

ORADELL BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Oradell, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Oradell Board of Education
Oradell, New Jersey
For The Fiscal Year Ended June 30, 2024**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

Megan Bozios
Superintendent

Peter Iappelli
Business Administrator/
Board Secretary



Oradell Public School District

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

*Our children,
our hope,
our future*

December 17, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Oradell School District ("The District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, are included in the single audit section of this report.

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

The District continues to provide a full range of educational services appropriate to grade levels Pre-K through 6. These include both regular and special education for learning disabled students. The District completed the 2023-2024 fiscal year with an average daily enrollment of 778 students, which is 18 fewer students than the previous year. The following table details the changes in the average daily enrollment over the past ten years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percentage Change</u>
2014-2015	770	(0.55)%
2015-2016	763	(0.91)%
2016-2017	769	0.78%
2017-2018	739	3.65%
2018-2019	754	2.03%
2019-2020	760	0.80%
2020-2021	777	2.20%
2021-2022	784	0.90%
2022-2023	796	1.92%
2023-2024	778	(2.26)%

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

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

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

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

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

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

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

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

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

8) OTHER INFORMATION:

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

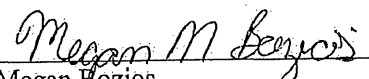
B) Commendations – The Oradell Public School District is proud of all that it accomplished during the 2023-2024 school year. The following is a sampling of the District's achievements:

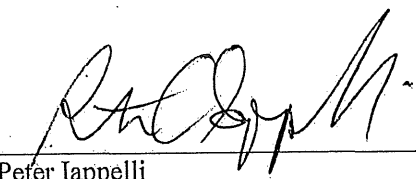
- The District continued to use data to identify student strengths and areas to strengthen. Resources were purchased and programs put in place to address identified learning gaps, to implement intervention plans and to monitor for progress. As a result, the District continues to show strong academic performance on local and state assessments, including an 83% passing rate on the NJSLA language arts portion for grades 3-6.

- The District continued to focus on providing a well-rounded educational experience. The district grew its STEAM program with a focus on integrating opportunities for students to be engaged via hands-on learning across all classrooms during the 2023-2024 school year. One highlight of the program was the many sixth grade students who qualified for regional and state level competition for the NJSBA's STEAM Tank challenge. Additionally, our Oradell Public School Odyssey of the Mind team qualified for the World Championships for the 12th straight year.
- During the 2023-2024 school year, the District also set a goal of building stronger home school partnerships. This was accomplished by increasing opportunities for parents to see learning in action, whether that was during the school day or through evening parent academies.
- The District also went through QSAC monitoring during the 2023-2024 school year being designated as a high-performing district. The District achieved scores of 100% in Fiscal Management, Governance and Personnel along with scores of 97% in Operations and 88% in Instruction and Programming.

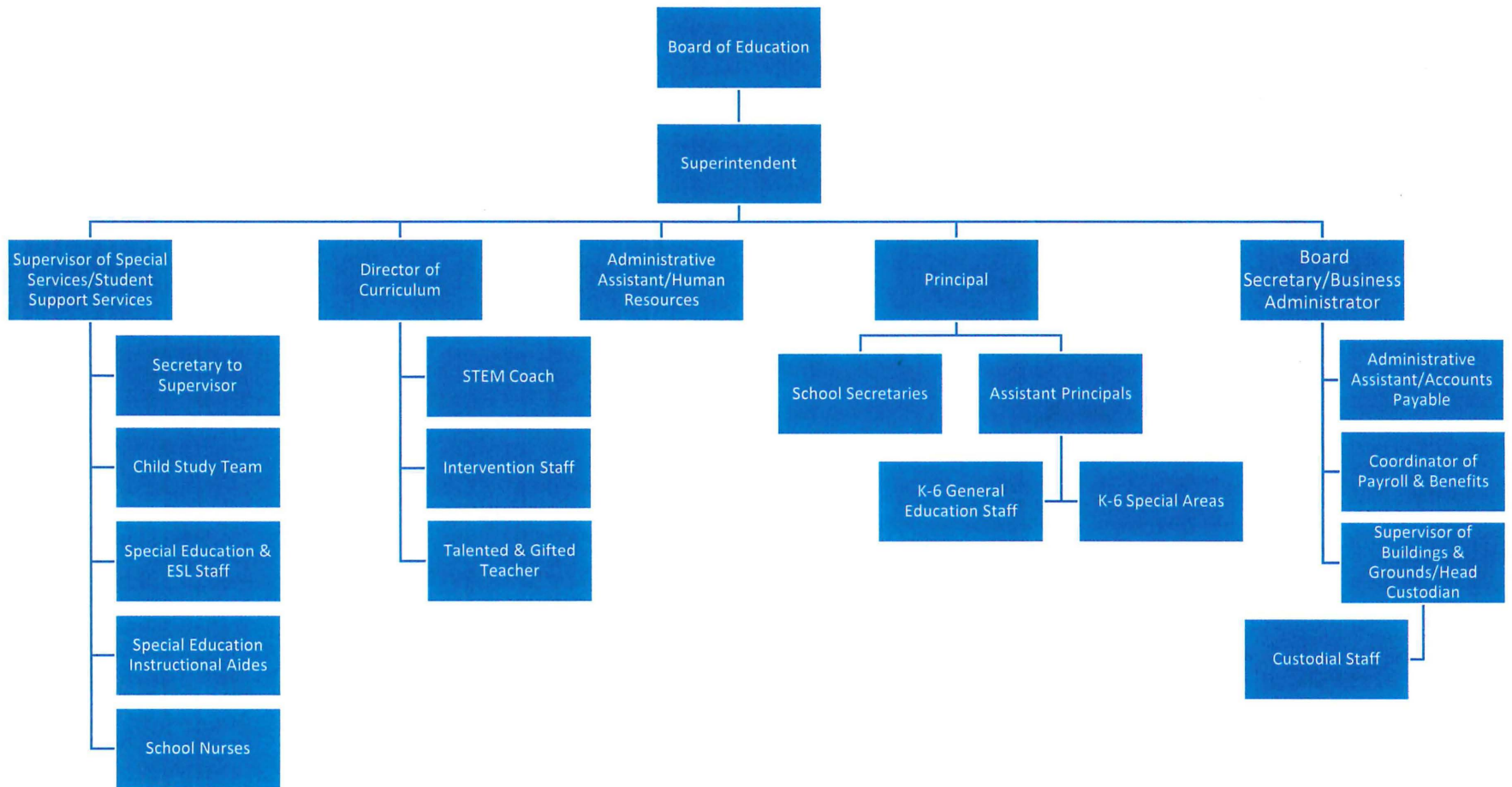
9) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Oradell School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

Respectfully submitted,


Megan Iozios
Superintendent


Peter Iappelli
School Business Administrator/Board Secretary

2023-2024 OPS Organizational Chart



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

**ROSTER OF OFFICIALS
JUNE 30, 2024**

Members of the Board of Education

Dorothy Watson-Nichols	President	2025
Gregory Derian	Vice President	2024
Alena Acosta		2024
Mary Katherine Norian		2024
Jaime Downey		2025
John A. Walsh		2025
James Del Greco		2026
Christopher Nutland		2026
Rita Walker		2026

