHER INFORMATION:

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

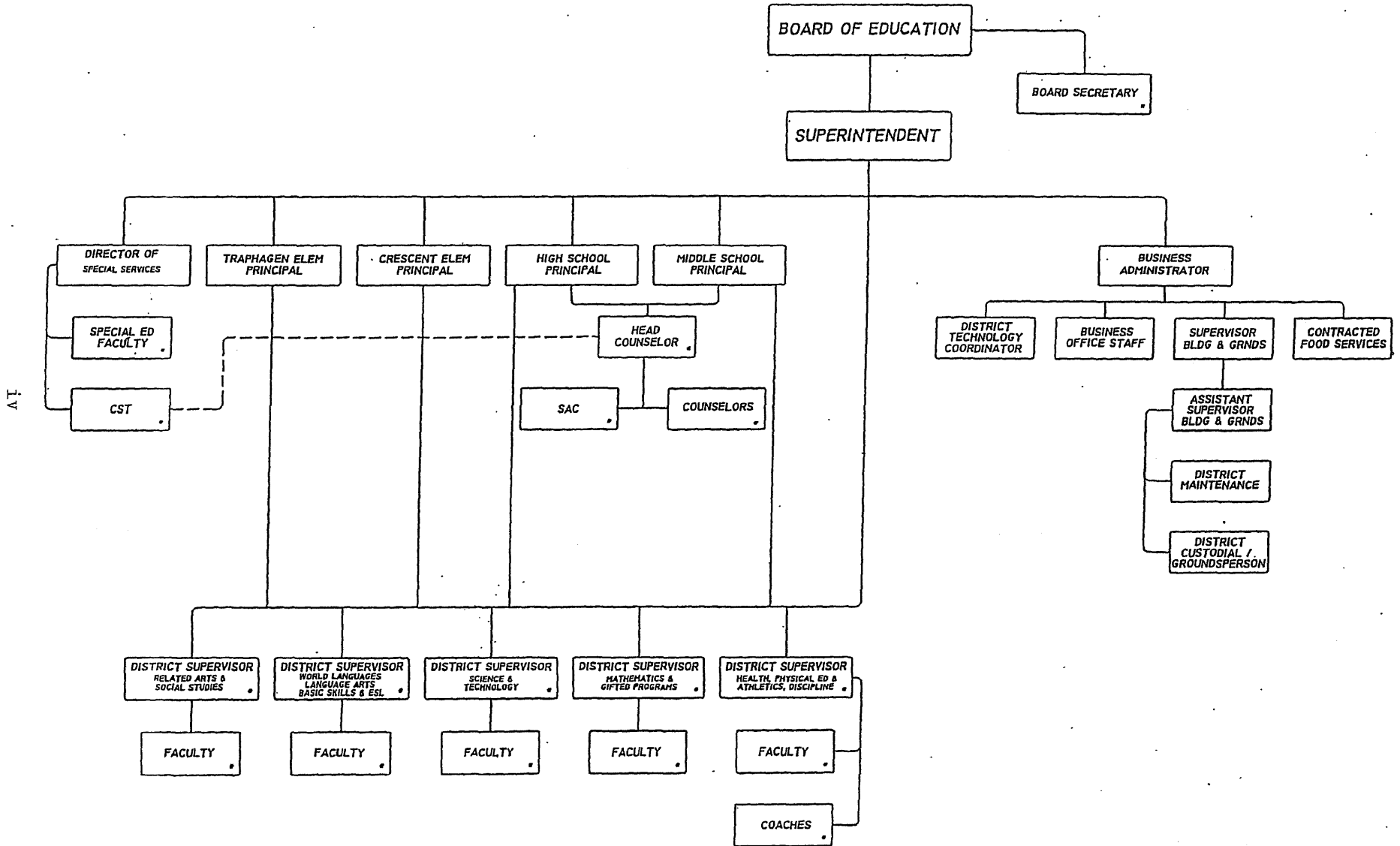
11) ACKNOWLEDGMENTS:

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

Respectfully submitted,

John Griffin
School Business Administrator/Board Secretary

WALDWICK PUBLIC SCHOOL DISTRICT ORGANIZATIONAL CHART



AT

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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Marro, President	2026
Troy Seifert, Vice President	2025
Christine Figliuolo	2025
Andrew Frey	2024
Enrico Giardina	2024
Julie Mangler	2026
Mary Beth Nappi	2026

Other Officials

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

John Griffin, School Business Administrator/Board Secretary

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

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

Official Depository

Valley Bank
67 Franklin Turnpike
Waldwick, NJ 07463

Architect

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

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, 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
Waldwick Board of Education
Waldwick, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick Board of Education, as of and for the fiscal year ended June 30, 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 and each major fund of the Waldwick 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 Waldwick Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Waldwick Board of Education's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Waldwick Board of Education. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

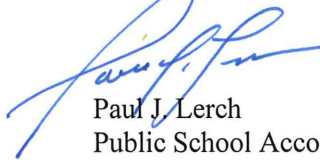
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, 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 December 8, 2023 on our consideration of the Waldwick Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Waldwick Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Waldwick Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 8, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Waldwick Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Waldwick Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$33,372,683 (net position).
- Overall District revenues were \$45,192,762. General revenues accounted for \$36,181,622 or 80% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9,011,140 of total revenues.
- The School District had \$39,151,909 in expenses for governmental activities; only \$8,585,178 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$36,176,012 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 \$26,280,774 a decrease of \$15,000,048 when compared to the ending fund balance at June 30, 2022 of \$41,280,822.
- The General Fund unassigned fund balance at June 30, 2023 was \$406,887, a decrease of \$424,543 when compared with the ending unassigned fund balance of \$831,430 at June 30, 2022.

WALDWICK BOARD OF EDUCATION

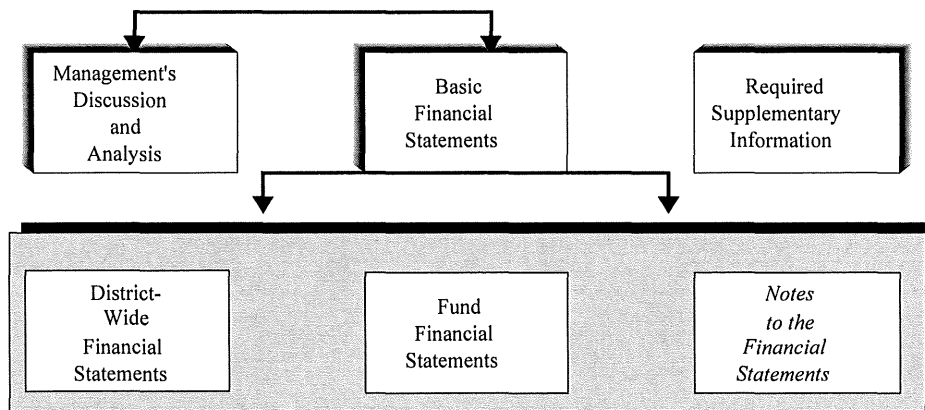
Management's Discussion and Analysis

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 financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. 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	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in 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 information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, 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.

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

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).

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.

- *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. The District's Enterprise 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.

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 these 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.

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,372,683 and \$27,737,126 as of June 30, 2023 and 2022, respectively, as shown below.

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.

Net Position as of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 27,708,518	\$ 42,277,197	\$ 125,541	\$ 98,370	\$ 27,834,059	\$ 42,375,567
Capital Assets	<u>44,004,421</u>	<u>24,979,923</u>	<u>80,413</u>	<u>72,673</u>	<u>44,084,834</u>	<u>25,052,596</u>
Total Assets	<u>71,712,939</u>	<u>67,257,120</u>	<u>205,954</u>	<u>171,043</u>	<u>71,918,893</u>	<u>67,428,163</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	421,327	83,010	-	-	421,327	83,010
Deferred Amounts on Refunding of Debt	<u>-</u>	<u>11,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,334</u>
Total Deferred Outflows	<u>421,327</u>	<u>94,344</u>	<u>-</u>	<u>-</u>	<u>421,327</u>	<u>94,344</u>
Total Assets and Deferred Outflows	<u>72,134,266</u>	<u>67,351,464</u>	<u>205,954</u>	<u>171,043</u>	<u>72,340,220</u>	<u>67,522,507</u>
Liabilities						
Long-Term Liabilities	36,465,117	35,868,081			36,465,117	35,868,081
Other Liabilities	<u>1,452,880</u>	<u>1,049,330</u>	<u>12,087</u>	<u>3,452</u>	<u>1,464,967</u>	<u>1,052,782</u>
Total Liabilities	<u>37,917,997</u>	<u>36,917,411</u>	<u>12,087</u>	<u>3,452</u>	<u>37,930,084</u>	<u>36,920,863</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>1,037,453</u>	<u>2,864,518</u>	<u>-</u>	<u>-</u>	<u>1,037,453</u>	<u>2,864,518</u>
Total Deferred Inflows	<u>1,037,453</u>	<u>2,864,518</u>	<u>-</u>	<u>-</u>	<u>1,037,453</u>	<u>2,864,518</u>
Total Liabilities and Deferred Inflows	<u>38,955,450</u>	<u>39,781,929</u>	<u>12,087</u>	<u>3,452</u>	<u>38,967,537</u>	<u>39,785,381</u>
Net Position						
Net Investment in Capital Assets	21,950,846	19,731,929	80,413	72,673	22,031,259	19,804,602
Restricted	13,688,023	11,638,787			13,688,023	11,638,787
Unrestricted	<u>(2,460,053)</u>	<u>(3,801,181)</u>	<u>113,454</u>	<u>94,918</u>	<u>(2,346,599)</u>	<u>(3,706,263)</u>
Total Net Position	<u>\$ 33,178,816</u>	<u>\$ 27,569,535</u>	<u>\$ 193,867</u>	<u>\$ 167,591</u>	<u>\$ 33,372,683</u>	<u>\$ 27,737,126</u>

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 195,045	\$ 175,768	\$ 425,962	\$ 339,713	\$ 621,007	\$ 515,481
Operating Grants and Contributions	8,343,238	9,669,726	-	-	8,343,238	9,669,726
Capital Grants and Contributions	46,895	-	-	-	46,895	-
General Revenues						
Property Taxes	33,101,162	32,248,847	-	-	33,101,162	32,248,847
Federal and State Aid	1,357,763	907,138	-	-	1,357,763	907,138
Investment Earnings	1,411,877	21,217	5,610	450	1,417,487	21,667
Other	305,210	325,104	-	-	305,210	325,104
Total Revenues	<u>44,761,190</u>	<u>43,347,800</u>	<u>431,572</u>	<u>340,163</u>	<u>45,192,762</u>	<u>43,687,963</u>
Expenses						
Instruction						
Regular	15,482,514	15,236,760	-	-	15,482,514	15,236,760
Special Education	7,910,077	7,739,900	-	-	7,910,077	7,739,900
Other Instruction	1,413,339	1,432,277	-	-	1,413,339	1,432,277
School Sponsored Activities and Athletics	1,090,233	1,084,566	-	-	1,090,233	1,084,566
Support Services						
Student and Instruction Related Services	4,313,397	3,877,079	-	-	4,313,397	3,877,079
General Administration Services	747,532	769,527	-	-	747,532	769,527
School Administration Services	2,585,923	2,626,833	-	-	2,585,923	2,626,833
Plant Operation and Maintenance	2,946,869	2,525,206	-	-	2,946,869	2,525,206
Pupil Transportation	1,071,102	931,905	-	-	1,071,102	931,905
Central Services	725,649	1,185,263	-	-	725,649	1,185,263
Interest and Other Chgs on Long-Term Debt	865,274	105,470	-	-	865,274	105,470
Food Service	-	-	405,296	319,417	405,296	319,417
Total Expenses	<u>39,151,909</u>	<u>37,514,786</u>	<u>405,296</u>	<u>319,417</u>	<u>39,557,205</u>	<u>37,834,203</u>
Change in Net Position	5,609,281	5,833,014	26,276	20,746	5,635,557	5,853,760
Net Position, Beginning of Year	<u>27,569,535</u>	<u>21,736,521</u>	<u>167,591</u>	<u>146,845</u>	<u>27,737,126</u>	<u>21,883,366</u>
Net Position, End of Year	<u>\$ 33,178,816</u>	<u>\$ 27,569,535</u>	<u>\$ 193,867</u>	<u>\$ 167,591</u>	<u>\$ 33,372,683</u>	<u>\$ 27,737,126</u>

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	15,482,514	\$ 15,236,760	\$ 12,696,662	\$ 11,863,436
Special Education	7,910,077	7,739,900	4,638,975	4,457,508
Other Instruction	1,413,339	1,432,277	963,161	878,518
School Sponsored Activities and Athletics	1,090,233	1,084,566	814,690	779,528
Support Services				
Student and Instruction Related Services	4,313,397	3,877,079	3,423,074	2,920,233
General Administration	747,532	769,527	660,584	649,373
School Administration Services	2,585,923	2,626,833	2,157,498	2,038,052
Plant Operation and Maintenance	2,946,869	2,525,206	2,789,246	2,178,542
Pupil Transportation	1,071,102	931,905	843,440	704,775
Central Services	725,649	1,185,263	714,127	1,093,857
Interest and Other Charges on Long-Term Debt	865,274	105,470	865,274	105,470
Total	<u>\$ 39,151,909</u>	<u>\$ 37,514,786</u>	<u>\$ 30,566,731</u>	<u>\$ 27,669,292</u>

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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.

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 \$26,280,774, a decrease of \$15,000,048 from last year's fund balance of \$41,280,822.

Revenues for the District's governmental funds were \$47,736,054; total expenditures were \$62,736,102.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$44,870,405 for the fiscal year ended June 30, 2023. State sources amounts to \$11,213,521 and federal sources amounts to \$28,681 and local sources amounts to \$33,628,203.

Expenditures of the General Fund were \$40,014,609. Instructional expenditures were \$27,060,186, support services were \$12,722,372, capital expenditures totaled \$172,519 and debt service expenses for capital leases of \$59,532 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$1,378,554 for the fiscal year ended June 30, 2023. State sources amounts to \$327,950 and federal sources and local sources amounts to \$1,050,604.

Expenditures of the Special Revenue Fund were \$1,389,031. Instructional expenditures were \$1,046,624 for support services were \$295,512 and capital expenditures totaled \$46,895 for the fiscal year ended June 30, 2023.

Capital Projects - The capital projects expenditures exceeded revenues and other financing sources by \$16,571,712 decreasing the fund balance from \$26,064,463 at June 30, 2022 to \$9,492,751 at June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- A increase in health benefit expenditures due to a higher plan renewal rate than projected.
- A decrease in energy costs partially due to the reduced use of facilities due to Covid-19.
- An increase in extraordinary aide reimbursement from the state.
- A decrease in facilities repair costs due to the postponement of these costs since they were included in the April 2021 referendum.
- An increase in staffing for special education and regular education aides.
- An increase in transportation expenditures for out of district students, athletics and aid in lieu students.
- An increase in insurance costs for general liability.
- An increase in expenditures for technology purchased services.

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$44,084,834 and \$25,052,596 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,059,249 for governmental activities and \$4,140 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental		Business- Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Construction in Progress	\$ 24,330,904	\$ 4,485,537			\$ 24,330,904	\$ 4,485,537
Site Improvements	481,335	537,301			481,335	537,301
Buildings	17,202,526	17,957,584	\$ 44,910	46,392	17,247,436	18,003,976
Machinery and Equipment	<u>1,989,656</u>	<u>1,999,501</u>	<u>35,503</u>	<u>26,281</u>	<u>2,025,159</u>	<u>2,025,782</u>
Total	<u>\$ 44,004,421</u>	<u>\$ 24,979,923</u>	<u>\$ 80,413</u>	<u>\$ 72,673</u>	<u>\$ 44,084,834</u>	<u>\$ 25,052,596</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$614,300, serial bonds of \$30,550,000, capital financing agreements of \$108,923 and net pension liability of \$5,191,894 totaling \$36,465,117. This is in comparison to long-term liabilities at June 30, 2022 of \$35,868,081 or an increase of \$597,036.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

WALDWICK BOARD OF EDUCATION

Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-2023 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

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, Waldwick Board of Education, 155 Summit Avenue, Waldwick, NJ 07643.

BASIC FINANCIAL STATEMENTS

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 26,915,884	\$ 119,771	\$ 27,035,655
Accounts Receivables, net	792,634	1,225	793,859
Inventory		4,545	4,545
Capital Assets, net			
Not Being Depreciated	24,330,904		24,330,904
Being Depreciated	<u>19,673,517</u>	<u>80,413</u>	<u>19,753,930</u>
Total Assets	<u>71,712,939</u>	<u>205,954</u>	<u>71,918,893</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amounts on Net Pension Liability	<u>421,327</u>	<u>-</u>	<u>421,327</u>
Total Deferred Outflows of Resources	<u>421,327</u>	<u>-</u>	<u>421,327</u>
Total Assets and Deferred Outflows of Resources	<u>72,134,266</u>	<u>205,954</u>	<u>72,340,220</u>
LIABILITIES:			
Accounts Payable to Other Governments	82,709		82,709
Accounts Payable and Other Current Liabilities	789,703	3,559	793,262
Unearned Revenue	555,332	8,528	563,860
Accrued Liabilities:			-
Interest Payable	25,136		25,136
Noncurrent Liabilities			-
Due Within One Year	996,611		996,611
Due Beyond One Year	<u>35,468,506</u>	<u>-</u>	<u>35,468,506</u>
Total Liabilities	<u>37,917,997</u>	<u>12,087</u>	<u>37,930,084</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Amounts on Net Pension Liability	<u>1,037,453</u>	<u>-</u>	<u>1,037,453</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,955,450</u>	<u>12,087</u>	<u>38,967,537</u>
NET POSITION:			
Net Investment in Capital Assets	21,950,846	80,413	22,031,259
Restricted for			
Capital Projects	11,777,016		11,777,016
Other Purposes	1,911,007		1,911,007
Unrestricted (Deficit)	<u>(2,460,053)</u>	<u>113,454</u>	<u>(2,346,599)</u>
Total Net Position	<u>\$ 33,178,816</u>	<u>\$ 193,867</u>	<u>\$ 33,372,683</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 15,482,514	\$ 56,298	\$ 2,682,659	\$ 46,895	\$ (12,696,662)		\$ (12,696,662)
Special Education	7,910,077		3,271,102		(4,638,975)		(4,638,975)
Other Instruction	1,413,339		450,178		(963,161)		(963,161)
School Sponsored Activities and Athletics	1,090,233	138,747	136,796		(814,690)		(814,690)
Support Services:							
Student and Instruction Related Services	4,313,397		890,323		(3,423,074)		(3,423,074)
General Administrative Services	747,532		86,948		(660,584)		(660,584)
School Administrative Services	2,585,923		428,425		(2,157,498)		(2,157,498)
Central Services	725,649		11,522		(714,127)		(714,127)
Plant Operations and Maintenance	2,946,869		157,623		(2,789,246)		(2,789,246)
Pupil Transportation	1,071,102		227,662		(843,440)		(843,440)
Interest on Long-Term Debt	865,274	-	-	-	(865,274)	-	(865,274)
Total Governmental Activities	39,151,909	195,045	8,343,238	46,895	(30,566,731)	-	(30,566,731)
Business-Type Activities:							
Food Service	405,296	425,962	-	-	-	\$ 20,666	20,666
Total Business-Type Activities	405,296	425,962	-	-	-	20,666	20,666
Total Government	\$ 39,557,205	\$ 621,007	\$ 8,343,238	\$ 46,895	(30,566,731)	20,666	(30,546,065)
General Revenues:							
Property Taxes:							
Levied for General Purpose					31,873,783		31,873,783
Levied for Debt Service					1,227,379		1,227,379
Federal and State Aid - Unrestricted					1,357,763		1,357,763
Interest and Investment Earnings					1,411,877	5,610	1,417,487
Miscellaneous					305,210	-	305,210
Total General Revenues					36,176,012	5,610	36,181,622
Change in Net Position					5,609,281	26,276	5,635,557
Net Position, July 1					27,569,535	167,591	27,737,126
Net Position, June 30					\$ 33,178,816	\$ 193,867	\$ 33,372,683

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 17,159,659	\$ 13,139	\$ 9,743,086		\$ 26,915,884
Due from Other Funds	20,666				20,666
Intergovernmental Accounts Receivable	<u>101,406</u>	<u>691,228</u>	<u>-</u>	<u>-</u>	<u>792,634</u>
Total Assets	<u>\$ 17,281,731</u>	<u>\$ 704,367</u>	<u>\$ 9,743,086</u>	<u>\$ -</u>	<u>\$ 27,729,184</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Due to Other Funds		\$ 20,666			\$ 20,666
Payables to Other Governments		82,709			82,709
Payroll Deductions and Withholdings Payable	\$ 393,458				393,458
Accounts Payable	107,089	38,821	\$ 250,335		396,245
Unearned Revenue	<u>6,300</u>	<u>549,032</u>	<u>-</u>	<u>-</u>	<u>555,332</u>
Total Liabilities	<u>506,847</u>	<u>691,228</u>	<u>250,335</u>	<u>-</u>	<u>1,448,410</u>
Fund Balances:					
Restricted:					
Capital Reserve	10,889,613				10,889,613
Maintenance Reserve	1,359,261				1,359,261
Excess Surplus	1,300,000				1,300,000
Excess Surplus - Designated for Subsequent Year's Expenditures	1,300,000				1,300,000
Unemployment Compensation	538,607				538,607
Capital Projects			9,492,751		9,492,751
Scholarships		233			233
Student Activities		12,906			12,906
Assigned:					
Year-End Encumbrances	71,923				71,923
Designated for Subsequent Year's Expenditures	908,593				908,593
Unassigned	<u>406,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,887</u>
Total Fund Balances	<u>16,774,884</u>	<u>13,139</u>	<u>9,492,751</u>	<u>-</u>	<u>26,280,774</u>
Total Liabilities and Fund Balances	<u>\$ 17,281,731</u>	<u>\$ 704,367</u>	<u>\$ 9,743,086</u>	<u>\$ -</u>	<u>\$ 27,729,184</u>

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

Total Governmental Fund Balances (Exhibit B-1) \$ 26,280,774

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the capital assets is \$62,742,401 and the accumulated depreciation is \$18,737,980. 44,004,421

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

Deferred Outflows of Resources	\$ 421,327	
Deferred Inflows of Resources	<u>(1,037,453)</u>	(616,126)

Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds (25,136)

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

Long-term liabilities at year end consist of:

Bonds Payable, Including Premium	(30,550,000)	
Capital Financing Agreements Payable	(108,923)	
Compensated Absences	(614,300)	
Net Pension Liability	<u>(5,191,894)</u>	<u>(36,465,117)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 33,178,816

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Property Tax Levy	\$ 31,873,783			\$ 1,227,379	\$ 33,101,162
Tuition Charges	56,298				56,298
Other Restricted Miscellaneous Revenues	75,217				75,217
Unrestricted Miscellaneous Revenues	1,622,905				1,622,905
Federal Sources	28,681	\$ 906,610			935,291
State Sources	11,213,521	327,950		259,716	11,801,187
Local Sources	-	143,994	-	-	143,994
	<u>44,870,405</u>	<u>1,378,554</u>	<u>-</u>	<u>1,487,095</u>	<u>47,736,054</u>
Total Revenues					
EXPENDITURES:					
Current:					
Regular Instruction	16,590,181	332,228			16,922,409
Special Education Instruction	8,169,975	312,467			8,482,442
Other Instruction	1,264,789	263,134			1,527,923
School-Sponsored Activities and Athletics	1,035,241	138,795			1,174,036
Support Services					
Student and Instruction Related Services	4,388,659	295,512			4,684,171
General Administrative Services	800,796				800,796
School Administrative Services	2,848,379				2,848,379
Central Services	710,866				710,866
Plant Operations and Maintenance	2,905,166				2,905,166
Pupil Transportation	1,068,506				1,068,506
Capital Outlay	172,519	46,895	\$ 19,845,367		20,064,781
Debt Service:					
Principal	25,828			625,000	650,828
Interest and Other Charges	33,704	-	-	862,095	895,799
	<u>40,014,609</u>	<u>1,389,031</u>	<u>19,845,367</u>	<u>1,487,095</u>	<u>62,736,102</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,855,796</u>	<u>(10,477)</u>	<u>(19,845,367)</u>	<u>-</u>	<u>(15,000,048)</u>
OTHER FINANCING SOURCES (USES):					
Transfer from Capital Reserve to Capital Projects	(2,000,000)	-	2,000,000	-	-
Transfer from Capital Outlay to Capital Projects	(1,273,655)	-	1,273,655	-	-
	<u>(3,273,655)</u>	<u>-</u>	<u>3,273,655</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses					
Net Change in Fund Balances	1,582,141	(10,477)	(16,571,712)	-	(15,000,048)
Fund Balance, July 1	<u>15,192,743</u>	<u>23,616</u>	<u>26,064,463</u>	<u>-</u>	<u>41,280,822</u>
Fund Balance, June 30	<u>\$ 16,774,884</u>	<u>\$ 13,139</u>	<u>\$ 9,492,751</u>	<u>\$ -</u>	<u>\$ 26,280,774</u>

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

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

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

Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (15,000,048)**

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

Depreciation Expense	\$ (1,059,249)	
Donated Assets	18,966	
Capital Outlays	<u>20,064,781</u>	19,024,498

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

Principal Repayments		
Bond Principal	625,000	
Capital Financing Agreement Principal	25,828	
Amortization of Bond Premium	14,040	
Amortization of Deferred Amounts on Refunding	(11,334)	
Accrued Interest	<u>27,819</u>	681,353

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

Decrease in Net Pension Liability	930,261	
Increase Compensated Absences	<u>(26,783)</u>	<u>903,478</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 5,609,281**

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

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

	Business-Type Activities - Enterprise Fund
	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 119,771
Inventories	4,545
Other Accounts Receivable	1,225
Total Current Assets	125,541
Noncurrent Assets:	
Capital Assets	161,262
Less: Accumulated Depreciation	(80,849)
Total Capital Assets (Net of Accumulated Depreciation)	80,413
Total Noncurrent Assets	80,413
Total Assets	205,954
LIABILITIES:	
Current Liabilities	
Accounts Payable	3,559
Unearned Revenue	8,528
Total Current Liabilities	12,087
Total Liabilities	12,087
NET POSITION:	
Net Investment in Capital Assets	80,413
Unrestricted	113,454
Total Net Position	\$ 193,867

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services	
Daily Sales - Non-Reimbursable Programs	\$ 425,962
Total Operating Revenues	<u>425,962</u>
OPERATING EXPENSES:	
Cost of Sales / Goods Sold:	
Non-Reimbursable Program	191,598
Food Service Management Company Salaries & Wages	146,731
Other Purchased Services	11,398
Supplies and Materials	12,017
Insurance	11,245
Management Fee	26,852
Depreciation	4,140
Miscellaneous	<u>1,315</u>
Total Operating Expenses	<u>405,296</u>
Operating Income	<u>20,666</u>
NONOPERATING REVENUES (EXPENSES):	
Interest and Investment Revenue	<u>5,610</u>
Total Nonoperating Revenues	<u>5,610</u>
Change in Net Position	26,276
Net Position, July 1	<u>167,591</u>
Net Position, June 30	<u>\$ 193,867</u>

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

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

	<u>Business-Type Activities - Enterprise Fund</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Other Funds	\$ 425,962
Payments for Employees	(146,731)
Payments to Suppliers	<u>(248,462)</u>
Net Cash Provided by (Used for) Operating Activities	<u>30,769</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	<u>(11,880)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(11,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Deposits	<u>5,610</u>
Net Cash Provided by Investing Activities	<u>5,610</u>
Net Increase in Cash and Cash Equivalents	24,499
Cash and Cash Equivalents, Beginning of Year	<u>95,272</u>
Cash and Cash Equivalents, End of Year	<u>\$ 119,771</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) by Operating Activities:	
Operating Income (Loss)	\$ 20,666
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	4,140
(Increase) Decrease in Accounts Receivable, net	(1,225)
(Increase) Decrease in Inventories	(1,447)
Increase (Decrease) in Accounts Payable	107
Increase (Decrease) in Deferred Revenue	<u>8,528</u>
Total Adjustments	<u>10,103</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 30,769</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 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.

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

District-Wide Financial Statements

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

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

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

**WALDWICK 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. The District considers all of its governmental and enterprise fund to be major funds.

The District reports the following major governmental funds:

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

**WALDWICK 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)

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

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

**WALDWICK 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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Financing Agreements*

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

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

9. *Long-Term Obligations*

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

WALDWICK 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)

9. *Long-Term Obligations (Continued)*

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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.

WALDWICK 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)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

Designated for Subsequent Year’s Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

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

11. *Fund Balance Policies*

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

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

**WALDWICK 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)

11. *Fund Balance Policies (Continued)*

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

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

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

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.

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 NJSA 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 District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

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 \$62,039 and the special revenue fund by \$1,331,681. The increases were funded by the reappropriation of prior year general fund encumbrances, additional grant awards and the inclusion of student activities and scholarships transactions.

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

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

B. Capital Reserve

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

**WALDWICK 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	\$ 9,792,520
Increased by:	
Deposits Approved by Board Resolution	<u>3,097,093</u>
	12,889,613
Decreased by:	
Withdrawals Approved by District Budget	<u>2,000,000</u>
Balance, June 30, 2023	<u>\$ 10,889,613</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$27,514,050. The withdrawals from the capital reserve were for use in an approved facilities project consistent with the District’s Long Range Facilities Plan.

C. Maintenance Reserve

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

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

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

Balance, July 1, 2022	<u>\$ 1,359,261</u>
Balance, June 30, 2023	<u>\$ 1,359,261</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,359,261.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 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 \$2,600,000. Of this amount, \$1,300,000 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,300,000 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 were \$27,035,655 and bank and brokerage firm balances of the Board's deposits amounted to \$29,425,320. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 29,422,663
Uninsured and Collateralized	<u>2,657</u>
	<u>\$ 29,425,320</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2023 \$2,657 of the Board's bank balances were exposed to custodial credit risk.

Uninsured and Collateralized:

Collateral held by Board's Agent not in the name of the Board	<u>\$ 2,657</u>
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**WALDWICK 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)

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.