Other Officials

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

**ORADELL BOARD OF EDUCATION
Consultants and Advisors**

Attorney

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

Audit Firm

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

Official Depository

Capital One Bank
464 Route 17 North
Paramus, NJ 07652

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2024 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

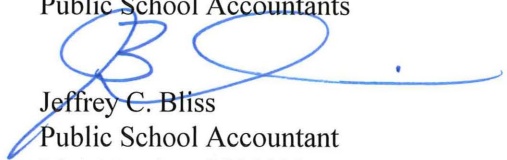
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2024 on our consideration of the Oradell Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Oradell Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Oradell Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 17, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

As management of the Oradell Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Oradell Board of Education for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which can be found in the introductory section of this report and the District's financial statements and related notes to the financial statement which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Oradell Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,150,447. (Net Position)
- The District's total net position increased by \$530,771 or 5%.
- Overall District revenues were \$17,295,796. General revenues accounted for \$13,660,023, or 79%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,635,773 or 21% of total revenues.
- The school district had \$16,693,548 in expenses for governmental activities; only \$3,542,059 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$13,660,023 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,464,018. Of this amount, \$2,180,940 is restricted for capital projects, \$643,157 is restricted for required maintenance of District facilities, \$557,356 is restricted for excess surplus, \$249,809 is restricted for other purposes, \$666,714 is committed and assigned for year-end encumbrances and the remaining amount is the unassigned fund balance of \$166,042.
- The General Fund fund balance at June 30, 2024 was \$4,415,351, an increase of \$77,612 compared to the ending fund balance at June 30, 2023 of \$4,337,739.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$622,260, which represents an increase of \$59,867 when compared to the ending unassigned budgetary fund balance at June 30, 2023 of \$562,393.

ORADELL BOARD OF EDUCATION

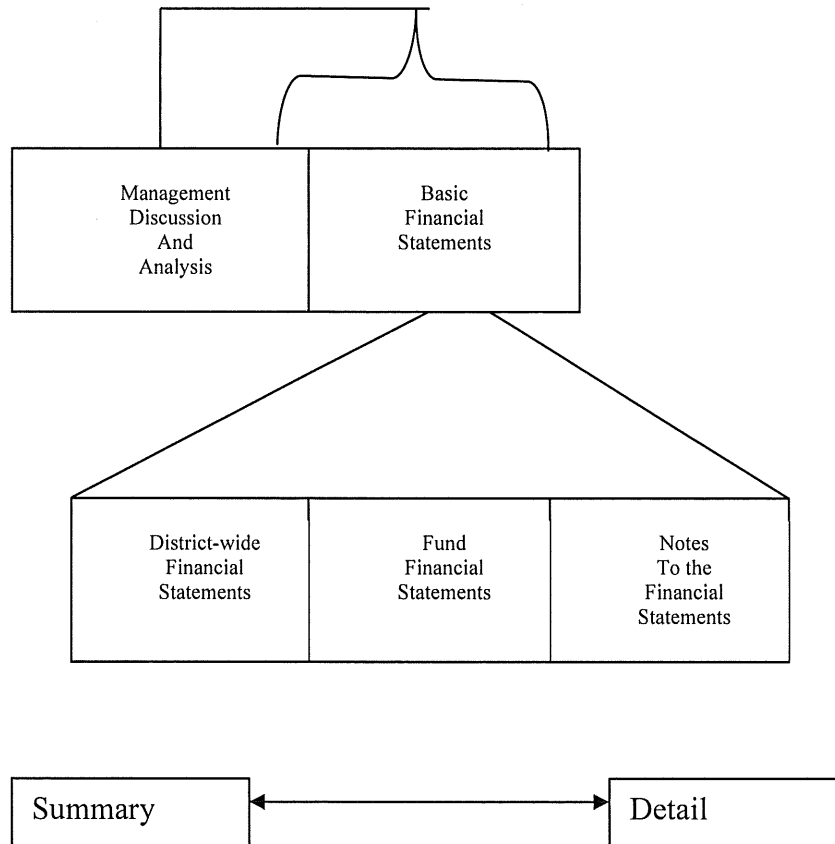
Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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

Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

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

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Notes to the Financial Statements

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

Other Information

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

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

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

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$12,150,447 and \$11,619,676 on June 30, 2024 and 2023, respectively as follows:

Statement of Net Position
as of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current Assets	\$ 4,800,385	\$ 5,013,724	\$ 206,426	\$ 156,512	\$ 5,006,811	\$ 5,170,236
Capital Assets	11,169,234	11,389,212	2,642	-	11,171,876	11,389,212
Total Assets	<u>15,969,619</u>	<u>16,402,936</u>	<u>209,068</u>	<u>156,512</u>	<u>16,178,687</u>	<u>16,559,448</u>
Deferred Outflows of Resources	<u>265,632</u>	<u>423,635</u>	<u>-</u>	<u>-</u>	<u>265,632</u>	<u>423,635</u>
Total Assets and Deferred Outflows of Resources	<u>16,235,251</u>	<u>16,826,571</u>	<u>209,068</u>	<u>156,512</u>	<u>16,444,319</u>	<u>16,983,083</u>
Liabilities						
Noncurrent Liabilities	3,532,905	4,066,899			3,532,905	4,066,899
Other Liabilities	350,417	573,797	114,529	84,210	464,946	658,007
Total Liabilities	<u>3,883,322</u>	<u>4,640,696</u>	<u>114,529</u>	<u>84,210</u>	<u>3,997,851</u>	<u>4,724,906</u>
Deferred Inflows of Resources	<u>296,021</u>	<u>565,925</u>	<u>-</u>	<u>-</u>	<u>296,021</u>	<u>565,925</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,179,343</u>	<u>5,206,621</u>	<u>114,529</u>	<u>84,210</u>	<u>4,293,872</u>	<u>5,290,831</u>
Net Position						
Net Investment in Capital Assets	9,444,569	9,155,356	2,642		9,447,211	9,155,356
Restricted	2,898,481	3,090,494			2,898,481	3,090,494
Unrestricted	(287,142)	(698,476)	91,897	72,302	(195,245)	(626,174)
Total Net Position	<u>\$ 12,055,908</u>	<u>\$ 11,547,374</u>	<u>\$ 94,539</u>	<u>\$ 72,302</u>	<u>\$ 12,150,447</u>	<u>\$ 11,619,676</u>

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

The District's total net position of \$12,150,447 at June 30, 2024 represents a \$530,771 or 5%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2024 and 2023.