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

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

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

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental			
Federal		\$ 691,228	\$ 691,228
State	\$ 101,406	-	101,406
Net Total Receivables	<u>\$ 101,406</u>	<u>\$ 691,228</u>	<u>\$ 792,634</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Total</u>
General Fund	
Preschool Tuition	\$ 6,300
Special Revenue Fund	
Unencumbered Grant Draw Downs	19,032
Encumbered Grant Draw Down	<u>530,000</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 555,332</u>

D. Capital Assets

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

	Balance, July 1, 2022	Increases	Deletions	Balance, June 30, 2023
Governmental activities:				
Capital Assets, Not Being Depreciated				
Construction In Progress	\$ 4,485,537	\$ 19,845,367	-	\$ 24,330,904
 Total Capital Assets, Not Being Depreciated	 <u>4,485,537</u>	 <u>19,845,367</u>	 <u>-</u>	 <u>24,330,904</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,986,196			1,986,196
Buildings and Building Improvements	31,480,075	8,850		31,488,925
Machinery and Equipment	<u>4,706,846</u>	<u>229,530</u>	<u>-</u>	<u>4,936,376</u>
 Total Capital Assets Being Depreciated	 <u>38,173,117</u>	 <u>238,380</u>	 <u>-</u>	 <u>38,411,497</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,448,895)	(55,966)		(1,504,861)
Buildings and Building Improvements	(13,522,491)	(763,908)		(14,286,399)
Machinery and Equipment	<u>(2,707,345)</u>	<u>(239,375)</u>	<u>-</u>	<u>(2,946,720)</u>
 Total Accumulated Depreciation	 <u>(17,678,731)</u>	 <u>(1,059,249)</u>	 <u>-</u>	 <u>(18,737,980)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>20,494,386</u>	 <u>(820,869)</u>	 <u>-</u>	 <u>19,673,517</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 24,979,923</u>	 <u>\$ 19,024,498</u>	 <u>\$ -</u>	 <u>\$ 44,004,421</u>

**WALDWICK 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)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type activities:				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 50,546			\$ 50,546
Machinery and Equipment	<u>98,836</u>	<u>\$ 11,880</u>	<u>-</u>	<u>110,716</u>
Total Capital Assets Being Depreciated	<u>149,382</u>	<u>11,880</u>	<u>-</u>	<u>161,262</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(4,154)	(1,482)		(5,636)
Machinery and Equipment	<u>(72,555)</u>	<u>(2,658)</u>	<u>-</u>	<u>(75,213)</u>
Total Accumulated Depreciation	<u>(76,709)</u>	<u>(4,140)</u>	<u>-</u>	<u>(80,849)</u>
Total Capital Assets, Being Depreciated, Net	<u>72,673</u>	<u>7,740</u>	<u>-</u>	<u>80,413</u>
Business-Type Activities Capital Assets, Net	<u>\$ 72,673</u>	<u>\$ 7,740</u>	<u>\$ -</u>	<u>\$ 80,413</u>

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

Governmental Activities:

Instruction	
Regular	\$ 485,015
Special	181,770
Other Instruction	37,132
School-Sponsored/Activities & Athletics	<u>29,583</u>
Total Instruction	<u>733,500</u>
Support Services	
Student and Instruction Related Services	121,954
School Administration Services	90,903
General Administration Services	18,551
Central Services	34,623
Plant Operations and Maintenance	55,110
Pupil Transportation	<u>4,608</u>
Total Support Services	<u>325,749</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,059,249</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 4,140</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Exterior Bleacher Project	\$ 1,664,914	\$ 115,565
Facility Improvements at HS/MS	13,799,380	4,569,900
Hopper Field Project	1,399,048	383,352
Door Upgrades	29,959	226,621
Total		<u>\$ 5,295,438</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 20,666
		<u>\$ 20,666</u>

F. 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:

\$136,869, fiscal year 2022 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$2,118-\$2,459 through May 20, 2027	<u>\$ 108,923</u>
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WALDWICK 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. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Capital Agreements	
	Principal	Interest
2024	\$ 26,611	\$ 2,893
2025	27,418	2,087
2026	28,248	1,256
2027	<u>26,646</u>	<u>400</u>
Total	<u>\$ 108,923</u>	<u>\$ 6,636</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2023 is comprised of the following issue:

\$30,550,000, 2021 School Bonds, due in annual installments of \$970,000 to \$1,630,000 through July 15, 2046, interest at 1.00% - 2.25%	<u>\$ 30,550,000</u>
	<u>\$ 30,550,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2024	\$ 970,000	\$ 598,413	\$ 1,568,413
2025	995,000	588,588	1,583,588
2026	1,015,000	573,463	1,588,463
2027	1,040,000	552,912	1,592,912
2028	1,060,000	542,512	1,602,512
2029-2032	4,495,000	1,897,500	6,392,500
2033-2037	6,220,000	1,851,562	8,071,562
2038-2047	<u>14,755,000</u>	<u>1,630,125</u>	<u>16,385,125</u>
	<u>\$ 30,550,000</u>	<u>\$ 8,235,075</u>	<u>\$ 38,785,075</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:

4% of Equalized Valuation Basis (Municipal)	\$ 73,303,204
Less: Net Debt Issued and Authorized but Not Issued	<u>30,550,000</u>
Remaining Borrowing Power	<u>\$ 42,753,204</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. 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, <u>July 1, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental activities:					
Bonds Payable	\$ 31,175,000		\$ 625,000	\$ 30,550,000	\$ 970,000
Add: Original Issue Premium	14,040	-	14,040	-	-
Total Bonds Payable	31,189,040	-	639,040	30,550,000	970,000
Capital Financing Agreements	134,751		25,828	108,923	26,611
Compensated Absences	587,517	\$ 26,783		614,300	
Net Pension Liability	3,956,773	1,668,960	433,839	5,191,894	-
Governmental Activity Long-Term Liabilities	<u>\$ 35,868,081</u>	<u>\$ 1,695,743</u>	<u>\$ 1,098,707</u>	<u>\$ 36,465,117</u>	<u>\$ 996,611</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained 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 provided additional health coverage with the State Employee Health Benefit Program.

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

The relationship between the Board and the 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.

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

<u>Fiscal Year Ended</u>	<u>Employee Contributions</u>	<u>Interest Earning</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 67,766	\$ 20,123	\$ 57,091	\$ 538,607
2022	80,214	1,920	60,917	463,390
2021	82,272	1,021	33,269	442,173

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.

**WALDWICK 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

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**WALDWICK 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)

The following represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching 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 PERS 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.

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

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

**WALDWICK 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)

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 June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 433,839	\$ 5,257,435	\$ 38,188
2022	391,157	5,151,268	26,381
2021	371,893	3,779,676	23,375

In addition for fiscal years 2023, 2022 and 2021 the District contributed \$0 for PERS and the State contributed \$1,728, \$1,390 and \$1,746, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,128,790 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 a revenue and expense/expenditure in accordance with GASB No. 85.

**WALDWICK 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

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 \$5,191,894 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 .034403 percent, which was an increase of 0.001003 percent from its proportionate share measured as of June 30, 2021 of .033400 percent.

For the fiscal year ended June 30, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$496,422 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, 2023. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 37,473	\$ 33,046
Changes of Assumptions	16,086	777,432
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	214,888	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>152,880</u>	<u>226,975</u>
Total	<u>\$ 421,327</u>	<u>\$ 1,037,453</u>

**WALDWICK 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)

Public Employees Retirement System (PERS) (Continued)

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:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (741,453)
2024	(360,864)
2025	(151,142)
2026	215,095
2027	422,238
Thereafter	<u>-</u>
	<u>\$ (616,126)</u>

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.

**WALDWICK 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)

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%

**WALDWICK 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)

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,670,063</u>	<u>\$ 5,191,894</u>	<u>\$ 3,933,913</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability at 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.

**WALDWICK 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)

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 \$1,713,352 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 \$63,663,101. 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 .12339 percent, which was a decrease of .0042 percent from its proportionate share measured as of June 30, 2021 of .12759 percent.

**WALDWICK 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.

**WALDWICK 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)

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.

**WALDWICK 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)

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 74,646,339</u>	<u>\$ 63,663,101</u>	<u>\$ 54,411,103</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.

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.

**WALDWICK 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)

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.

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

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 an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,381,115, \$1,203,545 and \$1,184,492, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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 \$1,931,369. 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 \$60,080,075. 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 and 2021 the state’s share of the OPEB liability attributable to the District was 0.12 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 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% Based on Years of Service	2.75% to 4.25% Based on Years of Service

**WALDWICK 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)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 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.

**WALDWICK 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	\$ <u>70,575,668</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,107,301
Interest on the Total OPEB Liability	1,592,188
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	2,448,453
Changes of Assumptions	(16,117,019)
Gross Benefit Payments	(1,577,110)
Contributions from the Member	<u>50,594</u>
Net Changes	\$ <u>(10,495,593)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>60,080,075</u></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.

**WALDWICK 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

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 <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 70,617,808</u>	<u>\$ 60,080,075</u>	<u>\$ 51,634,609</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 49,659,854</u>	<u>\$ 60,080,075</u>	<u>\$ 73,767,668</u>

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.

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

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 \$2,056,676 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 31,873,783		\$ 31,873,783	\$ 31,873,783	
Tuition from Individuals	21,000		21,000	56,298	\$ 35,298
Other Restricted Miscellaneous Revenues				75,217	75,217
Unrestricted Miscellaneous Revenues	119,500	-	119,500	1,622,905	1,503,405
Total - Local Sources	32,014,283	-	32,014,283	33,628,203	1,613,920
Federal Sources:					
Medicaid Reimbursements	27,095	-	27,095	28,681	1,586
Total - Federal Sources	27,095	-	27,095	28,681	1,586
State Sources:					
Categorical Special Education Aid	1,350,999		1,350,999	1,350,999	
Equalization Aid	957,125		957,125	957,125	
Categorical Security Aid	125,909		125,909	125,909	
Categorical Transportation Aid	199,527		199,527	199,527	
Extraordinary Aid	251,938		251,938	952,438	700,500
Additional Nonpublic Transportation Aid			-	27,362	27,362
Homeless Tuition Reimbursement Aid				19,069	19,069
Additional Stabilization Aid				137,612	137,612
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				5,185,492	5,185,492
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				71,943	71,943
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,381,115	1,381,115
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,728	1,728
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,128,790	1,128,790
Total - State Sources	2,885,498	-	2,885,498	11,539,109	8,653,611
Total Revenues	34,926,876	-	34,926,876	45,195,993	10,269,117
EXPENDITURES:					
Current Expense:					
Regular Programs:					
Instruction:					
Salaries of Teachers					
Kindergarten	497,468	\$ 22,691	520,159	504,740	15,419
Grades 1-5	3,144,691	(41,506)	3,103,185	3,060,184	43,002
Grades 6-8	2,339,122	6,472	2,345,594	2,255,210	90,384
Grades 9-12	3,186,518	(6,472)	3,180,046	3,171,900	8,146
Home Instruction:					
Salaries of Teachers	10,000	-	10,000	1,210	8,790
Purchased Professional - Educational Services	20,000	(7,729)	12,271	881	11,390
Undistributed Instruction:					
Other Salaries for Instruction		281,683	281,683	271,928	9,755
Purchased Professional - Educational Services	74,794	(17,565)	57,229	57,092	137
Purchased Technical Services	1,500	9,138	10,638	9,620	1,018
Other Purchased Services	49,550	(3,283)	46,267	44,442	1,825
General Supplies	380,500	(40,508)	339,992	331,745	8,247
Textbooks	5,000	2,990	7,990	7,972	17
Other Objects	5,500	(928)	4,572	4,005	568
Total Regular Programs	9,714,643	204,983	9,919,626	9,720,928	198,698

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
Current Expense					
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 457,639	\$ 71,622	\$ 529,261	\$ 527,361	\$ 1,900
Other Salaries for Instruction	412,167	44,642	456,809	440,946	15,863
Purchased Professional - Educational Services	-	2,950	2,950	2,950	-
General Supplies	6,000	142	6,142	4,286	1,856
Other Objects	100	-	100	-	100
Total Learning and/or Language Disabilities	875,906	119,356	995,262	975,543	19,719
Resource Room:					
Salaries of Teachers	1,878,291	(181,519)	1,696,772	1,644,826	51,946
Other Salaries for Instruction	582,843	(358,627)	224,216	187,102	37,114
Travel Spec Ed Aide	-	61	61	61	0
General Supplies	2,250	483	2,733	1,748	985
Other Objects	750	(650)	100	-	100
Total Resource Room	2,464,134	(540,252)	1,923,882	1,833,737	90,144
Autism:					
Salaries of Teachers	189,135	34,291	223,426	204,895	18,531
Other Salaries for Instruction	166,457	(20,605)	145,852	145,852	-
General Supplies	-	8,298	8,298	7,930	368
Total Autism	355,592	21,984	377,576	358,677	18,900
Preschool Disabilities - Part - Time:					
Salaries of Teachers	177,990	833	178,823	178,823	-
Other Salaries for Instruction	116,874	(55,717)	61,157	61,157	-
General Supplies	750	2,803	3,553	3,549	3
Total Preschool Disabilities - Part - Time	295,614	(52,082)	243,532	243,529	3
Preschool Disabilities - Full - Time:					
Salaries of Teachers	61,345	79,645	140,990	140,990	-
Other Salaries for Instruction	22,712	123,233	145,945	145,598	347
General Supplies	-	-	-	-	-
Total Preschool Disabilities - Full - Time	84,057	202,878	286,935	286,588	347
Home Instruction:					
Salaries of Teachers	10,000	230	10,230	5,400	4,830
Purchased Professional-Educational Services	-	6,810	6,810	2,656	4,154
Total Home Instruction	10,000	7,040	17,040	8,056	8,984
Total Special Education - Instruction	4,085,303	(241,076)	3,844,227	3,706,130	138,096
Basic Skills/Remedial:					
Salaries of Teachers	498,715	(64,949)	433,766	433,384	382
General Supplies	-	-	-	-	-
Total Basic Skills/Remedial	498,715	(64,949)	433,766	433,384	382
Bilingual Education:					
Salaries of Teachers	227,553	39,858	267,411	260,962	6,449
Other Salaries for Instruction	-	-	-	-	-
General Supplies	-	142	142	128	13
Total Bilingual Education	227,553	40,000	267,553	261,090	6,462

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
EXPENDITURES					
Current Expense					
Instruction (Continued)					
School Sponsored Co-Curricular Activities:					
Salaries	\$ 178,400	\$ (3,280)	\$ 175,120	\$ 171,100	\$ 4,020
Purchased Services	3,000	9,759	12,759	12,545	215
Supplies and Materials	5,500	287	5,787	3,534	2,253
Other Objects	5,500	(1,656)	3,844	3,294	551
Total School Sponsored Co-Curricular Activities	192,400	5,111	197,511	190,473	7,038
School Sponsored Athletics - Instruction:					
Salaries	395,650	-	395,650	368,141	27,509
Purchased Services	69,800	-	69,800	66,450	3,350
Supplies and Materials	47,000	1,025	48,025	45,344	2,681
Other Objects	7,350	375	7,725	7,725	-
Total School Sponsored Athletics - Instruction	519,800	1,400	521,200	487,659	33,541
Summer School - Instruction:					
Salaries	40,613	-	40,613	29,332	11,281
Other Salaries for Instruction	41,020	-	41,020	36,951	4,069
Total Summer School - Instruction	81,633	-	81,633	66,283	15,350
Summer School - Support Services					
Salaries	14,922	-	14,922	13,628	1,294
Total Summer School - Support Services	14,922	-	14,922	13,628	1,294
Total - Instruction	15,334,969	(54,531)	15,280,438	14,879,575	400,862
Undistributed Expenditures:					
Tuition:					
Tuition to Other LEA's Within the State - Regular		32,940	32,940	32,940	-
Tuition Charter	15,205	-	15,205	15,205	-
Tuition to Other LEA's Within the State - Special	850,000	(230,500)	619,500	502,103	117,397
Tuition to County Vocational School District - Regular	208,854	29,862	238,716	208,944	29,772
Tuition to County Vocational School District - Special		59,940	59,940	59,838	102
Tuition to CSSD and Regional Day Schools	850,000	(89,802)	760,198	422,131	338,067
Tuition to Private Schools for the Disabled - Within State	1,764,938	(183,129)	1,581,809	1,334,690	247,119
Tuition to Private Schools for the Disabled & Other LEA's	145,000	-	145,000	117,575	27,425
Tuition - Other	40,000	16,996	56,996	56,996	-
Total Tuition	3,873,997	(363,693)	3,510,304	2,750,421	759,883
Attendance and Social Work:					
Salaries	75,780	1,744	77,524	75,890	1,634
Total Attendance and Social Work	75,780	1,744	77,524	75,890	1,634
Health Services:					
Salaries	253,340	(1,744)	251,596	229,935	21,661
Purchased Professional and Technical Services	16,645	(2,345)	14,300	13,001	1,299
Supplies and Materials	2,900	318	3,218	2,986	233
Other Objects	2,000	-	2,000	-	2,000
Total Health Services	274,885	(3,770)	271,115	245,922	25,193
Speech, OT, PT and Related Services:					
Salaries	487,809	24,426	512,235	485,094	27,140
Purchased Professional -Educational Services	225,000	151,668	376,668	229,634	147,034
Supplies and Materials	2,000	370	2,370	2,370	-
Total Speech, OT, PT and Related Services	714,809	176,464	891,273	717,098	174,175