Change in Net Position For The Fiscal Years Ended June 30, 2024 and 2023

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 119,782	\$ 142,626	\$ 93,714	\$ 91,188	\$ 213,496	\$ 233,814
Operating Grants and Contributions	3,343,469	3,332,952		5,888	3,343,469	3,338,840
Capital Grants and Contributions	78,808	17,745			78,808	17,745
General Revenues						
Property Taxes	13,431,281	13,096,611			13,431,281	13,096,611
Other	228,742	177,330	-	-	228,742	177,330
Total Revenues	<u>17,202,082</u>	<u>16,767,264</u>	<u>93,714</u>	<u>97,076</u>	<u>17,295,796</u>	<u>16,864,340</u>
Expenses						
Instruction						
Regular	5,700,088	5,617,234			5,700,088	5,617,234
Special Education	3,010,706	2,975,252			3,010,706	2,975,252
Other Instruction	1,019,919	894,768			1,019,919	894,768
School Sponsored Activities and Athletics	106,516	135,771			106,516	135,771
Support Services						
Student and Instruction Related Services	2,602,406	2,453,967			2,602,406	2,453,967
General Administrative Services	530,216	512,941			530,216	512,941
School Administrative Services	745,784	588,381			745,784	588,381
Central Services and Info. Technology	437,019	393,034			437,019	393,034
Plant Operations and Maintenance	2,220,660	2,507,268			2,220,660	2,507,268
Pupil Transportation	268,034	251,089			268,034	251,089
Interest on Debt	52,200	66,502			52,200	66,502
Summer Program			65,096	77,528	65,096	77,528
Food Services	-	-	6,381	10,958	6,381	10,958
Total Expenses	<u>16,693,548</u>	<u>16,396,207</u>	<u>71,477</u>	<u>88,486</u>	<u>16,765,025</u>	<u>16,484,693</u>
Increase/(Decrease) in Net Position	508,534	371,057	22,237	8,590	530,771	379,647
Net Position, Beginning of Year	\$ 11,547,374	\$ 11,176,317	\$ 72,302	\$ 63,712	\$ 11,619,676	\$ 11,240,029
Net Position, End of Year	<u>\$ 12,055,908</u>	<u>\$ 11,547,374</u>	<u>\$ 94,539</u>	<u>\$ 72,302</u>	<u>\$ 12,150,447</u>	<u>\$ 11,619,676</u>

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$17,202,082 for the fiscal year ended June 30, 2024, property taxes of \$13,431,281 represented 78% of revenues. Another significant portion of revenues came from federal, state and local grants and contributions which totaled \$3,422,277 and represented 20% of revenues.

The total cost of all governmental activities programs and services was \$16,693,548 for the fiscal year ended June 30, 2024. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$9,837,229 (59%) of total expenses and support services costs were \$6,804,119 (41%) of total expenses for the fiscal year ended June 30, 2024.

For fiscal year 2024, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$508,534 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$16,693,548. After applying program revenues, derived from operating and capital grants and contributions of \$3,422,277 and charges for services of \$119,782 the net cost of services of the District is \$13,151,489 for the fiscal year ended June 30, 2024.

Total and Net Cost of Governmental Activities For the Fiscal Years Ended June 30, 2024 and 2023

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 5,700,088	\$ 5,617,234	\$ 4,820,466	\$ 4,654,185
Special Education	3,010,706	2,975,252	1,386,556	1,536,479
Other Instruction	1,019,919	894,768	809,207	681,672
School Sponsored Activities and Athletics	106,516	135,771	34,130	24,154
Support Services				
Student and Instruction Related Services	2,602,406	2,453,967	2,282,814	2,071,653
General Administrative Services	530,216	512,941	489,653	466,018
School Administrative Services	745,784	588,381	651,816	505,033
Central Services and Info. Technology	437,019	393,034	404,708	347,630
Plant Operations and Maintenance	2,220,660	2,507,268	1,990,120	2,332,707
Pupil Transportation	268,034	251,089	229,819	216,851
Interest on Debt	52,200	66,502	52,200	66,502
Total	<u>\$ 16,693,548</u>	<u>\$ 16,396,207</u>	<u>\$ 13,151,489</u>	<u>\$ 12,902,884</u>

Business-Type Activities – The District's total business-type activities revenues were \$93,714 for the fiscal year ended June 30, 2024. 100% of revenues were from charges for services and sales.

Total cost of all business-type activities programs and services was \$71,477 for the fiscal year ended June 30, 2024. Extended year summer program represented 91% of total expenses and food service represented 9% of the total expenses.

For fiscal year 2024, total business-type activities revenues exceeded expenses increasing net position by \$22,237 or 31% from the previous year.

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,464,018 at June 30, 2024, an increase of \$77,281 from last year's fund balance of \$4,386,737. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Revenues for the District's governmental funds were \$18,849,710 while total expenditures were \$18,772,429 for the fiscal year ended June 30, 2024.

GENERAL FUND

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

The following schedule presents a summary of General Fund Revenues.

General Fund Revenues	Fiscal Year Ended <u>June 30, 2024</u>	Fiscal Year Ended <u>June 30, 2023</u>	Amount of Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 12,981,081	\$ 12,628,511	\$ 352,570	3%
Other	276,138	209,811	66,327	32%
State Sources	<u>4,558,104</u>	<u>4,136,593</u>	<u>421,511</u>	10%
Total Revenues	<u>\$ 17,815,323</u>	<u>\$ 16,974,915</u>	<u>\$ 840,408</u>	5%

For fiscal year 2024, total General Fund revenues increased \$840,408 or 5% from the previous year.

The following schedule presents a summary of General Fund expenditures.

General Fund Expenditures	Fiscal Year Ended <u>June 30, 2024</u>	Fiscal Year Ended <u>June 30, 2023</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 10,675,189	\$ 10,238,798	\$ 436,391	4%
Support Services	6,517,688	5,769,961	747,727	13%
Debt Service	116,527	113,677	2,850	3%
Capital Outlay	<u>428,307</u>	<u>815,961</u>	<u>(387,654)</u>	-48%
Total Expenditures	<u>\$ 17,737,711</u>	<u>\$ 16,938,397</u>	<u>\$ 799,314</u>	5%

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

GENERAL FUND (Continued)

For fiscal year 2024, total General Fund expenditures increased \$799,314 or 5% from the previous year.

In fiscal year 2024, General Fund revenues exceeded expenditures by \$77,612. Therefore, the total fund balance at June 30, 2023 of \$4,337,739 increased to a fund balance of \$4,415,351 at June 30, 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2024, the District had \$11,169,234 invested in land, buildings, furniture, equipment and vehicles for governmental activities. The following is a comparison of the June 30, 2024 and 2023 balances:

Capital Assets as of June 30, 2024 and 2023		
	Governmental Activities	
	<u>2024</u>	<u>2023</u>
Land	\$ 5,592	\$ 5,592
Construction in Progress	224,693	529,978
Land Improvements	62,610	52,200
Building and Building Improvements	24,861,316	24,120,149
Machinery and Equipment	<u>554,860</u>	<u>494,037</u>
Total	25,709,071	25,201,956
Less: Accumulated Depreciation	<u>(14,539,837)</u>	<u>(13,812,744)</u>
Total	<u>\$ 11,169,234</u>	<u>\$ 11,389,212</u>

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

LONG TERM LIABILITIES

At June 30, 2024 the District had \$3,532,905 of total outstanding long-term liabilities. For fiscal year 2023/2024 total outstanding long-term liabilities decreased by \$533,994. The following is a comparison of the June 30, 2024 and 2023 balances:

Long-Term Liabilities Outstanding as of June 30, 2024 and 2023		
	<u>2024</u>	<u>2023</u>
Bond Payable (including premium)	\$ 420,268	\$ 855,935
Capital Financing Agreements Payable	1,308,910	1,391,567
Compensated Absences Payable	96,524	78,605
Net Pension Liability	<u>1,707,203</u>	<u>1,740,792</u>
Total	<u>\$ 3,532,905</u>	<u>\$ 4,066,899</u>

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

ORADELL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

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

For fiscal year 2024 General Fund budgetary revenues exceeded budgetary expenditures increasing budgetary fund balance \$127,973. After deducting fund balances restricted, committed and assigned, the unassigned budgetary fund balance increased \$59,867 from an unassigned fund balance of \$562,393 at June 30, 2023 to \$622,260 at June 30, 2024. In addition at June 30, 2024 the District had balances in its capital reserve of \$2,180,940, maintenance reserve of \$643,157, emergency reserve of \$175,425, unemployment compensation reserve of \$25,717 and excess surplus of \$657,356.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Budgeted expenditures in the General Fund increased approximately 6% to \$15,879,443 for fiscal year 2024-2025. Budgeted employee benefits and capital outlay project costs were the main factors for the increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

DISTRICT-WIDE FINANCIAL STATEMENTS

**ORADELL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,673,399	\$ 206,426	\$ 4,879,825
Cash with Fiscal Agent	956		956
Receivables, net	126,030	-	126,030
Capital Assets, Not Being Depreciated	230,285		230,285
Capital Assets, Being Depreciated, Net	<u>10,938,949</u>	<u>2,642</u>	<u>10,941,591</u>
Total Assets	<u>15,969,619</u>	<u>209,068</u>	<u>16,178,687</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	4,513		4,513
Deferred Amounts on Net Pension Liability	<u>261,119</u>	<u>-</u>	<u>261,119</u>
Total Deferred Outflows of Resources	<u>265,632</u>	<u>-</u>	<u>265,632</u>
Total Assets and Deferred Outflows of Resources	<u>16,235,251</u>	<u>209,068</u>	<u>16,444,319</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	264,722	-	264,722
Payable to Other Governments	25,700		25,700
Accrued Interest Payable	14,050		14,050
Unearned Revenue	45,945	114,529	160,474
Noncurrent Liabilities			
Due Within One Year	500,830		500,830
Due Beyond One Year	<u>3,032,075</u>	<u>-</u>	<u>3,032,075</u>
Total Liabilities	<u>3,883,322</u>	<u>114,529</u>	<u>3,997,851</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>296,021</u>	<u>-</u>	<u>296,021</u>
Total Deferred Inflows of Resources	<u>296,021</u>	<u>-</u>	<u>296,021</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,179,343</u>	<u>114,529</u>	<u>4,293,872</u>
NET POSITION			
Net Investment in Capital Assets	9,444,569	2,642	9,447,211
Restricted for			
Capital Projects	2,180,940		2,180,940
Plant Maintenance	643,157		643,157
Student Activities	48,667		48,667
Unemployment Compensation	25,717		25,717
Unrestricted	<u>(287,142)</u>	<u>91,897</u>	<u>(195,245)</u>
Total Net Position	<u>\$ 12,055,908</u>	<u>\$ 94,539</u>	<u>\$ 12,150,447</u>

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

**ORADELL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,700,088		\$ 874,627	\$ 4,995	\$ (4,820,466)		\$ (4,820,466)
Special Education	3,010,706	\$ 4,585	1,619,565		(1,386,556)		(1,386,556)
Other Instruction	1,019,919		210,712		(809,207)		(809,207)
School Sponsored Activities and Athletics	106,516	72,386	-		(34,130)		(34,130)
Support Services							
Student and Instruction Related Services	2,602,406		319,592		(2,282,814)		(2,282,814)
General Administrative Services	530,216		40,563		(489,653)		(489,653)
School Administrative Services	745,784		93,968		(651,816)		(651,816)
Central Services and Info. Technology	437,019		32,311		(404,708)		(404,708)
Plant Operations and Maintenance	2,220,660	42,811	113,916	73,813	(1,990,120)		(1,990,120)
Pupil Transportation	268,034		38,215		(229,819)		(229,819)
Interest on Debt	52,200	-	-	-	(52,200)	-	(52,200)
Total Governmental Activities	16,693,548	119,782	3,343,469	78,808	(13,151,489)	-	(13,151,489)
Business-Type Activities							
Summer Program	65,096	84,760				\$ 19,664	19,664
Food Service	6,381	8,954	-	-	-	2,573	2,573
Total Business-Type Activities	71,477	93,714	-	-	-	22,237	22,237
Total Primary Government	\$ 16,765,025	\$ 213,496	\$ 3,343,469	\$ 78,808	(13,151,489)	22,237	(13,129,252)
General Revenues							
Taxes:							
Property Taxes - General Purposes					12,981,081		12,981,081
Property Taxes - Debt Service, Net					450,200		450,200
Investment Earnings					197,517		197,517
Miscellaneous Income					31,225	-	31,225
Total General Revenues					13,660,023	-	13,660,023
Change in Net Position					508,534	22,237	530,771
Net Position, Beginning of Year					11,547,374	\$ 72,302	11,619,676
Net Position, End of Year					\$ 12,055,908	\$ 94,539	\$ 12,150,447

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

FUND FINANCIAL STATEMENTS

**ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,622,569	\$ 50,830		\$ 4,673,399
Cash with Fiscal Agent	956			956
Intergovernmental Receivables	30,058	93,354		123,412
Other Accounts Receivable	2,618			2,618
Due from Other Funds	2,118	-	-	2,118
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,658,319	\$ 144,184	\$ -	\$ 4,802,503
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 168,729	\$ 21,754		\$ 190,483
Payroll Deductions and Withholdings Payable	10,544			10,544
Payable to Other Governments		25,700		25,700
Due to Other Funds		2,118		2,118
Other Liabilities	63,695			63,695
Unearned Revenue	-	45,945	-	45,945
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	242,968	95,517	-	338,485
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted:				
Capital Reserve	1,398,628			1,398,628
Capital Reserve - Designated for				
Subsequent Year's Expenditures	782,312			782,312
Maintenance Reserve	493,157			493,157
Maintenance Reserve - Designated for				
Subsequent Year's Expenditures	150,000			150,000
Emergency Reserve	130,425			130,425
Emergency Reserve - Designated for				
Subsequent Year's Expenditures	45,000			45,000
Unemployment Compensation Reserve	25,717			25,717
Excess Surplus	200,000			200,000
Excess Surplus - Designated for				
Subsequent Year's Expenditures	357,356			357,356
Student Activities		48,667		48,667
Committed:				
Year End Encumbrances	622,564			622,564
Assigned:				
Year End Encumbrances	44,150			44,150
Unassigned	166,042	-	-	166,042
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	4,415,351	48,667	-	4,464,018
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 4,658,319	\$ 144,184	\$ -	\$ 4,802,503
	<hr/>	<hr/>	<hr/>	<hr/>

**ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2024**

Total Fund Balances - Governmental Funds (Exhibit B-1) **\$ 4,464,018**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,709,071 and the accumulated depreciation is \$14,539,837.

11,169,234

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

4,513

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

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 261,119
(296,021)

(34,902)

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

(14,050)

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

Bonds Payable (420,268)
Capital Financing Agreements Payable (1,308,910)
Compensated Absences (96,524)
Net Pension Liability (1,707,203)

(3,532,905)

Total Net Position of Governmental Activities (Exhibit A-1) **\$ 12,055,908**

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

ORADELL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Taxes	\$ 12,981,081		\$ 450,200	\$ 13,431,281
Tuition	4,585			4,585
Interest	197,517			197,517
Facility Rental Fees	42,811			42,811
Miscellaneous	31,225	\$ 152,847	-	184,072
	<hr/>	<hr/>	<hr/>	<hr/>
Total - Local Sources	13,257,219	152,847	450,200	13,860,266
Intergovernmental				
State Sources	4,558,104	76,870		4,634,974
Federal Sources	-	354,470	-	354,470
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	17,815,323	584,187	450,200	18,849,710
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current				
Instruction				
Regular Instruction	6,450,757	50,177		6,500,934
Special Education Instruction	3,071,022	209,190		3,280,212
Other Instruction	1,117,125	56,854		1,173,979
School-Sponsored Activities and Athletics	36,285	72,717		109,002
Support Services				
Student and Instruction Related Services	2,822,446	57,297		2,879,743
General Administrative Services	574,465			574,465
School Administrative Services	846,932			846,932
Central Services and Info. Technology	480,629			480,629
Plant Operations and Maintenance	1,525,182	59,475		1,584,657
Pupil Transportation	268,034			268,034
Debt Service				
Principal	82,657		425,000	507,657
Interest and Other Charges	33,870		25,200	59,070
Capital Outlay	428,307	78,808	-	507,115
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	17,737,711	584,518	450,200	18,772,429
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	77,612	(331)	-	77,281
Fund Balance, Beginning of Year	4,337,739	48,998	-	4,386,737
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	\$ 4,415,351	\$ 48,667	\$ -	\$ 4,464,018
	<hr/>	<hr/>	<hr/>	<hr/>

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

**ORADELL BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 77,281**

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

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

Capital Outlay	\$ 507,115	
Depreciation Expense	<u>(727,093)</u>	
		(219,978)

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

Increase in Compensated Absences	(17,919)	
Decrease in Pension Expenses	<u>154,623</u>	
		136,704

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

Principal Payments		
Bond Principal	425,000	
Capital Financing Agreements Principal	<u>82,657</u>	
		507,657

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

Amortization of Bond Premium	10,667	
Amortization of Deferred Amounts on Refunding	<u>(9,133)</u>	
		1,534

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

Decrease in Accrued Interest		<u>5,336</u>
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Change in Net Position of Governmental Activities (Exhibit A-2)		\$ <u>508,534</u>
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**ORADELL BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Business-Type Activities Enterprise Funds		
	<u>Extended Year Summer Program</u>	<u>Non-Major Food Service Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 199,440	\$ 6,986	\$ 206,426
Total Current Assets	<u>199,440</u>	<u>6,986</u>	<u>206,426</u>
Noncurrent Assets			
Capital Assets			
Equipment		15,884	15,884
Accumulated Depreciation	<u>-</u>	<u>(13,242)</u>	<u>(13,242)</u>
Total Noncurrent Assets	<u>-</u>	<u>2,642</u>	<u>2,642</u>
Total Assets	<u>199,440</u>	<u>9,628</u>	<u>209,068</u>
LIABILITIES			
Current Liabilities			
Unearned Revenue	<u>114,529</u>	<u>-</u>	<u>114,529</u>
Total Liabilities	<u>114,529</u>	<u>-</u>	<u>114,529</u>
NET POSITION			
Investment in Capital Assets		2,642	2,642
Unrestricted	<u>84,911</u>	<u>6,986</u>	<u>91,897</u>
Total Net Position	<u>\$ 84,911</u>	<u>\$ 9,628</u>	<u>\$ 94,539</u>

**ORADELL BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Funds		
	Extended Year Summer Program	Non-Major Food Service Fund	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales		\$ 8,954	\$ 8,954
Program Fees	\$ 84,760	-	84,760
Total Operating Revenues	84,760	8,954	93,714
OPERATING EXPENSES			
Salaries and Benefits	46,597		46,597
Cost of Sales		5,920	5,920
Administration Charge	8,000		8,000
Supplies and Materials	10,499	167	10,666
Depreciation Expense	-	294	294
Total Operating Expenses	65,096	6,381	71,477
Operating Income	19,664	2,573	22,237
Net Position, Beginning of Year	\$ 65,247	\$ 7,055	\$ 72,302
Net Position, End of Year	\$ 84,911	\$ 9,628	\$ 94,539

**ORADELL BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Funds		
	Extended Year Summer Program	Non-Major Food Service Fund	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 115,079	\$ 8,954	\$ 124,033
Cash Payments for Employees Salaries and Benefits	(46,597)	-	(46,597)
Cash Payments to Suppliers for Goods and Services	(18,499)	(6,087)	(24,586)
Net Cash Provided by Operating Activities	49,983	2,867	52,850
Cash Flows from Noncapital Financing Activities			
Cash Received from Federal Subsidy Reimbursements	-	1,112	1,112
Net Cash Provided by Noncapital Financing Activities	-	1,112	1,112
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	(2,936)	(2,936)
Net Cash (Used for) Capital and Related Financing Activities	-	(2,936)	(2,936)
Net Increase in Cash and Cash Equivalents	49,983	1,043	51,026
Cash and Cash Equivalents, Beginning of Year	\$ 149,457	\$ 5,943	\$ 155,400
Cash and Cash Equivalents, End of Year	\$ 199,440	\$ 6,986	\$ 206,426
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 19,664	\$ 2,573	\$ 22,237
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation		294	294
Change in Assets and Liabilities			
Increase/(Decrease) in Unearned Revenue	\$ 30,319	-	30,319
Total Adjustments	30,319	294	30,613
Net Cash Provided by Operating Activities	\$ 49,983	\$ 2,867	\$ 52,850

NOTES TO THE FINANCIAL STATEMENTS

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2024, the District adopted the following GASB statements:

- 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.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

6. *Compensated Absences*

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

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

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

8. Financing Agreements

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

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

9. Long-Term Obligations

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

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

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original District budget certified for taxes.

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

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the 2024/2025 original budget certified for taxes

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

Emergency Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 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, 2023 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

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

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

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

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

11. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 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. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

5. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$775,466 and the special revenue fund by \$491,289. The increases were funded by the additional appropriation of capital reserve, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of capital reserve of \$640,000 from the general fund.