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Adjustments	Final Budget	Actual	Variance with Final Budget
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Guidance:					
Salaries of Other Professional Staff	\$ 531,430	\$ (2,500)	\$ 528,930	\$ 515,329	\$ 13,601
Salaries of Secretarial and Clerical Assistants	132,584	2,500	135,084	135,083	1
Other Purchased Professional -Technical Services	39,350	(15,005)	24,345	24,145	200
Other Purchased Services	250	-	250	250	-
Supplies and Materials	6,500	(1,608)	4,892	4,440	452
Other Objects	-	280	280	280	-
Total Guidance	710,114	(16,333)	693,781	679,527	14,254
Child Study Teams:					
Salaries of Other Professional Staff	587,505	-	587,505	563,509	23,996
Salaries of Secretarial and Clerical Assistants	106,512	-	106,512	106,511	1
Purchased Professional-Educational Services	21,000	6,963	27,963	26,737	1,226
Other Purchased Professional -Technical Services	17,000	1,174	18,174	18,174	-
Miscellaneous Purchased Services	2,400	73	2,473	2,473	-
Supplies and Materials	5,000	3,832	8,832	8,508	324
Other Objects	1,900	289	2,189	1,655	534
Total Child Study Teams	741,317	12,331	753,648	727,567	26,081
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	266,206	-	266,206	259,121	7,085
Travel	100	-	100	100	-
Other Objects	1,100	-	1,100	1,095	5
Total Improvement of Instruction Services:	267,406	-	267,406	260,216	7,190
Educational Media Services / School Library:					
Salaries	40,011	-	40,011	19,451	20,560
Salaries of Technology Coordinators	125,500	(21,175)	104,325	71,763	32,561
Supplies and Materials	12,700	(1,599)	11,101	11,061	40
Total Educational Media Services / School Library	178,211	(22,775)	155,436	102,275	53,162
Instructional Staff Training Services:					
Travel	24,500	-	24,500	182	24,318
Total Instructional Staff Training Services	24,500	-	24,500	182	24,318
Support Services - General Administration:					
Salaries	342,736	-	342,736	342,736	-
Legal Services	70,000	52,000	122,000	42,130	79,870
Audit Fees	42,000	39,660	81,660	37,386	44,274
Architectural / Engineering Services	10,000	4,518	14,518	-	14,518
Other Purchased Professional Services	5,540	-	5,540	4,835	705
Purchased Technical Services	14,000	(1,117)	12,883	12,883	-
Communications / Telephone	50,750	9,899	60,649	57,622	3,027
BOE Other Purchased Services	5,610	1,245	6,855	6,310	546
Miscellaneous Purchased Services	60,618	(6,677)	53,942	48,631	5,311
General Supplies	8,500	-	8,500	4,654	3,846
Miscellaneous Expenditures	5,000	-	5,000	4,645	355
BOE Membership Dues and Fees	12,250	-	12,250	11,988	262
Total Support Services - General Administration	627,004	99,529	726,533	573,820	152,713
Support Services - School Administration:					
Salaries of Principals/Asst. Principals	1,368,577	-	1,368,577	1,351,348	17,229
Salaries of Secretarial and Clerical Assistants	351,660	-	351,660	337,461	14,199
Purchased Professional and Technical Services	1,500	-	1,500	1,228	272
Other Purchased Services	4,700	-	4,700	4,200	500
Travel	7,800	-	7,800	5,400	2,400
Supplies and Materials	16,700	5,232	21,932	21,150	782
Other Objects	16,050	(1,071)	14,979	9,188	5,791
Total Support Services School Administration	1,766,987	4,161	1,771,148	1,729,974	41,174

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Central Services:					
Salaries	\$ 430,151	-	\$ 430,151	\$ 426,011	\$ 4,140
Purchased Professional Services	2,500	-	2,500	524	1,977
Purchased Technical Services	44,305	\$ 1,600	45,905	43,705	2,200
Miscellaneous Purchased Services	6,272	91	6,363	6,363	-
Supplies and Materials	10,933	374	11,307	8,764	2,543
Travel	2,400	-	2,400	1,521	879
Other Objects	2,136	42	2,178	1,282	896
Total Central Services	498,697	2,107	500,804	488,169	12,635
Administration Information Technology:					
Salaries	127,450	-	127,450	109,100	18,350
Purchased Professional Services	3,000	(515)	2,485	2,485	-
Other Purchased Services	110,000	18,677	128,677	128,467	210.00
Travel	2,250	(649)	1,601	1,367	233.66
Supplies and Materials	12,000	58,392	70,392	10,481	59,911
Other Objects	-	1,164	1,164	515	649
Total Administration Information Technology	254,700	77,069	331,769	249,931	81,839
Required Maintenance for School Facilities:					
Salaries	158,092	3,754	161,846	160,726	1,119
Cleaning, Repair and Maintenance	217,000	(28,267)	188,733	84,284	104,449
General Supplies	51,000	-	51,000	12,607	38,393
Total Required Maintenance for School Facilities	426,092	(24,514)	401,578	257,617	143,961
Custodial Services:					
Salaries	1,018,976	(3,754)	1,015,222	931,852	83,370
Purchased Professional & Technical Services	26,000	13,100	39,100	36,658	2,442
Cleaning, Repair and Maintenance Services	2,000	-	2,000	350	1,650
Other Purchased Property Services	30,000	-	30,000	26,482	3,518
Insurance	286,389	22,049	308,438	308,438	-
Travel	2,500	-	2,500	2,298	202
General Supplies	51,000	(8,100)	42,900	42,029	871
Energy (Natural Gas)	150,000	-	150,000	104,341	45,659
Energy (Electricity)	286,000	(2,158)	283,842	237,662	46,180
Energy (Gasoline)	2,000	-	2,000	2,000	-
Other Objects	1,248	-	1,248	898	351
Total Custodial Services	1,856,113	21,137	1,877,250	1,693,005	184,245
Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance	71,000	1,767	72,767	55,892	16,875
General Supplies	21,000	(5,000)	16,000	14,123	1,877
Total Care and Upkeep of Grounds	92,000	(3,233)	88,767	70,015	18,752
Security					
General Supplies	25,000	(3,699)	21,301	6,423	14,879
Total Security	25,000	(3,699)	21,301	6,423	14,879
Total Operation and Maintenance of Plant Services	2,399,205	(10,308)	2,388,897	2,027,060	361,837
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	13,379	-	13,379	13,254	125
Salaries for Pupil Transportation (Between Home and School) - Special Education	72,659	(59,000)	13,659	13,255	404
Salaries for Pupil Transportation (Other than Between Home and School)	68,758	(19,795)	48,963	48,306	657
Cleaning, Repair and Maintenance Services	17,500	12,802	30,302	30,301	1
Contracted	51,000	36,293	87,293	81,259	6,034
Contracted Services (Other Than Between Home and School) - Vendors	5,200	12,500	17,700	15,606	2,094
Contracted Services (Regular Students) - ESCs & CTSAAs	107,000	25,386	132,386	127,095	5,291
Contracted Services (Special Education Students) - ESCs & CTSAAs	661,364	66,465	727,829	696,214	31,615
Transportation Supplies	14,400	(3,300)	11,100	3,907	7,193
Other Objects	1,400	(1,200)	200	200	-
Total Student Transportation Services	1,012,660	70,151	1,082,811	1,029,397	53,414

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
Current Expense					
Undistributed Expenditures (Continued)					
Unallocated Benefits - Employee Benefits:					
Group Insurance	\$ 1,000		\$ 1,000	\$ 421	\$ 579
Social Security Contributions	360,404	-	360,404	355,208	5,196
Other Retirement Contributions - PERS	453,664	(19,825)	433,839	433,839	-
Other Retirement Contributions - DCRP	24,943	15,426	40,369	38,188	2,182
Workmen's Compensation	111,360	(23,583)	87,777	84,369	3,408
Health Benefits	4,810,121	-	4,810,121	4,433,467	376,654
Tuition Reimbursement	80,000	3,754	83,754	39,478	44,276
Other Employee Benefits	118,563	(2,313)	116,251	103,016	13,235
Unused Sick Payment to Terminated / Retired Staff	42,000	2,313	44,313	17,985	26,328
Total Unallocated Benefits - Employee Benefits	6,002,055	(24,228)	5,977,827	5,505,971	471,857
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				5,185,492	(5,185,492)
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				71,943	(71,943)
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				1,381,115	(1,381,115)
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				1,728	(1,728)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,128,790	(1,128,790)
Total On-Behalf Contributions	-	-	-	7,769,068	(7,769,068)
Total Personal Services - Employee Benefits	6,002,055	(24,228)	5,977,827	13,275,039	(7,297,211)
Total Undistributed Expenditures	19,422,327	2,449	19,424,776	24,932,486	(5,507,710)
Total General Current Expense	34,757,296	(52,082)	34,705,214	39,812,062	(5,106,848)
Capital Outlay:					
Equipment:					
Grades 1-5		2,523	2,523	2,523	-
Grades 9-12		35,791	35,791	35,691	100
Resource Room		2,919	2,919	2,919	-
Undistributed Expenditures:					
Administration Information Technology	100,000	(745)	99,255	26,969	72,286
Athletics	25,000	50,621	75,621	71,779	3,842
Security	25,000	4,288	29,288	8,484	20,804
Custodial Services		3,504	3,504	3,504	-
Care and Upkeep of Grounds	-	15,220	15,220	11,800	3,420
Total Equipment	150,000	114,121	264,121	163,669	100,452

**WALDWICK BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Capital Outlay: (Continued)					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 100,000	-	\$ 100,000	\$ 8,850	\$ 91,150
Assessment for Debt Service on SDA Funding	30,028	-	30,028	30,028	-
Total Facilities Acquisition and Construction Services	130,028	-	130,028	38,878	91,150
Total Capital Outlay	280,028	\$ 114,121	394,149	202,547	191,602
Total Expenditures	35,037,324	62,039	35,099,363	40,014,609	(4,915,246)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,448)	(62,039)	(172,487)	5,181,384	5,353,871
Other Financing Sources/(Uses)					
Transfer from Capital Reserve to Capital Projects (Non-Budget)	(2,000,000)	-	(2,000,000)	(2,000,000)	-
Transfer from Capital Outlay to Capital Projects (Non-Budget)	(1,273,655)	-	(1,273,655)	(1,273,655)	-
Total Other Financing Sources/(Uses)	(3,273,655)	-	(3,273,655)	(3,273,655)	-
Net Change in Fund Balance	(3,384,103)	(62,039)	(3,446,142)	1,907,729	5,353,871
Fund Balance, July 1	16,036,126	-	16,036,126	16,036,126	-
Fund Balance, June 30	\$ 12,652,023	\$ (62,039)	\$ 12,589,984	\$ 17,943,855	\$ 5,353,871
RECAPITULATION:					
Restricted:					
Capital Reserve				\$ 10,889,613	
Maintenance Reserve				1,359,261	
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				1,300,000	
Current Year				1,300,000	
Unemployment Compensation				538,607	
Assigned:					
Year-End Encumbrances				71,923	
Designated for Subsequent Year's Expenditures				908,593	
Unassigned:					
				1,575,858	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ 952,438		17,943,855
State Aid Not Recognized on GAAP Basis			216,533		
				1,168,971	
Fund Balance Per Governmental Funds (GAAP)				\$ 16,774,884	

**WALDWICK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Budget Transfers / Modification</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 451,666	\$ 1,217,224	\$ 1,668,890	\$ 906,610	\$ (762,280)
State Sources	251,985	114,457	366,442	327,950	(38,492)
Local Sources	-	-	-	143,994	143,994
Total Revenues	<u>703,651</u>	<u>1,331,681</u>	<u>2,035,332</u>	<u>1,378,554</u>	<u>(656,778)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	22,968	271,144	294,112	55,748	238,364
Purchased Services	176,703	82,114	258,817	256,909	1,908
Tuition	335,062	46,463	381,525	380,525	1,000
Textbooks	11,290	2,834	14,124	14,073	51
Instructional Supplies	52,388	373,367	425,755	200,403	225,352
Student Activities	-	-	-	138,795	(138,795)
Total Instruction	<u>598,411</u>	<u>775,922</u>	<u>1,374,333</u>	<u>1,046,453</u>	<u>327,880</u>
Support Services:					
Salaries	900	(460)	440	-	440
Purchased Professional Technical Service	47,060	82,379	129,439	46,792	82,647
Other Purchased Services	22,630	99,527	122,157	139,793	(17,636)
Supplies and Materials	-	41,954	41,954	93,422	(51,468)
Scholarship Awards	-	-	-	15,676	(15,676)
Total Support Services	<u>70,590</u>	<u>223,400</u>	<u>293,990</u>	<u>295,683</u>	<u>(1,693)</u>
Facilities Acquisition and Constructions Services:					
Non-Instructional Equipment	34,650	332,359	367,009	46,895	320,114
Total Facilities Acquisition and Construction Services	<u>34,650</u>	<u>332,359</u>	<u>367,009</u>	<u>46,895</u>	<u>320,114</u>
Total Expenditures	<u>703,651</u>	<u>1,331,681</u>	<u>2,035,332</u>	<u>1,389,031</u>	<u>646,301</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	-	-	-	(10,477)	(10,477)
Fund Balance, July 1	23,616	-	23,616	23,616	-
Fund Balance, June 30	<u>\$ 23,616</u>	<u>\$ -</u>	<u>\$ 23,616</u>	<u>\$ 13,139</u>	<u>\$ (10,477)</u>

Recapitulation	
Restricted:	
Scholarships	\$ 233
Student Activities	12,906
	<u>\$ 13,139</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	(C-1) \$ 45,195,993	(C-2) \$ 1,378,554
Grant encumbrances recognized for budgetary purposes, not recognized for GAAP purposes, recognized for budgetary statements.		
Encumbrances, June 30, 2023		(530,000)
Encumbrances, June 30, 2022		530,000
State Aid payments and Extraordinary Aid (2021/2022) recognized for GAAP purposes, not recognized for budgetary statements.	843,383	
State Aid payments and Extraordinary Aid (2022/2023) not recognized for GAAP purposes, recognized for budgetary statements.	<u>(1,168,971)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>44,870,405</u>	(B-2) \$ <u>1,378,554</u>

Uses / Outflows of Resources:

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-series)	(C-1) \$ 40,014,609	(C-2) \$ 1,389,031
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, 2023		\$ (530,000)
Encumbrances, June 30, 2022	<u>-</u>	<u>530,000</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	(B-2) \$ <u>40,014,609</u>	(B-2) \$ <u>1,389,031</u>