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

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

B. Capital Reserve

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024 is as follows:

Balance, July 1, 2023		\$ 2,372,622
Deposits:		
Approved by Board Resolution	\$ 632,120	
Approved in District Budget	141,457	
Return of Unencumbered Budget Withdrawals	<u>4,741</u>	
		<u>778,318</u>
		3,150,940
Withdrawals:		
Approved in District Budget	330,000	
Approved by Board Resolution	<u>640,000</u>	
		<u>970,000</u>
Balance, June 30, 2024		<u>\$ 2,180,940</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$7,386,269. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$782,312 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

C. Maintenance Reserve

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 643,157
Deposits:	
Approved by Board Resolution	<u>100,000</u>
	743,157
Withdrawals:	
Approved in District Budget	<u>100,000</u>
Balance, June 30, 2024	<u>\$ 643,157</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$643,157. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$150,000 of the maintenance reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

D. Emergency Reserve

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023	\$ 130,425
Deposits:	
Approved by Board Resolution	<u>45,000</u>
Balance, June 30, 2024	<u>\$ 175,425</u>

\$45,000 of the emergency reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$557,356. Of this amount, \$357,356 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$200,000 will be appropriated in the 2025/2026 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, 2024, the book value of the Board's deposits was \$4,880,781 and bank and brokerage firm balances of the Board's deposits amounted to \$3,167,093. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 3,139,683
Uninsured and Collateralized	26,454
Uninsured and Uncollateralized	<u>956</u>
	<u><u>\$ 3,167,093</u></u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board's bank balance of \$27,410 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in

the Board's name \$ 26,454

Uninsured and Uncollateralized 956

\$ 27,410

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, 2024, the Board had no outstanding investments.

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

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

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

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

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2024 for the district’s individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental			
State	\$ 30,058		\$ 30,058
Federal		\$ 93,354	93,354
Other Accounts	<u>2,618</u>	<u>-</u>	<u>2,618</u>
Gross Receivables	32,676	93,354	126,030
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 32,676</u>	<u>\$ 93,354</u>	<u>\$ 126,030</u>

C. Unearned Revenue

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

	<u>Unearned</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 18,680
Grant Draw Downs for Year-End Encumbrances	<u>27,265</u>
 Total Unearned for Year-End Governmental Funds	 <u>\$ 45,945</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Transfers	Balance, June 30, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,592			\$ 5,592
Construction in Progress	529,978	\$ 284,180	\$ (589,465)	224,693
Total Capital Assets, Not Being Depreciated	<u>535,570</u>	<u>284,180</u>	<u>(589,465)</u>	<u>230,285</u>
Capital Assets, Being Depreciated:				
Land Improvements	52,200	10,410		62,610
Building and Building Improvements	24,120,149	151,702	589,465	24,861,316
Machinery and Equipment	494,037	60,823	-	554,860
Total Capital Assets Being Depreciated	<u>24,666,386</u>	<u>222,935</u>	<u>589,465</u>	<u>25,478,786</u>
Less Accumulated Depreciation for:				
Land Improvements	(52,200)	(520)		(52,720)
Building and Building Improvements	(13,340,881)	(689,188)		(14,030,069)
Machinery and Equipment	(419,663)	(37,385)	-	(457,048)
Total Accumulated Depreciation	<u>(13,812,744)</u>	<u>(727,093)</u>	<u>-</u>	<u>(14,539,837)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,853,642</u>	<u>(504,158)</u>	<u>589,465</u>	<u>10,938,949</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,389,212</u>	<u>\$ (219,978)</u>	<u>\$ -</u>	<u>\$ 11,169,234</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and equipment	\$ 12,948	\$ 2,936	-	\$ 15,884
Total capital assets being depreciated	<u>12,948</u>	<u>2,936</u>	<u>-</u>	<u>15,884</u>
Less Accumulated Depreciation for:				
Machinery and equipment	(12,948)	(294)	-	(13,242)
Total accumulated depreciation	<u>(12,948)</u>	<u>(294)</u>	<u>-</u>	<u>(13,242)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>2,642</u>	<u>-</u>	<u>2,642</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 2,642</u>	<u>\$ -</u>	<u>\$ 2,642</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular Instruction	\$ 16,416
Total Instruction	<u>16,416</u>
Support Services	
Student and Instruction Related Services	12,245
Central Services and Info. Technology	3,314
Plant Operations and Maintenance	<u>695,118</u>
Total Support Services	<u>710,677</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 727,093</u>

Business-Type Activities:

Food Service Fund	\$ 294
Total Depreciation Expense - Business Type Activities	<u>\$ 294</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2024:

<u>Project</u>	<u>Remaining Commitment</u>
Rooftop Exhaust Fan Replacement Project	\$ 139,860
Partial Roof Replacement Project	<u>463,520</u>
Total	<u>\$ 603,380</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenues Fund	<u>\$ 2,118</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2024 are comprised of the following:

\$1,946,368, fiscal year 2017 Agreement for the Energy Savings Incentive Project (ESIP) for a term of 20 years due in semi-annual principal installments of \$39,429 to \$68,436 through March 18, 2036, interest at 2.46%	\$ 1,307,530
\$36,036, fiscal year 2020 Agreement for the acquisition of copier machines for a term of five (5) years due in monthly principal installments of \$688 to \$692 through August 15, 2024, interest at 5.70%	<u>1,380</u>
Total	<u>\$ 1,308,910</u>

Other Financing Agreements

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 80,830	\$ 31,666	\$ 112,496
2026	84,443	29,682	114,125
2027	89,644	27,574	117,218
2028	95,060	25,336	120,396
2029	100,700	22,964	123,664
2030-2034	590,512	74,210	664,722
2035-2036	<u>267,721</u>	<u>8,289</u>	<u>276,010</u>
Total	<u>\$ 1,308,910</u>	<u>\$ 219,721</u>	<u>\$ 1,528,631</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2024 are comprised of the following issues:

\$4,620,000, 2012 Refunding Bonds, due in a final
annual installment of \$415,000
on February 15, 2025, interest at 3.00% \$415,000

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ <u>415,000</u>	\$ <u>12,450</u>	\$ <u>427,450</u>
Total	\$ <u>415,000</u>	\$ <u>12,450</u>	\$ <u>427,450</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

2.5% of Equalized Valuation Basis (Municipal)	\$ 50,689,948
Less: Net Debt	<u>415,000</u>
Remaining Borrowing Power	<u>\$ 50,274,948</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024, was as follows:

	Balance July 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2024</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 840,000		\$ 425,000	\$ 415,000	\$ 415,000
Add: Original Issue Premium	15,935	-	10,667	5,268	-
Total Bonds Payable	855,935	-	435,667	420,268	415,000
Capital Financing Agreements	1,391,567		82,657	1,308,910	80,830
Compensated Absences	78,605	\$ 17,919		96,524	5,000
Net Pension Liability	1,740,792	121,034	154,623	1,707,203	-
Governmental Activity Long-Term Liabilities	<u>\$ 4,066,899</u>	<u>\$ 138,953</u>	<u>\$ 672,947</u>	<u>\$ 3,532,905</u>	<u>\$ 500,830</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 is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

<u>Fiscal Year Ended June 30</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	None	\$ 27,830	\$ 36,711	\$ 25,717
2023	None	13,791	5,713	25,717
2022	None	36,177	3,620	25,717

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, 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, 2024, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ 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 age for their respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

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

Other Pension Funds

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

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

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024.

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, 2024 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 157,530	\$ 2,217,780	\$ 29,565
2023	145,462	2,090,105	24,250
2022	153,679	2,103,315	18,963

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,041, 844 and \$850, 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 \$456,277 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2023 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$1,707,203 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the District's proportionate share was 0.01179 percent, which an increase of 0.00025 percent from its proportionate share measured as of June 30, 2022 of 0.01154 percent.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,907 for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, 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	\$ 16,323	\$ 6,978
Changes of Assumptions	3,750	103,464
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,862	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>233,184</u>	<u>185,579</u>
Total	<u>\$ 261,119</u>	<u>\$ 296,021</u>

At June 30, 2024, 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>
2025	\$ (36,731)
2026	(36,640)
2027	44,481
2028	(6,866)
2029	854
Thereafter	<u>-</u>
	<u>\$ (34,902)</u>

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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>2,222,415</u>	\$ <u>1,707,203</u>	\$ <u>1,268,689</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$632,221 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$25,734,455. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was 0.05043 percent, which was an increase of 0.0005 percent from its proportionate share measured as of June 30, 2021 of 0.05038 percent.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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:	2.75-4.25%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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>\$ 30,345,592</u>	<u>\$ 25,734,455</u>	<u>\$ 21,850,781</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, 2023. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 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, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$603,599, 549,065 and \$491,419, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$541,530. 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, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$21,080,828. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was 0.04026 percent, which was an increase of 0.00002 percent from its proportionate share measured as of June 30, 2022 of 0.04024 percent.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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

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, 2022 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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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

E. Post-Retirement Medical Benefits (Continued)

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

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 20,379,045
Changes Recognized for the Fiscal Year:	
Service Cost	934,146
Interest on the Total OPEB Liability	742,441
Differences Between Expected and Actual Experience	(457,575)
Changes of Assumptions	42,490
Gross Benefit Payments	(578,745)
Contributions from the Member	19,026
Net Changes	\$ 701,783
Balance, June 30, 2023 Measurement Date	\$ 21,080,828

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

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

E. Post-Retirement Medical Benefits (Continued)

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

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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 24,713,652	\$ 21,080,828	\$ 18,164,092

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 <u></u>	Healthcare Cost Trend Rates <u></u>	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 17,500,337	\$ 21,080,828	\$ 25,765,909

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

**ORADELL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 \$520,344 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	\$ 12,981,081		\$ 12,981,081	\$ 12,981,081	
Tuition from Individuals				4,585	\$ 4,585
Interest				197,517	197,517
Facility Rental Fees	20,000		20,000	42,811	22,811
Miscellaneous	20,500	-	20,500	31,225	10,725
Total Local Sources	13,021,581	-	13,021,581	13,257,219	235,638
State Sources					
Special Education Aid	868,528		868,528	868,528	
Security Aid	58,565		58,565	58,565	
Transportation Aid	29,595		29,595	29,595	
Extraordinary Aid	40,000		40,000	364,435	324,435
Nonpublic School Transportation Aid				8,645	8,645
Lead Testing for Schools					-
On-behalf TPAF Contributions - (Non-Budget)					
Pension Contribution				2,192,773	2,192,773
Pension - NCGI Premium				25,007	25,007
Post Retirement Medical Benefits				603,599	603,599
Long-Term Disability Insurance Premium				1,041	1,041
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	456,277	456,277
Total State Sources	996,688	-	996,688	4,608,465	3,611,777
Total Revenues	14,018,269	-	14,018,269	17,865,684	3,847,415
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	580,451	\$ 21,472	601,923	599,014	2,909
Grades 1-5	2,437,534	(32,415)	2,405,119	2,403,531	1,588
Grades 6-8	495,177	(17,998)	477,179	474,953	2,226
Regular Program - Home Instruction					
Salaries of Teachers		900	900	900	-
Home Instruction					
Purchased Professional-Educational Services	10,000	(8,500)	1,500		1,500
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	37,560	(1,206)	36,354	33,925	2,429
Purchased Technical Services	178,500	(36,838)	141,662	134,626	7,036
Other Purchased Services	3,100	13,730	16,830	10,169	6,661
General Supplies	236,590	116,808	353,398	312,227	41,171
Textbooks	500	2,401	2,901	2,900	1
Miscellaneous Expenditures	-	600	600	375	225
Total Regular Programs	3,979,412	58,954	4,038,366	3,972,620	65,746
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	128,589	(3,150)	125,439	124,465	974
Other Salaries for Instruction	351,609	(236,443)	115,166	114,566	600
General Supplies	5,000	(1,361)	3,639	2,840	799
Total Learning and/or Language Disabilities	485,198	(240,954)	244,244	241,871	2,373

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Resource Room/Resource Center					
Salaries of Teachers	\$ 775,207		\$ 775,207	\$ 773,498	\$ 1,709
Other Salaries for Instruction	51,248	\$ 198,855	250,103	238,401	11,702
General Supplies	2,100	964	3,064	3,045	19
Total Resource Room/Resource Center	828,555	199,819	1,028,374	1,014,944	13,430
Preschool Disabilities - Part-Time					
Salaries of Teachers	80,425	(3,700)	76,725	75,832	893
Other Salaries for Instruction	31,121	-	31,121	30,977	144
Purchased Professional-Educational Services	6,400	(6,000)	400		400
General Supplies	1,000	-	1,000	285	715
Total Preschool Disabilities - Part-Time	118,946	(9,700)	109,246	107,094	2,152
Total Special Education	1,432,699	(50,835)	1,381,864	1,363,909	17,955
Basic Skills/Remedial					
Salaries of Teachers	454,370	48,009	502,379	502,379	-
Other Salaries for Instruction	3,100	-	3,100	3,100	-
General Supplies	1,800	199	1,999	1,982	17
Total Basic Skills/Remedial	459,270	48,208	507,478	507,461	17
Bilingual Education					
Salaries of Teachers	142,339	4,000	146,339	145,339	1,000
General Supplies	400	198	598	588	10
Total Bilingual Education	142,739	4,198	146,937	145,927	1,010
School Sponsored Co/Extra-Curricular Activities					
Salaries	18,000	4,753	22,753	22,753	-
Purchased Services	4,600	266	4,866	2,769	2,097
Supplies and Materials	500	(500)	-	-	-
Total School Sponsored Co/Extra-Curricular Activities	23,100	4,519	27,619	25,522	2,097
Total Instruction	6,037,220	65,044	6,102,264	6,015,439	86,825
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special	471,397	(46,227)	425,170	379,195	45,975
Tuition to APSSD Within the State	718,623	(176,725)	541,898	455,895	86,003
Total Undistributed Expenditures - Instruction	1,190,020	(222,952)	967,068	835,090	131,978
Attendance and Social Work					
Salaries	46,620	-	46,620	46,620	-
Total Attendance and Social Work	46,620	-	46,620	46,620	-
Health Services					
Salaries	96,782	2,500	99,282	97,425	1,857
Purchased Professional and Technical Services	60,000	(60,000)			-
Supplies and Materials	3,000	-	3,000	2,223	777
Total Health Services	159,782	(57,500)	102,282	99,648	2,634