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

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

Public Employees Retirement System

Last 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>
District's Proportion of the Net Position Liability (Asset)	0.03440%	0.03340%	0.03400%	0.03472%	0.03551%	0.03702%	0.03736%	0.03608%	0.04300%	0.03836%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 5,191,894</u>	<u>\$ 3,956,773</u>	<u>\$ 5,543,768</u>	<u>\$ 6,255,567</u>	<u>\$ 6,991,073</u>	<u>\$ 8,617,972</u>	<u>\$ 11,064,930</u>	<u>\$ 8,098,239</u>	<u>\$ 8,050,372</u>	<u>\$ 7,330,857</u>
District's Covered-Employee Payroll	<u>\$ 2,473,647</u>	<u>\$ 2,473,647</u>	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>	<u>\$ 2,844,778</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	209.89%	159.96%	224.16%	254.51%	283.23%	354.00%	444.53%	331.04%	310.95%	257.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	52.08%	48.72%

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

WALDWICK 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	\$ 433,839	\$ 391,157	\$ 371,893	\$ 337,699	\$ 353,176	\$ 353,844	\$ 340,437	\$ 310,153	\$ 354,468	\$ 297,337
Contributions in Relation to the Contractually Required Contribution	<u>433,839</u>	<u>391,157</u>	<u>371,893</u>	<u>337,699</u>	<u>353,176</u>	<u>353,844</u>	<u>340,437</u>	<u>310,153</u>	<u>354,468</u>	<u>297,337</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 2,566,720</u>	<u>\$ 2,473,647</u>	<u>\$ 2,429,436</u>	<u>\$ 2,473,153</u>	<u>\$ 2,457,873</u>	<u>\$ 2,468,372</u>	<u>\$ 2,434,435</u>	<u>\$ 2,489,123</u>	<u>\$ 2,446,301</u>	<u>\$ 2,588,920</u>
Contributions as a Percentage of Covered-Employee Payroll	16.90%	15.81%	15.31%	13.65%	14.37%	14.34%	13.98%	12.46%	14.49%	11.48%

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years*

	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)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 63,663,101	\$ 61,342,746	\$ 82,180,949	\$ 77,046,469	\$ 80,196,264	\$ 86,143,185	\$ 95,878,948	\$ 77,909,246	\$ 64,643,853	\$ 61,006,204
Total	\$ 63,663,101	\$ 61,342,746	\$ 82,180,949	\$ 77,046,469	\$ 80,196,264	\$ 86,143,185	\$ 95,878,948	\$ 77,909,246	\$ 64,643,853	\$ 61,006,204
District's Covered-Employee Payroll	\$ 14,655,814	\$ 14,583,113	\$ 13,872,087	\$ 13,844,809	\$ 13,526,956	\$ 12,982,675	\$ 13,078,937	\$ 12,992,364	\$ 12,145,441	\$ 12,331,615
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	33.64%	33.76%

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

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

Change of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 3,107,301	\$ 3,632,204	\$ 2,060,598	\$ 1,965,009	\$ 2,217,096	\$ 2,676,238
Interest on Total OPEB Liability	1,592,188	1,830,807	1,783,085	2,155,076	2,267,074	1,955,616
Changes of Benefit Terms	-	(75,119)				
Differences Between Expected and Actual Experience	2,448,453	(14,282,103)	13,996,485	(8,274,788)	(4,182,552)	
Changes of Assumptions	(16,117,019)	69,628	14,758,581	738,956	(6,248,735)	(8,073,783)
Gross Benefit Payments	(1,577,110)	(1,442,163)	(1,406,585)	(1,521,369)	(1,456,049)	(1,431,551)
Contributions from the Member	50,594	46,805	42,634	45,098	50,323	52,713
Net Change in Total OPEB Liability	(10,495,593)	(10,219,941)	31,234,798	(4,892,018)	(7,352,843)	(4,820,767)
Total OPEB Liability - Beginning	70,575,668	80,795,609	49,560,811	54,452,829	61,805,672	66,626,439
Total OPEB Liability - Ending	<u>\$ 60,080,075</u>	<u>\$ 70,575,668</u>	<u>\$ 80,795,609</u>	<u>\$ 49,560,811</u>	<u>\$ 54,452,829</u>	<u>\$ 61,805,672</u>
District's Proportionate Share of OPEB Liability			\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	60,080,075	70,575,668	80,795,609	49,560,811	54,452,829	61,805,672
Total OPEB Liability - Ending	<u>\$ 60,080,075</u>	<u>\$ 70,575,668</u>	<u>\$ 80,795,609</u>	<u>\$ 49,560,811</u>	<u>\$ 54,452,829</u>	<u>\$ 61,805,672</u>
District's Covered-Employee Payroll	<u>\$ 17,129,461</u>	<u>\$ 17,056,768</u>	<u>\$ 16,345,240</u>	<u>\$ 16,302,682</u>	<u>\$ 15,995,328</u>	<u>\$ 15,417,110</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Employee Payroll	0%	0%	0%	0%	0%	0%

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

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

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

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

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

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	Elementary and Secondary Education Act (E. S. E. A.)			I. D. E. A.			Total Exhibit E-1a	Total Exhibit E-1b	Total
	Title I	Title II	Title IV	Consolidated		ARP Consolidated			
	Part A	Part A		Part B Basic	Part B Preschool	Part B Basic			
REVENUES:									
Federal Sources	\$ 64,833	\$ 30,583	\$ 9,971	\$ 316,362	\$ 17,159	\$ 171	\$ 467,531		\$ 906,610
State Sources							38,099	\$ 289,851	327,950
Local Sources	-	-	-	-	-	-	143,994	-	143,994
Total Revenues	64,833	30,583	9,971	316,362	17,159	171	649,624	289,851	1,378,554
EXPENDITURES:									
Instruction:									
Salaries of Teachers	25,358	5,070					25,320		55,748
Purchased Services			847				59,382	196,680	256,909
Tuition				295,137	17,159		68,229		380,525
Textbooks								14,073	14,073
Instructional Supplies	35,179						162,333	2,891	200,403
Student Activities	-	-	-	-	-	-	138,795	-	138,795
Total Instruction	60,537	5,070	847	295,137	17,159	-	454,059	213,644	1,046,453
Support Services:									
Purchased Professional Technical Service				21,225		171	-	25,396	46,792
Other Purchased Services		25,513					114,280	-	139,793
Supplies and Materials	4,296		9,124				60,866	19,136	93,422
Scholarship Awarded	-	-	-	-	-	-	15,676	-	15,676
Total Support Services	4,296	25,513	9,124	21,225	-	171	190,822	44,532	295,683
Facilities Acquisition and Constructions Services:									
Non-Instructional Equipment	-	-	-	-	-	-	15,220	31,675	46,895
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	15,220	31,675	46,895
Total Expenditures	64,833	30,583	9,971	316,362	17,159	171	660,101	289,851	1,389,031
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	(10,477)	-	(10,477)
Fund Balance, July 1	-	-	-	-	-	-	23,616	-	23,616
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,139	\$ -	\$ 13,139

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

	CRRSA			American Rescue Plan				ACSERS	SDA Emergent and Capital Maint.	Student Activities /Athletics	Scholarship	Total Exhibit E-1a
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Learning Acceleration	Summer Learning	Comp BEY					
REVENUES:												
Federal Sources	\$ 247,734	\$ 21,451	\$ 19,258	\$ 50,866	\$ 7,470	\$ 15,396	\$ 5,000	\$ 100,356				\$ 467,531
State Sources	-	-	-	-	-	-	-	-	\$ 38,099			38,099
Local Sources	-	-	-	-	-	-	-	-	-	\$ 138,747	\$ 5,247	143,994
Total Revenues	247,734	21,451	19,258	50,866	7,470	15,396	5,000	100,356	38,099	138,747	5,247	649,624
EXPENDITURES:												
Instruction:												
Salaries of Teachers		6,942			7,470	10,396		512				25,320
Purchased Services		8,509	19,258					31,615				59,382
Tuition								68,229				68,229
Instructional Supplies	162,333											162,333
Student Activities	-	-	-	-	-	-	-	-	-	138,795	-	138,795
Total Instruction	162,333	15,451	19,258	-	7,470	10,396	-	100,356	-	138,795	-	454,059
Support Services:												
Purchased Professional Technical Service												-
Other Purchased Services	85,401	6,000							22,879			114,280
Supplies and Materials				50,866		5,000	5,000		-			60,866
Scholarship Awarded	-	-	-	-	-	-	-	-	-	-	15,676	15,676
Total Support Services	85,401	6,000	-	50,866	-	5,000	5,000	-	22,879	-	15,676	190,822
Facilities Acquisition and Construction Services:												
Non-Instructional Equipment	-	-	-	-	-	-	-	-	15,220	-	-	15,220
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	-	15,220	-	-	15,220
Total Expenditures	247,734	21,451	19,258	50,866	7,470	15,396	5,000	100,356	38,099	138,795	15,676	660,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	(48)	(10,429)	(10,477)
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	12,954	10,662	23,616
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,906	\$ 233	\$ 13,139

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

	Non-Public State Aid				Auxiliary (Chapter 192)		Handicapped Service (Chapter 193)			Total Exhibit E-1b
	Textbook	Nursing Services	Security	Technology	Compensatory Education	Nonpublic ESL	Examination & Classification	Corrective Speech	Supplementary Instruction	
REVENUES:										
State Sources	\$ 14,073	\$ 25,396	\$ 45,512	\$ 8,190	\$ 104,760	\$ 23,354	\$ 27,679	\$ 25,110	\$ 15,777	\$ 289,851
Total Revenues	14,073	25,396	45,512	8,190	104,760	23,354	27,679	25,110	15,777	289,851
EXPENDITURES:										
Instruction:										
Purchased Services					104,760	23,354	27,679	25,110	15,777	196,680
Textbooks	14,073									14,073
Instructional Supplies	-	-	-	2,891	-	-	-	-	-	2,891
Total Instruction	14,073	-	-	2,891	104,760	23,354	27,679	25,110	15,777	213,644
Support Services:										
Purchased Professional Technical Service		25,396			-	-	-	-	-	25,396
Supplies and Materials	-	-	19,136	-	-	-	-	-	-	19,136
Total Support Services	-	25,396	19,136	-	-	-	-	-	-	44,532
Facilities Acquisition and Constructions Services:										
Non-Instructional Equipment	-	-	26,376	5,299	-	-	-	-	-	31,675
Total Facilities Acquisition and Construction Services	-	-	26,376	5,299	-	-	-	-	-	31,675
Total Expenditures	14,073	25,396	45,512	8,190	104,760	23,354	27,679	25,110	15,777	289,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

EXHIBIT E-2

WALDWICK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 SCHEDULE OF PRESCHOOL AID EXPENDITURES
 BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOT APPLICABLE

EXHIBIT E-3

WALDWICK BOARD OF EDUCATION
 SPECIAL REVENUE FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Balance, July 1, <u>2022</u>		Cash <u>Receipts</u>		Cash <u>Disbursements</u>		Balance, June 30, <u>2023</u>
High School	\$ 6,099	\$	62,675	\$	63,711	\$	5,063
Middle School	6,855		3,986		2,998		7,843
Activity Fees							-
Athletics	-		72,086		72,086		-
	<hr/>		<hr/>		<hr/>		<hr/>
Total All Schools	<u>\$ 12,954</u>	\$	<u>138,747</u>	\$	<u>138,795</u>	\$	<u>12,906</u>

CAPITAL PROJECTS FUND

WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Project</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2023</u>
		<u>Prior Periods</u>	<u>Current Year</u>	
2020-21 School Improvement Project	\$ 30,550,000	\$ 4,485,537	\$ 17,459,115	\$ 8,605,348
Hopper Field Area Upgrades	<u>3,273,655</u>	<u>-</u>	<u>2,386,252</u>	<u>887,403</u>
	<u>\$ 33,823,655</u>	<u>\$ 4,485,537</u>	<u>\$ 19,845,367</u>	<u>\$ 9,492,751</u>
<u>Reconciliation of Fund Balance - GAAP</u>				
				\$ 9,492,751
				<u>-</u>
				<u>\$ 9,492,751</u>
<u>Recapitulation of Fund Balance - GAAP</u>				
				\$ 5,601,922
				<u>3,890,829</u>
				<u>\$ 9,492,751</u>

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Revenues and Other Financing
Sources**

Transfer from Capital Reserve	\$ 2,000,000
Transfer from Capital Outlay	<u>1,273,655</u>
Total Revenues and Other Financing Sources	<u>3,273,655</u>

Expenditures and Other Financing Uses

Facilities Acquisition and Construction Services	
Construction Services	18,993,908
General Supplies	42,775
Other Purchased Professional and Technical Services	367,457
Architectural/Engineering Services	<u>441,227</u>
Total Expenditures and Other Financing Uses	<u>19,845,367</u>

Excess (Deficit) of Revenues over (under) Expenditures	(16,571,712)
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Fund Balance - Beginning	<u>26,064,463</u>
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Fund Balance- Ending	<u><u>\$ 9,492,751</u></u>
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Reconciliation to GAAP:

Restricted for Capital Projects:	
Reserve for Encumbrances	\$ 5,601,922
Available for Capital Projects	<u>3,890,829</u>
GAAP Fund Balance- Ending	<u><u>\$ 9,492,751</u></u>

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HIGH SCHOOL, MIDDLE SCHOOL, TRAPHAGEN AND CRESCENT ELEMENTARY SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Serial Bond Proceeds	\$ 30,550,000	-	\$ 30,550,000	\$ 30,550,000
Total Revenues and Other Financing Sources	<u>30,550,000</u>	<u>-</u>	<u>30,550,000</u>	<u>30,550,000</u>
Expenditures and Other Financing Uses				
Legal Services	\$ 61,756	-	61,756	284,900
Architectural / Engineering Services	1,840,513	\$ 357,817	2,198,330	3,063,965
Other Purchased Professional and Technical Services	217,431	367,457	584,888	766,135
Construction Services	2,365,837	16,691,066	19,056,903	26,312,000
General Supplies	<u>-</u>	<u>42,775</u>	<u>42,775</u>	<u>123,000</u>
Total Expenditures and Other Financing Uses	<u>4,485,537</u>	<u>17,459,115</u>	<u>21,944,652</u>	<u>30,550,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 26,064,463</u>	<u>\$ (17,459,115)</u>	<u>\$ 8,605,348</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5410-030-20-1000
Grant Date	Not Applicable
Bond Authorization Date	August 3, 2021
Bonds Authorized	\$ 30,550,000
Bonds Issued	August 18, 2021
Authorized Cost	\$ 30,550,000
Percentage Completion	72%
Target Completion Date	September 30, 2024

**WALDWICK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
HOPPER FIELD AREA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Transfer from Capital Outlay	-	<u>1,273,655</u>	<u>1,273,655</u>	<u>1,273,655</u>
Total Revenues and Other Financing Sources	<u>-</u>	<u>3,273,655</u>	<u>3,273,655</u>	<u>3,273,655</u>
Expenditures and Other Financing Uses				
Architectural / Engineering Services	-	83,410	83,410	89,500
Construction Services	-	<u>2,302,842</u>	<u>2,302,842</u>	<u>3,184,155</u>
Total Expenditures and Other Financing Uses	<u>-</u>	<u>2,386,252</u>	<u>2,386,252</u>	<u>3,273,655</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ 887,403</u>	<u>\$ 887,403</u>	<u>\$ -</u>

Additional Project Information:

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Authorized Cost	Not Applicable
Percentage Completion	73%
Target Completion Date	6/30/2024

PROPRIETARY FUNDS

EXHIBIT G-1

**WALDWICK BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING SCHEDULE OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING SCHEDULE 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

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

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

WALDWICK BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2022</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2023</u>
<u>Capital Financing Agreements</u>						
Copiers	\$ 136,869		\$ 134,751	\$ -	\$ 25,828	\$ 108,923
Total			\$ 134,751	\$ -	\$ 25,828	\$ 108,923

**WALDWICK BOARD OF EDUCATION
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES:					
Local Sources					
Local Property Tax Levy	\$ 1,227,379	-	\$ 1,227,379	\$ 1,227,379	-
State Sources					
Debt Service State Aid	<u>259,716</u>	<u>-</u>	<u>259,716</u>	<u>259,716</u>	<u>-</u>
06 Total Revenues	<u>1,487,095</u>	<u>-</u>	<u>1,487,095</u>	<u>1,487,095</u>	<u>-</u>
EXPENDITURES:					
Debt Service:					
Principal	625,000		625,000	625,000	
Interest	<u>862,095</u>	<u>-</u>	<u>862,095</u>	<u>862,095</u>	<u>-</u>
Total Expenditures	<u>1,487,095</u>	<u>-</u>	<u>1,487,095</u>	<u>1,487,095</u>	<u>-</u>
Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	-	
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 12,509,265	\$ 13,234,026	\$ 13,514,313	\$ 13,888,639	\$ 16,853,079	\$ 17,868,898	\$ 18,406,134	\$ 19,350,115	\$ 19,731,929	\$ 21,950,846
Restricted	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575	11,638,787	13,688,023
Unrestricted	(5,870,944)	(6,146,959)	(6,042,517)	(6,646,260)	(8,629,162)	(6,719,457)	(5,810,714)	(6,069,169)	(3,801,181)	(2,460,053)
Total Governmental Activities Net Position	\$ 7,253,481	\$ 8,227,227	\$ 9,571,956	\$ 10,072,539	\$ 10,964,556	\$ 13,710,665	\$ 17,441,175	\$ 21,736,521	\$ 27,569,535	\$ 33,178,816
Business-Type Activities										
Net Investment in Capital Assets	\$ 9,167	\$ 13,873	\$ 19,924	\$ 33,703	\$ 35,137	\$ 39,130	\$ 40,172	\$ 73,638	\$ 72,673	\$ 80,413
Unrestricted	56,424	62,032	72,227	50,954	89,771	112,413	127,687	73,207	94,918	113,454
Total Business-Type Activities Net Position	\$ 65,591	\$ 75,905	\$ 92,151	\$ 84,657	\$ 124,908	\$ 151,543	\$ 167,859	\$ 146,845	\$ 167,591	\$ 193,867
District-Wide										
Investment in Capital Assets	\$ 12,518,432	\$ 13,247,899	\$ 13,534,237	\$ 13,922,342	\$ 16,888,216	\$ 17,908,028	\$ 18,446,306	\$ 19,423,753	\$ 19,804,602	\$ 22,031,259
Restricted	615,160	1,140,160	2,100,160	2,830,160	2,740,639	2,561,224	4,845,755	8,455,575	11,638,787	13,688,023
Unrestricted	(5,814,520)	(6,084,927)	(5,970,290)	(6,595,306)	(8,539,391)	(6,607,044)	(5,683,027)	(5,995,962)	(3,706,263)	(2,346,599)
Total District Net Position	\$ 7,319,072	\$ 8,303,132	\$ 9,664,107	\$ 10,157,196	\$ 11,089,464	\$ 13,862,208	\$ 17,609,034	\$ 21,883,366	\$ 27,737,126	\$ 33,372,683

Source: District's Financial Records

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 12,138,523	\$ 14,109,146	\$ 14,895,765	\$ 16,752,442	\$ 17,096,355	\$ 15,969,264	\$ 15,203,662	\$ 17,448,115	\$ 15,236,760	\$ 15,482,514
Special Education	6,420,299	7,175,056	7,120,068	7,751,562	8,650,460	8,658,956	8,542,619	8,445,836	7,739,900	7,910,077
Other Instruction	1,089,432	1,317,451	1,327,565	1,390,437	1,495,761	1,376,681	1,278,528	1,383,582	1,432,277	1,413,339
School Sponsored Activities and Athletics	778,886	897,075	961,012	1,100,894	1,131,571	1,097,167	1,072,484	1,217,539	1,084,566	1,090,233
Support Services:										
Student and Instruction Related Services	3,507,437	4,051,175	4,613,436	5,123,674	5,505,003	4,653,046	4,318,366	4,570,837	3,877,079	4,313,397
General Administration Services	756,375	632,699	724,919	817,703	767,480	758,818	770,712	850,654	769,527	747,532
School Administrative Services	1,610,925	1,971,077	2,089,066	2,359,692	2,636,863	2,746,545	2,583,780	2,919,422	2,626,833	2,585,923
Central Services	777,340	883,974	507,806	564,502	1,048,027	750,827	948,010	1,137,739	1,185,263	725,649
Plant Operations and Maintenance	2,140,290	2,198,405	2,153,455	2,449,697	2,268,926	2,346,799	2,247,044	2,417,173	2,525,206	2,946,869
Pupil Transportation	697,149	600,407	974,052	1,032,221	739,605	954,389	678,017	525,203	931,905	1,071,102
Interest on Long-Term Debt	228,193	208,039	188,767	168,553	176,810	150,866	120,890	90,348	105,470	865,274
Total Governmental Activities Expenses	30,144,849	34,044,504	35,555,911	39,511,377	41,516,861	39,463,358	37,764,112	41,006,448	37,514,786	39,151,909
Business-Type Activities:										
Food Service	232,605	232,419	234,946	273,127	288,188	324,237	245,926	21,421	319,417	405,296
Total Business-Type Activities Expense	232,605	232,419	234,946	273,127	288,188	324,237	245,926	21,421	319,417	405,296
Total District Expenses	\$ 30,377,454	\$ 34,276,923	\$ 35,790,857	\$ 39,784,504	\$ 41,805,049	\$ 39,787,595	\$ 38,010,038	\$ 41,027,869	\$ 37,834,203	\$ 39,557,205
Program Revenues										
Governmental Activities:										
Charges for Services	\$ 34,656	\$ 64,323	\$ 35,814	\$ 91,180	\$ 61,934	\$ 88,310	\$ 78,156	\$ 58,025	\$ 175,768	\$ 195,045
Operating Grants and Contributions	4,043,880	7,244,511	8,680,425	11,018,331	12,595,207	10,767,724	9,484,316	13,205,907	9,669,726	8,343,238
Capital Grants and Contributions	83,225	49,817	-	34,721	16,580	86,736	85,348	-	-	46,895
Total Governmental Activities Program Revenues	4,161,761	7,358,651	8,716,239	11,144,232	12,673,721	10,942,770	9,647,820	13,263,932	9,845,494	8,585,178
Business-Type Activities:										
Charges for Services	\$ 246,244	\$ 242,463	\$ 250,898	\$ 265,403	\$ 328,439	\$ 350,872	\$ 260,197	\$ 195	\$ 339,713	\$ 425,962
Operating Grants and Contributions	985	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	247,229	242,463	250,898	265,403	328,439	350,872	260,197	195	339,713	425,962
Total District Program Revenues	\$ 4,408,990	\$ 7,601,114	\$ 8,967,137	\$ 11,409,635	\$ 13,002,160	\$ 11,293,642	\$ 9,908,017	\$ 13,264,127	\$ 10,185,207	\$ 9,011,140
Net (Expense) / Revenue										
Governmental Activities	\$ (25,983,088)	\$ (26,685,853)	\$ (26,839,672)	\$ (28,367,145)	\$ (28,843,140)	\$ (28,520,588)	\$ (28,116,292)	\$ (27,742,516)	\$ (27,669,292)	\$ (30,566,731)
Business-Type Activities	14,624	10,044	15,952	(7,724)	40,251	26,635	14,271	(21,226)	20,296	20,666
Total District-Wide Net Expense	\$ (25,968,464)	\$ (26,675,809)	\$ (26,823,720)	\$ (28,374,869)	\$ (28,802,889)	\$ (28,493,953)	\$ (28,102,021)	\$ (27,763,742)	\$ (27,648,996)	\$ (30,546,065)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes:										
Levied for General Purpose	\$ 25,642,924	\$ 26,771,760	\$ 27,307,195	\$ 27,994,354	\$ 28,773,818	\$ 30,285,211	\$ 30,271,296	\$ 30,967,007	\$ 31,586,347	\$ 31,873,783
Levied for Debt Service	665,947	687,000	691,900	695,800	693,800	695,900	697,000	682,400	662,500	1,227,379
Federal and State Aid - Unrestricted	6,051	37,173	37,244	53,778	135,145	91,417	190,282	257,458	907,138	1,357,763
Interest and Investment Earnings								1,021	21,217	1,411,877
Miscellaneous	110,104	163,666	148,062	123,796	132,394	194,169	207,711	129,976	325,104	305,210
Total Governmental Activities	26,425,026	27,659,599	28,184,401	28,867,728	29,735,157	31,266,697	31,366,289	32,037,862	33,502,306	36,176,012
Business-Type Activities:										
Interest and Investment Earnings	-	270	294	230			2,045	212	450	5,610
Total Business-Type Activities	-	270	294	230	-	-	2,045	212	450	5,610
Total District-Wide	\$ 26,425,026	\$ 27,659,869	\$ 28,184,695	\$ 28,867,958	\$ 29,735,157	\$ 31,266,697	\$ 31,368,334	\$ 32,038,074	\$ 33,502,756	\$ 36,181,622
Change in Net Position										
Governmental Activities	\$ 441,938	\$ 973,746	\$ 1,344,729	\$ 500,583	\$ 892,017	\$ 2,746,109	\$ 3,249,997	\$ 4,295,346	\$ 5,833,014	\$ 5,609,281
Business-Type Activities	14,624	10,314	16,246	(7,494)	40,251	26,635	16,316	(21,014)	20,746	26,276
Total District	\$ 456,562	\$ 984,060	\$ 1,360,975	\$ 493,089	\$ 932,268	\$ 2,772,744	\$ 3,266,313	\$ 4,274,332	\$ 5,853,760	\$ 5,635,557

Source: District's Financial Records

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

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021	2022	2023
General Fund:										
Restricted	\$ 2,072,349	\$ 2,616,070	\$ 3,817,767	\$ 4,639,759	\$ 3,167,789	\$ 4,333,340	\$ 7,223,393	\$ 9,983,151	\$ 14,215,171	\$ 15,387,481
Assigned	155,407	133,779	196,430	148,641	89,196	146,695	379,311	310,666	146,142	980,516
Unassigned	<u>283,149</u>	<u>282,092</u>	<u>254,394</u>	<u>288,458</u>	<u>357,672</u>	<u>306,229</u>	<u>261,852</u>	<u>857,774</u>	<u>831,430</u>	<u>406,887</u>
Total General Fund	<u>\$ 2,510,905</u>	<u>\$ 3,031,941</u>	<u>\$ 4,268,591</u>	<u>\$ 5,076,858</u>	<u>\$ 3,614,657</u>	<u>\$ 4,786,264</u>	<u>\$ 7,864,556</u>	<u>\$ 11,151,591</u>	<u>\$ 15,192,743</u>	<u>\$ 16,774,884</u>
All Other Governmental Funds:										
Reserved										
Assigned										
Restricted					\$ 1,213,279	\$ 96,345	39,361	\$ (288,505)	\$ 26,088,079	\$ 9,505,890
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,213,279</u>	<u>\$ 96,345</u>	<u>\$ 39,361</u>	<u>\$ (288,505)</u>	<u>\$ 26,088,079</u>	<u>\$ 9,505,890</u>

Source: District's Financial Records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
Local Property Tax levy	\$ 26,308,871	\$ 27,458,760	\$ 27,999,095	\$ 28,690,154	\$ 29,467,618	\$ 30,981,111	\$ 30,968,296	\$ 31,649,407	\$ 32,248,847	\$ 33,101,162
Miscellaneous	149,201	228,223	183,876	214,976	219,098	313,698	304,934	167,663	408,663	1,754,420
Federal Sources	430,698	437,384	486,632	431,496	549,898	567,218	531,936	754,887	923,093	935,291
State Sources	3,677,026	4,032,040	4,449,799	4,873,739	5,567,530	6,703,398	7,103,769	8,333,976	10,565,166	11,801,187
Local Sources								94,988	113,426	143,994
Total Revenues	30,565,796	32,156,407	33,119,402	34,210,365	35,804,144	38,565,425	38,908,935	41,000,921	44,259,195	47,736,054
EXPENDITURES:										
Current:										
Regular Instruction	11,792,455	12,115,170	12,475,446	13,052,352	13,351,377	13,810,530	13,819,261	15,217,552	15,854,353	16,922,409
Special Education Instruction	6,296,702	6,455,732	6,257,011	6,493,856	7,354,435	7,864,579	8,008,632	7,527,768	7,971,356	8,482,442
Other Instruction	1,062,104	1,149,281	1,117,307	1,084,211	1,198,973	1,230,329	1,183,054	1,223,092	1,479,558	1,527,923
School Sponsored Activities and Athletics	757,850	779,676	813,284	870,288	898,665	953,268	975,491	1,077,891	1,122,236	1,174,036
Support Services:										
Student and Instruction Related Services	3,405,829	3,501,534	3,879,849	3,997,061	4,290,783	4,055,458	3,946,739	3,967,607	4,032,368	4,684,171
General Administration Services	741,375	1,683,247	1,734,799	690,382	645,429	680,989	721,423	766,791	793,148	800,796
School Administrative Services	1,562,060	565,741	640,250	1,818,715	2,045,912	2,363,603	2,343,607	2,512,848	2,742,585	2,848,379
Central Services	752,934	2,125,194	2,087,945	2,358,016	919,706	881,402	912,680	1,029,079	1,096,305	710,866
Plant Operations and Maintenance	2,092,988	591,339	499,940	554,307	2,072,455	2,225,274	2,190,572	2,234,860	2,383,609	2,905,166
Pupil Transportation	691,428	842,724	932,133	969,191	717,574	734,668	671,196	510,067	920,068	1,068,506
Capital outlay	772,379	1,108,705	722,860	787,891	3,416,576	2,567,371	451,105	844,416	5,020,402	20,064,781
Debt Service										
Principal	465,000	490,000	515,000	540,000	956,575	975,088	1,007,180	1,024,402	1,038,873	650,828
Interest and Other Charges	245,663	227,028	206,928	185,828	184,606	168,193	137,200	105,379	73,467	895,799
Total Expenditures	30,638,767	31,635,371	31,882,752	33,402,098	38,053,066	38,510,752	36,368,140	38,041,752	44,528,328	62,736,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,971)	521,036	1,236,650	808,267	(2,248,922)	54,673	2,540,795	2,959,169	(269,133)	(15,000,048)
OTHER FINANCING SOURCES (USES):										
Proceeds from Borrowing									30,550,000	
Capital Leases (Non-Budget)					2,000,000				136,869	
Transfers In	666,785	161			2,018,180	350,000	64,123			3,273,655
Transfers Out	(666,785)	(161)			(2,018,180)	(350,000)	(64,123)			(3,273,655)
Total Other Financing Sources (Uses)	-	-	-	-	2,000,000	-	-	-	30,686,869	-
Net Change in Fund Balances	\$ (72,971)	\$ 521,036	\$ 1,236,650	\$ 808,267	\$ (248,922)	\$ 54,673	\$ 2,540,795	\$ 2,959,169	\$ 30,417,736	\$ (15,000,048)
Debt Service as a Percentage of										
Noncapital Expenditures	2.38%	2.35%	2.32%	2.23%	3.29%	3.18%	3.19%	3.04%	2.82%	3.62%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District Financial Records

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Health Benefits/ Insurance Rebate</u>	<u>Prior Year Tuition Refunds</u>	<u>Cancel Prior Year Accounts Payable</u>	<u>NJ Clean Energy Audit</u>	<u>E-Rate</u>	<u>Technology Fees</u>	<u>Facility Rental</u>	<u>Gate Receipts</u>	<u>Misc.</u>	<u>Total</u>
2014	\$ 34,656	\$ 14,268	\$ 8,757		\$ 9,642					\$ 4,647	\$ 75,370	\$ 147,340
2015	64,324	10,220	3,393	9,097			\$ 16,137		\$ 43,985	5,307	75,365	227,828
2016	35,814	12,903			12,480		17,125		17,440	11,006	77,108	183,876
2017	91,180	17,936			6,781		13,316	\$ 14,395	11,782	4,923	54,663	214,976
2018	14,000	28,907		21,235	26,023	\$ 7,750	10,210	21,487	47,934	3,981	24,029	205,556
2019	39,900	62,107	3,172	12,348	6,548	5,320	15,237	37,785	48,410	4,166	49,471	284,464
2020	39,441	141,554	-	8,875	500	4,500	24,003	18,640	38,715	14,201	14,505	304,934
2021	36,666	27,165	-	8,842	7,265	1,750	9,122	13,900	32,705	-	30,248	167,663
2022	62,342	160,118	-	-	-	-	-	14,050	33,290	5,900	132,963	408,663
2023	56,298	1,411,877	-	-	-	-	-	15,975	64,133	8,392	197,745	1,754,420

Source: District records (GAAP Basis)

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2014	\$ 15,172,800	\$ 1,388,543,300	N/A	N/A	\$ 125,681,800	\$ 28,570,600	N/A	\$ 1,557,968,500	\$ 100,000	\$ 1,558,068,500	\$ 1,502,749,915	\$ 1.726
2015	8,237,600	1,399,054,600	N/A	N/A	125,861,800	28,570,600	N/A	1,561,724,600	100,000	1,561,824,600	1,539,999,306	1.776
2016	8,428,600	1,408,833,800	N/A	N/A	128,126,700	28,570,600	N/A	1,573,959,700	100,000	1,573,959,700	1,543,242,913	1.801
2017	11,496,900	1,410,802,300	N/A	N/A	125,968,400	28,720,600	N/A	1,576,988,200	100,000	1,577,088,200	1,579,923,809	1.845
2018	8,547,400	1,414,823,500	N/A	N/A	125,912,300	28,720,600	\$ 19,600,000	1,597,603,800	100,000	1,597,703,800	1,631,626,486	1.873
2019	8,741,400	1,416,214,300	N/A	N/A	127,880,600	28,493,100	19,600,000	1,600,929,400	100,000	1,601,029,400	1,668,827,336	1.955
2020	9,523,000	1,421,148,400	N/A	N/A	128,905,600	28,493,100	19,600,000	1,607,670,100	100,000	1,607,770,100	1,703,927,975	1.948
2021	9,593,300	1,424,512,900	N/A	N/A	142,157,700	28,493,100	19,600,000	1,624,357,000	100,000	1,624,457,000	1,748,583,267	1.967
2022	8,943,300	1,431,060,700	N/A	N/A	142,157,700	28,493,100	19,600,000	1,630,254,800	100,000	1,630,354,800	1,838,736,267	2.007
2023	9,432,300	1,435,737,200	N/A	N/A	143,692,200	27,918,600	19,600,000	1,636,380,300	100,000	1,636,480,300	1,952,810,471	2.040

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Calendar Year	Total	Local School District	Municipality (1)	County (2)
2014	\$ 2.510	\$ 1.726	\$ 0.558	\$ 0.226
2015	2.572	1.776	0.559	0.237
2016	2.602	1.801	0.559	0.242
2017	2.656	1.845	0.554	0.257
2018	2.679	1.873	0.556	0.250
2019	2.766	1.955	0.556	0.255
2020	2.767	1.948	0.556	0.263
2021	2.794	1.967	0.556	0.271
2022	2.848	2.007	0.568	0.273
2023	2.908	2.040	0.583	0.285

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Source: Tax Duplicate, Borough of Waldwick

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

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

2013		
	Taxable Assessed Value	% of Total District Net Assessed Value
\$	10,900,000	0.70%
	7,367,800	0.47%
	5,214,700	0.33%
	5,177,300	0.33%
	4,102,100	0.26%
	3,766,000	0.24%
	3,600,000	0.23%
	3,473,400	0.22%
	3,341,700	0.21%
	3,225,000	0.21%
	<u>\$ 50,168,000</u>	<u>3.22%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 26,308,871	\$ 26,308,871	100.00%	-
2015	27,458,760	27,458,760	100.00%	-
2016	27,999,095	27,999,095	100.00%	-
2017	28,690,154	28,690,154	100.00%	-
2018	29,467,618	29,467,618	100.00%	-
2019	30,981,111	30,981,111	100.00%	-
2020	30,968,296	30,968,296	100.00%	-
2021	31,649,407	31,649,407	100.00%	-
2022	32,248,847	32,248,847	100.00%	-
2023	33,101,162	33,101,162	100.00%	-

Source: District Records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Financing</u>			
2014	\$ 5,170,000		\$ 5,170,000	9,790	\$ 528
2015	4,680,000		4,680,000	9,899	473
2016	4,165,000		4,165,000	9,885	421
2017	3,625,000		3,625,000	9,895	366
2018	3,065,000	\$ 1,603,425	4,668,425	10,158	460
2019	2,480,000	1,213,337	3,693,337	10,109	365
2020	1,870,000	816,157	2,686,157	10,261	262
2021	1,250,000	411,755	1,661,755	10,076	165
2022	31,175,000	134,751	31,309,751	10,048	3,116
2023	30,550,000	108,923	30,658,923	10,048 *	3,051

Source: District records

* - Estimated

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2014	\$ 5,170,000		\$ 5,170,000	0.33%	\$ 528
2015	4,680,000		4,680,000	0.30%	473
2016	4,165,000		4,165,000	0.26%	421
2017	3,625,000		3,625,000	0.23%	366
2018	3,065,000		3,065,000	0.19%	302
2019	2,480,000		2,480,000	0.15%	245
2020	1,870,000		1,870,000	0.12%	182
2021	1,250,000		1,250,000	0.08%	124
2022	31,175,000		31,175,000	1.91%	3,103
2023	30,550,000		30,550,000	1.87%	3,040

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALDWICK BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
School District	\$ 30,550,000
Borough of Waldwick	<u>17,359,777</u>
 Total Direct Debt	 <u>47,909,777</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	14,252,217
Northwest Bergen Regional Sewerage Authority (B)	<u>4,876,382</u>
	 <u>19,128,599</u>
 Total Direct and Overlapping Debt	 <u>\$ 67,038,376</u>

- (A) The debt for this entity was apportioned to the Borough of Waldwick by dividing the Municipality's 2023 equalized value by the total 2023 equalized value for Bergen County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (a) Borough of Waldwick 2022 Annual Debt Statement

Source: School District Financial Statements

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2022 \$ 1,941,935,438
	2021 1,828,613,081
	2020 <u>1,727,191,771</u>
	<u>\$ 5,497,740,290</u>
Average equalized valuation of taxable property	\$ 1,832,580,097
Debt limit (4 % of average equalization value)	73,303,204 ^a
Total Net Debt Applicable to Limit	<u>30,550,000</u>
Legal debt margin	<u>\$ 42,753,204</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 60,805,459	\$ 6,038,682	\$ 60,785,634	\$ 61,788,334	\$ 62,779,981	\$ 64,568,152	\$ 66,166,829	\$ 67,766,670	\$ 69,989,243	\$ 73,303,204
Total net debt applicable to limit	<u>5,170,000</u>	<u>4,680,000</u>	<u>4,165,000</u>	<u>3,625,000</u>	<u>3,065,000</u>	<u>2,480,000</u>	<u>1,870,000</u>	<u>1,250,000</u>	<u>31,175,000</u>	<u>30,550,000</u>
Legal debt margin	<u>\$ 55,635,459</u>	<u>\$ 1,358,682</u>	<u>\$ 56,620,634</u>	<u>\$ 58,163,334</u>	<u>\$ 59,714,981</u>	<u>\$ 62,088,152</u>	<u>\$ 64,296,829</u>	<u>\$ 66,516,670</u>	<u>\$ 38,814,243</u>	<u>\$ 42,753,204</u>
Total net debt applicable to the limit as a percentage of debt limit	8.50%	77.50%	6.85%	5.87%	4.88%	3.84%	2.83%	1.84%	44.54%	41.68%

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

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2014	4.5%	\$ 73,883	9,790
2015	3.7%	77,323	9,899
2016	3.8%	78,836	9,885
2017	3.5%	81,024	9,895
2018	3.2%	85,191	10,158
2019	2.6%	88,241	10,109
2020	8.4%	91,972	10,261
2021	5.4%	97,343	10,067
2022	3.0%	97,343 *	10,048
2023	N/A	N/A	10,048 *

* - Estimated

(1) County of Bergen

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

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

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular	112	117	109	113	112	112	119	118	116	119
Special education	35	36	36	34	36	36	31	31	33	34
Other regular education										11
Other special education	36	32	31	29	28	29	32	31	35	35
Support Services:										
Student & Instruction related services	34	33	32	34	32	31	30	31	31	32
General administration	3	3	3	3	2	2	2	2	2	2
School administrative services	11	12	12	11	13	14	14	14	14	14
Central services	7	8	8	7	7	6	6	6	5	5
Plant operations and maintenance	19	19	18	17	17	16	15	15	15	15
Pupil transportation	2	3	2	2	2	3	3	2	1	1
Total	<u>259</u>	<u>263</u>	<u>251</u>	<u>250</u>	<u>249</u>	<u>249</u>	<u>252</u>	<u>250</u>	<u>252</u>	<u>268</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2013	1,631	\$ 28,599,345	\$ 17,535	5.55%	146	1:13	1:14	1:12	1,618	1,542	1.57%	95.30%
2014	1,616	29,155,725	18,042	2.89%	147	1:13	1:14	1:12	1,596	1,526	-1.36%	95.61%
2015	1,605	29,809,638	18,573	2.94%	153	1:11	1:13	1:11	1,577	1,507	-1.19%	95.56%
2016	1,576	30,437,964	19,313	3.99%	145	1:11	1:12	1:11	1,584	1,517	0.44%	95.77%
2017	1,592	31,888,379	20,030	3.71%	147	1:10	1:12	1:09	1,585	1,509	0.06%	95.21%
2018	1,614	33,495,309	20,753	3.61%	148	1:10	1:10	1:09	1,586	1,514	0.06%	95.46%
2019	1,619	34,800,100	21,495	3.57%	148	1:11	1:09	1:09	1,597	1,521	0.69%	95.24%
2020	1,635	34,772,655	21,268	-1.06%	150	1:11	1:08	1:09	1,613	1,546	1.00%	95.85%
2021	1,622	36,067,555	22,236	4.56%	149	1:11	1:09	1:09	1,599	1,548	-0.87%	96.81%
2022	1,594	38,395,586	24,088	8.32%	149	1:11	1:09	1:10	1,583	1,494	-1.00%	94.38%
2023	1,575	41,124,694	26,111	8.40%	153	1:11	1:09	1:09	1,560	1,467	-1.45%	94.04%

Sources: District records

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Crescent										
Square Feet	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Capacity (students)										
Enrollment	326	330	340	346	353	349	366	344	337	333
Traphagen										
Square Feet	36,400	36,400	36,400	36,400	36,400	48,304	45,244	45,244	45,244	45,244
Capacity (students)										
Enrollment	437	443	408	417	419	442	424	425	428	425
<u>Middle School</u>										
Square Feet										
Capacity (students)										
Enrollment	366	345	364	362	367	364	376	267	369	379
<u>High School</u>										
Square Feet	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889	157,889
Capacity (students)										
Enrollment	459	465	456	449	440	441	452	460	444	422

Number of Schools at June 30, 2022
 Elementary = 2
 Middle School = 1
 Senior High School = 1

Source: District Records

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

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

		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School Facilities	Project #(s)											
Crescent E.S.	N/A	\$ 40,277	\$ 35,754	\$ 38,664	\$ 48,661	\$ 91,560	\$ 51,686	\$ 54,559	\$ 64,332	\$ 47,064	\$ 42,902	\$ 37,401
Traphagen E.S.	N/A	38,876	37,723	40,793	51,341	96,803	54,532	76,388	84,366	61,721	56,261	49,049
Waldwick Jr/Sr High School	N/A	<u>184,327</u>	<u>163,629</u>	<u>176,945</u>	<u>222,695</u>	<u>419,428</u>	<u>236,541</u>	<u>274,776</u>	<u>294,415</u>	<u>215,387</u>	<u>196,337</u>	<u>171,167</u>
Grand Total		<u>\$ 263,480</u>	<u>\$ 237,106</u>	<u>\$ 256,402</u>	<u>\$ 322,697</u>	<u>\$ 607,791</u>	<u>\$ 342,759</u>	<u>\$ 405,723</u>	<u>\$ 443,113</u>	<u>\$ 324,172</u>	<u>\$ 295,500</u>	<u>\$ 257,617</u>

Source: School District's Financial Statements

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

	Coverage	Deductible
Northeast Bergen County School		
	Board Insurance Group (NESBIG):	
Package Policy - National Union Fire Ins. Co.		
Property	\$ 97,284,813	\$ 5,000
	Earthquake/Flood (Outside Zones A & V)	5,000,000
	Flood Zones A, V & N	7,500,000/15,000,000 agg
	Flood Zones C or X	20,000,000/200,000,000 agg
Liability		
	Automobile (Comprehensive & Collision)	1,000,000
	Automobile Liability	1,000,000
	Comprehensive General Liability	1,000,000
Worker's Compensation & Employer's Liability	Statutory	
	1,000,000	
Crime (Non-statutory Bonds)		
	National Union	
	Per Employee	500,000
	Forgery and Alterations	250,000
Boiler & Machinery	Incl. Property Limit	5,000
Environmental - Chubb	2,000,000/4,000,000agg	25,000
	Fund Aggregate	20,000,000
	Mold	50,000
Educator's Legal Liability/	1,000,000	25,000
	Employment Practices - XL	incl.
Commercial Umbrella -National Union Fire Ins. Co.	9,000,000	10,000
Excess Umbrella - Fireman's Fund	25,000,000	
	Fund Aggregate (Shared 1/4 Fund)	25,000,000
Excess Umbrella - Unshared	30,000,000	
Great American/Allied World/Hudson Ins.		
	Cyber Liability - XL	1,000,000
	Fund Aggregate	6,000,000
Accident Policy Bollinger/Zurich		
70% coinsurance/\$1,000 deductible (All Students & Athletes)	5,000,000	1,000
Student/Athletic Disability	1,500,000	
Surety Bond Coverage:		
	Business Administrator	275,000

Source: School District's records

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

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, 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
Waldwick Board of Education
Waldwick, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick Board of Education as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Waldwick Board of Education's basic financial statements and have issued our report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

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

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

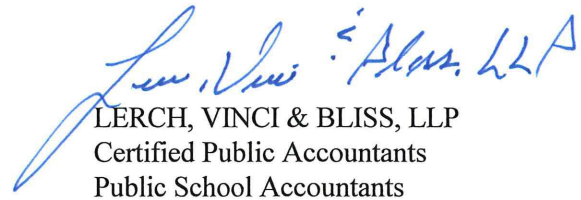
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

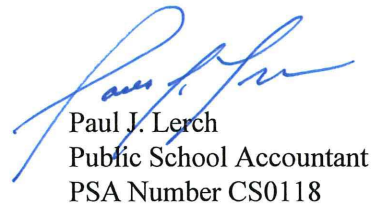
As part of obtaining reasonable assurance about whether the Waldwick Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

Purpose of this Report

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



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



Paul J. Lerch
Public School Accountant
PSA Number CS0118

Fair Lawn, New Jersey
December 8, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

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

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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


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

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

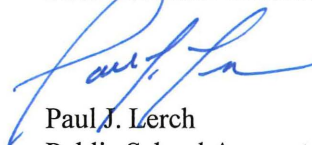
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Waldwick Board of Education as of and for the fiscal year ended June 30, 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 December 8, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 8, 2023

**WALDWICK 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 A.I. Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at July 1, 2022		Carryover Amount			Total Budgetary Expenditures	Balance at June 30, 2023			Memo GAAP Receivable
				From	To	Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue	Cash Received		Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	2105NJSMAP	\$ 28,681	7/1/22	6/30/23					\$ 28,681	\$ 28,681	-	-	-	*
Medical Assistance Program (SEMI)	93.778	2005NJSMAP	23,147	7/1/21	6/30/22	\$ (804)	-	-	-	804	-	-	-	-	*
Total General Fund						(804)	-	-	-	29,485	28,681	-	-	-	*
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010	S010A220030	64,801	7/1/22	9/30/23			\$ (1,930)	\$ 1,930	59,411	40,578	\$ (7,320)	\$ 26,153		*
Title I, Part A, Carryover	84.010	S010A210030	65,768	7/1/21	9/30/22	(32,649)	\$ 26,186	1,930	(1,930)	30,718	24,255	-	-		*
Title I, Part A, Carryover	84.010	S010A200030	139,201	7/1/20	9/30/21	-	62	-	-	-	-	-	-	\$ 62	*
Total Title I, Part A Cluster						(32,649)	26,248	-	-	90,129	64,833	(7,320)	26,153	62	*
Title II, Part A	84.367A	S367A220029	27,260	7/1/22	9/30/23			(11,800)	11,800	22,814	25,276	(16,246)	13,784		\$ (2,462)
Title II, Part A, Carryover	84.367A	S367A210029	26,144	7/1/21	9/30/22	(21,130)	17,107	11,800	(11,800)	9,330	5,307	-	-		*
Title II, Part A, Carryover	84.367A	S367A200029	29,149	7/1/20	9/30/21	-	14,724	-	-	-	-	-	-	14,724	*
Total Title II, Part A Cluster						(21,130)	31,831	-	-	32,144	30,583	(16,246)	13,784	14,724	(2,462)
Title III, Immigrant	84.365A	S365A210030		7/1/21	9/30/22	(71)	71								*
Title III, Immigrant, Carryover	84.365A	S365A200030	2,753	7/1/20	9/30/21	-	676	-	-	-	-	-	-	676	*
Total Title III Cluster						(71)	747	-	-	-	-	-	-	676	*
Title IV, Part A	84.424A	S424A220030	10,000	7/1/21	9/30/23			(16)	16	9,972	9,773	(44)	243		*
Title IV, Part A, Carryover	84.424A	S424A210030	10,000	7/1/21	9/30/22	(3,212)	214	16	(16)	3,196	198	-	-		*
Title IV, Part A, Carryover	84.424A	S424A200031	10,000	7/1/20	9/30/21	-	916	-	-	-	-	-	-	916	*
Total Title IV, Part A Cluster						(3,212)	1,130	-	-	13,168	9,971	(44)	243	916	*
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	400,426	7/1/22	9/30/23			(7,614)	7,614	309,832	316,363	(98,208)	91,677		(6,531)
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A210100	384,571	7/1/21	9/30/22	(18,122)	7,614	7,614	(7,614)	10,508	-	-	-		*
I.D.E.A. Part B, Basic Regular, Carryover	84.027	H027A200100	406,341	7/1/20	9/30/21	-	34,438	-	-	-	-	-	-	34,438	*
I.D.E.A. Part B, Preschool	84.173	H173A220114	17,159	7/1/22	9/30/23					17,159	17,159	-	-		*
ARP IDEA - Basic	84.027X	H027X210100	78,414	7/1/21	9/30/22	(5,638)	5,638	-	-	171	171	(5,467)	5,467		*
Total Special Education Cluster (IDEA)						(23,760)	47,690	-	-	337,670	333,693	(103,675)	97,144	34,438	(6,531)

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

WALDWICK BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at July 1, 2022		Carrvoer Amount			Total Budgetary Expenditures	Balance at June 30, 2023			Memo GAAP Receivable
				From	To	Accounts Receivable	Deferred Revenue	Accounts Receivable	Deferred Revenue	Cash Received		Accounts Receivable	Deferred Revenue	Due to Grantor	
ACSERS	21.027	SLFRFDOEISES	100,356	7/1/22	6/30/23	-	-	-	-	\$ 50,841	\$ 100,356	\$ (49,515)	-	-	* \$ (49,515)
Total ACSERS Cluster						-	-	-	-	50,841	100,356	(49,515)	-	-	* (49,515)
CRRSA, ESSER II	84.425D	S425D200027	438,069	3/13/20	9/30/23	\$ (248,009)	\$ 248,009			191,087	247,734	(56,922)	\$ 275		* (56,647)
CRRSA, Learning Acceleration	84.425D	S425D200027	28,113	3/13/20	9/30/23	(21,910)	21,910			19,433	21,451	(2,477)	459		* (2,018)
CRRSA, Mental Health	84.425D	S425D200027	45,000	3/13/20	9/30/23	(38,098)	33,208			19,147	19,257	(18,951)	13,951		* (5,000)
ARP, ESSER	84.425U	S425U210027	984,532	3/13/20	9/30/24	(984,532)	422,946			71,263	50,866	(913,269)	372,080		* (541,189)
ARP, Accelerated Learning Coach and Educator Support	84.425U	S425U210027	134,081	3/13/20	9/30/24	(134,081)	134,081				7,470	(134,081)	126,611		* (7,470)
ARP, Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	3/13/20	9/30/24	(40,000)	40,000				15,396	(40,000)	24,604		* (15,396)
ARP, Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	40,000	3/13/20	9/30/24	(40,000)	40,000				5,000	(40,000)	35,000		* (5,000)
ARP, NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	3/13/20	9/30/24	(45,000)	45,000					(45,000)	45,000		* -
Total ESSER Fund Cluster						(1,551,630)	985,154	-	-	300,930	367,174	(1,250,700)	617,980	-	* (632,720)
Total Special Revenue Fund						(1,632,452)	1,092,800	-	-	824,882	906,610	(1,427,500)	755,304	50,816	* (691,228)
Sub-Total Federal Financial Awards						\$ (1,633,256)	\$ 1,092,800	\$ -	\$ -	\$ 854,367	\$ 935,291	\$ (1,427,500)	\$ 755,304	\$ 50,816	* \$ (691,228)

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

WALDWICK BOARD OF EDUCATION
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at July 1, 2022				Balance at June 30, 2023			MEMO			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education													*		
General Fund:													*		
Equalization Aid	22-495-034-5120-078	\$828,600	7/1/21	6/30/22	\$ (62,937)		\$ 62,937							*	
Equalization Aid	23-495-034-5120-078	957,125	7/1/22	6/30/23			878,429	\$ 957,125	\$ (78,696)					*	\$ 957,125
Special Education Categorical Aid	22-495-034-5120-089	1,090,126	7/1/21	6/30/22	(82,801)		82,801							*	-
Special Education Categorical Aid	23-495-034-5120-089	1,350,999	7/1/22	6/30/23			1,239,919	1,350,999	(111,080)					*	1,350,999
Security Aid	22-495-034-5120-084	125,909	7/1/21	6/30/22	(9,564)		9,564							*	-
Security Aid	23-495-034-5120-084	125,909	7/1/22	6/30/23	-	-	115,557	125,909	(10,352)					*	125,909
Supplemental Stabilization Aid	23-495-034-5120-494	137,612	7/1/22	6/30/23	-	-	137,612	137,612	-					*	137,612
Total State Aid Public Cluster					(155,302)	-	2,526,819	2,571,645	(200,128)					*	2,571,645
Transportation Aid	22-495-034-5120-014	199,527	7/1/21	6/30/22	(15,155)		15,155							*	-
Transportation Aid	23-495-034-5120-014	199,527	7/1/22	6/30/23			183,122	199,527	(16,405)					*	199,527
Additional Nonpublic Transportation Aid	22-495-034-5120-014	19,726	7/1/21	6/30/22	(19,726)		19,726							*	-
Additional Nonpublic Transportation Aid	23-495-034-5120-014	27,362	7/1/22	6/30/23	-	-	-	27,362	(27,362)					*	(27,362)
Total Transportation Aid Cluster					(34,881)	-	218,003	226,889	(43,767)					*	226,889
Extraordinary Aid	22-495-034-5120-044	672,926	7/1/21	6/30/22	(672,926)		672,926							*	-
Extraordinary Aid	23-495-034-5120-044	952,438	7/1/22	6/30/23	-	-	-	952,438	(952,438)					*	952,438
Total Extraordinary Aid Cluster					(672,926)	-	672,926	952,438	(952,438)					*	952,438
Reimbursed Social Security Tax	22-495-034-5094-003	1,053,963	7/1/21	6/30/22	(50,036)		50,036							*	-
Reimbursed Social Security Tax	23-495-034-5094-003	1,128,790	7/1/22	6/30/23			1,073,815	1,128,790	(54,975)					*	(54,975)
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002	5,185,492	7/1/22	6/30/23			5,185,492	5,185,492						*	5,185,492
On-Behalf Teachers' Pension & Annuity Fund – Non-contributory Insurance	23-495-034-5094-004	71,943	7/1/22	6/30/23			71,943	71,943						*	71,943
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	23-495-034-5094-001	1,381,115	7/1/22	6/30/23			1,381,115	1,381,115						*	1,381,115
On-Behalf Teachers' Pension & Annuity Fund – Long Term Disability	23-495-034-5094-004	1,728	7/1/22	6/30/23	-	-	1,728	1,728	-					*	1,728
Total On-Behalf					(50,036)	-	7,764,129	7,769,068	(54,975)					*	(54,975)
Homeless Tuition Reimbursement Aid	N/A	28,739	7/1/21	6/30/22	(28,739)		28,739							*	-
Homeless Tuition Reimbursement Aid	N/A	19,069	7/1/22	6/30/23	-	-	-	19,069	(19,069)					*	(19,069)
Total General Fund					\$ (913,145)	\$ -	\$ 11,181,877	\$ 11,539,109	\$ -	\$ (1,270,377)	\$ -	\$ -	\$ -	\$ (101,406)	\$ 11,539,109

WALDWICK 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	Program or Award Amount	Grant Period		Balance at July 1, 2022				Balance at June 30, 2023			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	22-100-034-5120-064	12,544	7/1/21	6/30/22	-	\$ 1,893	\$ 14,124	\$ 14,073	\$ 1,893	-	-	\$ 51	-	\$ 14,073
Textbook Aid	23-100-034-5120-064	14,124	7/1/22	6/30/23	-	-	14,124	14,073	-	-	-	51	-	14,073
Textbook Aid Cluster					-	1,893	14,124	14,073	1,893	-	-	51	-	14,073
Nursing Services Aid	22-100-034-5120-070	24,640	7/1/21	6/30/22	-	5	-	-	5	-	-	-	-	-
Nursing Services Aid	23-100-034-5120-070	25,536	7/1/22	6/30/23	-	-	25,536	25,396	-	-	140	-	-	25,396
Nursing Services Aid Cluster					-	5	25,536	25,396	5	-	-	140	-	25,396
School Security Aid	22-100-034-5120-509	38,500	7/1/21	6/30/22	-	438	-	-	438	-	-	-	-	-
School Security Aid	23-100-034-5120-509	46,741	7/1/22	6/30/23	-	-	46,741	45,512	-	-	1,229	-	-	45,512
School Security Aid Cluster					-	438	46,741	45,512	438	-	-	1,229	-	45,512
Technology Initiative Aid	22-100-034-5120-509	8,778	7/1/21	6/30/22	-	120	-	-	120	-	-	-	-	-
Technology Initiative Aid	23-100-034-5120-509	8,988	7/1/22	6/30/23	-	-	8,988	8,190	-	-	798	-	-	8,190
School Security Aid Cluster					-	120	8,988	8,190	120	-	-	798	-	8,190
Auxiliary Services:														
Compensatory Education	22-100-034-5120-067	83,309	7/1/21	6/30/22	-	11,914	-	-	11,914	-	-	-	-	-
Compensatory Education	23-100-034-5120-067	111,184	7/1/22	6/30/23	-	-	111,184	104,760	-	-	6,424	-	-	104,760
English Language Learner	22-100-034-5120-067	21,011	7/1/21	6/30/22	-	4,842	-	-	4,842	-	-	-	-	-
English Language Learner	23-100-034-5120-067	30,068	7/1/22	6/30/23	-	-	30,068	23,354	-	-	6,714	-	-	23,354
Auxiliary Services Cluster:					-	16,756	141,252	128,114	16,756	-	-	13,138	-	128,114
Nonpublic Handicapped Aid (Chapter 193):														
Examination and Classification	22-100-034-5120-066	39,250	7/1/21	6/30/22	-	12,366	-	-	12,366	-	-	-	-	-
Examination and Classification	23-100-034-5120-066	34,124	7/1/22	6/30/23	-	-	34,124	27,679	-	-	6,445	-	-	27,679
Speech Correction	22-100-034-5120-066	38,130	7/1/21	6/30/22	-	13,113	-	-	13,113	-	-	-	-	-
Speech Correction	23-100-034-5120-066	31,155	7/1/22	6/30/23	-	-	31,155	25,110	-	-	6,045	-	-	25,110
Supplemental Instruction	22-100-034-5120-066	28,910	7/1/21	6/30/22	-	9,499	-	-	9,499	-	-	-	-	-
Supplemental Instruction	23-100-034-5120-066	19,824	7/1/22	6/30/23	-	-	19,824	15,777	-	-	4,047	-	-	15,777
Nonpublic Handicapped Aid (Chapter 193) Cluster:					-	34,978	85,103	68,566	34,978	-	-	16,537	-	68,566
SDA - Emergent Capital and Maintenance Needs Grant	N/A	38,099	7/1/22	6/30/23	-	-	38,099	38,099	-	-	-	-	-	38,099
Total Special Revenue Fund					-	54,190	359,843	327,950	54,190	-	-	31,893	-	327,950
Debt Service Fund:														
Debt Service State Aid	23-495-034-5120-075	259,716	7/1/22	6/30/23	-	-	259,716	259,716	-	-	-	-	-	259,716
Total Debt Service Fund					-	-	259,716	259,716	-	-	-	-	-	259,716
Total State Financial Assistance					\$ (913,145)	\$ 54,190	\$ 11,801,436	\$ 12,126,775	\$ 54,190	\$ (1,270,377)	\$ -	\$ 31,893	\$ (101,406)	\$ 12,126,775
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5094-002							(5,185,492)						
On-Behalf Teachers' Pension & Annuity Fund - Non-contributory Insurance	23-495-034-5094-004							(71,943)						
On Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	23-495-034-5094-001							(1,381,115)						
On-Behalf- Teachers' Pension & Annuity Fund - Long Term Disability	23-495-034-5094-004							(1,728)						
Total for State Financial Assistance-Major Program Determination								\$ 5,486,497						

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

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

NOTE 1 REPORTING ENTITY

The Waldwick 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 \$325,588 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 28,681	\$ 11,213,521	\$ 11,242,202
Special Revenue Fund	906,610	327,950	1,234,560
Debt Service Fund	<u>-</u>	<u>259,716</u>	<u>259,716</u>
Total Financial Assistance	<u>\$ 935,291</u>	<u>\$ 11,801,187</u>	<u>\$ 12,736,478</u>

**WALDWICK BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 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 \$1,128,790 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 \$5,257,435, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,381,115 and TPAF Long-Term Disability Insurance in the amount of \$1,728 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 payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 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.

**WALDWICK 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

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

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

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes no

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

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

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

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

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	
23-495-034-5120-089	
23-495-034-5120-084	State Aid Public Cluster
23-495-034-5120-044	Extraordinary Aid

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

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

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