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Speech, OT, PT & Related Services					
Salaries	\$ 298,065	\$ 675	\$ 298,740	\$ 298,740	-
Purchased Professional-Educational Services	160,000	(7,588)	152,412	150,484	\$ 1,928
Supplies and Materials	1,500	610	2,110	1,673	437
Total Speech, OT, PT & Related Services	459,565	(6,303)	453,262	450,897	2,365
Other Support Serv. Students - Extra. Svcs.					
Salaries	48,248	87,189	135,437	135,437	-
Purchased Professional-Educational Services	269,000	22,825	291,825	291,825	-
Total Other Support Serv. Students - Extra. Serv.	317,248	110,014	427,262	427,262	-
Guidance					
Salaries of Other Professional Staff	69,282	52	69,334	69,334	-
Supplies and Materials	400	4,447	4,847	4,500	347
Total Guidance	69,682	4,499	74,181	73,834	347
Child Study Team					
Salaries of Other Professional Staff	418,433	(13,291)	405,142	384,557	20,585
Salaries of Secretarial and Clerical Assistants	79,544	1,000	80,544	80,544	-
Other Salaries	20,575	2,140	22,715	22,715	-
Purchased Professional-Educational Services	58,400	11,598	69,998	69,998	-
Other Purchased Professional & Technical Services	1,000	585	1,585	1,020	565
Other Purchased Services	2,100	(2,005)	95		95
Supplies and Materials	2,300	578	2,878	2,564	314
Other Objects	1,350	420	1,770	1,691	79
Total Child Study Team	583,702	1,025	584,727	563,089	21,638
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	191,973	(67,500)	124,473	106,027	18,446
Salaries of Other Professional Staff	7,500	-	7,500	6,430	1,070
Other Purchased Services	500	-	500		500
Supplies and Materials	1,000	-	1,000	140	860
Other Objects	1,000	-	1,000	525	475
Total Improvement of Instructional Services	201,973	(67,500)	134,473	113,122	21,351
Educational Media Services/School Library					
Salaries	97,724	8,650	106,374	106,374	-
Supplies and Materials	20,590	-	20,590	19,165	1,425
Total Educational Media Serv./School Library	118,314	8,650	126,964	125,539	1,425
Instructional Staff Training Services					
Other Salaries	5,500	-	5,500	1,950	3,550
Purchased Professional/Educational Services	10,000	-	10,000	9,289	711
Other Purchased Services	7,000	-	7,000	6,243	757
Supplies and Materials	600	-	600	244	356
Total Instructional Staff Training Services	23,100	-	23,100	17,726	5,374

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 251,184		\$ 251,184	\$ 250,977	\$ 207
Legal Services	52,000	\$ 3,272	55,272	54,935	337
Audit Fees	35,000	30,455	65,455	33,306	32,149
Architectural/Engineering Services	20,000	(20,000)	-	-	-
Communications/Telephone	22,500	2,070	24,570	22,123	2,447
Miscellaneous Purchased Services	7,500	1,100	8,600	7,222	1,378
BOE Other Purchased Services	6,000	-	6,000	3,825	2,175
General Supplies	3,475	5,058	8,533	6,777	1,756
Miscellaneous Expenditures	4,500	-	4,500	4,500	-
BOE Membership Dues and Fees	8,965	(1,500)	7,465	7,228	237
Total General Administration	411,124	20,455	431,579	390,893	40,686
School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	313,909	104,076	417,985	399,856	18,129
Salaries of Secretarial and Clerical Assistants	91,770	-	91,770	91,770	-
Other Salaries	1,000	750	1,750	1,577	173
Other Purchased Services	9,900	831	10,731	9,417	1,314
Supplies and Materials	4,200	9,021	13,221	12,016	1,205
Other Objects	5,000	-	5,000	4,648	352
Total School Administration	425,779	114,678	540,457	519,284	21,173
Central Services					
Salaries	275,196	(12,000)	263,196	251,953	11,243
Purchased Professional Services	11,600	19,019	30,619	30,617	2
Miscellaneous Purchased Services	6,800	(1,562)	5,238	4,116	1,122
Supplies and Materials	6,000	-	6,000	4,322	1,678
Miscellaneous Expenditures	1,500	(1,349)	151	-	151
Total Central Services	301,096	4,108	305,204	291,008	14,196
Admin. Info. Tech.					
Salaries	1,500		1,500	1,042	458
Purchased Technical Services	3,080	3,295	6,375	6,189	186
Other Purchased Services	4,500	200	4,700	4,669	31
Supplies and Materials	-	25,015	25,015	25,013	2
Total Admin. Info. Tech.	9,080	28,510	37,590	36,913	677
Required Maintenance for School Facilities					
Salaries	160,285	5,752	166,037	163,980	2,057
Cleaning, Repair and Maintenance	140,135	15,975	156,110	153,119	2,991
General Supplies	20,000	10,598	30,598	30,208	390
Total Required Maintenance for School Fac.	320,420	32,325	352,745	347,307	5,438
Custodial Services					
Salaries	351,590	(6,951)	344,639	335,795	8,844
Salaries of Non-Instructional Aides	62,000	(5,180)	56,820	55,012	1,808
Purchased Prof. And Technical Serv.	5,000	(2,169)	2,831	2,735	96
Cleaning, Repair and Maint. Serv.	18,500	(1,324)	17,176	14,925	2,251
Lease Purchase Payment-Energy Savings Impr Prog	108,187	-	108,187	108,186	1
Other Purchased Property Services	15,000	(3,345)	11,655	10,806	849
Insurance	149,380	2,691	152,071	152,071	-
Miscellaneous Purchased Services	4,275	(2,382)	1,893	1,893	-
General Supplies	31,000	2,711	33,711	32,508	1,203
Energy (Natural Gas)	71,500	(500)	71,000	59,566	11,434
Energy (Electricity)	126,500	(5,196)	121,304	117,711	3,593
Energy (Gasoline)	1,000	-	1,000	445	555
Other Objects	500	(375)	125	125	-
Total Custodial Services	944,432	(22,020)	922,412	891,778	30,634

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	\$ 20,000	\$ 82,298	\$ 102,298	\$ 93,800	\$ 8,498
General Supplies	-	22,367	22,367	22,365	2
Total Care and Upkeep of Grounds	20,000	104,665	124,665	116,165	8,500
Security					
Cleaning, Repair and Maint. Serv.	6,500	942	7,442	7,300	142
Purchased Prof. And Technical Serv.	2,500	(250)	2,250	1,890	360
General Supplies	1,000	5,695	6,695	6,494	201
Total Security	10,000	6,387	16,387	15,684	703
Student Transportation Services					
Contracted Serv. - Aid in Lieu of Payments - Non-Public	20,000	4,969	24,969	24,380	589
Contracted Services (Other than Between Home and School) - Vendors	7,500	4,400	11,900	8,708	3,192
Contracted Services (Spl. Ed. Students) - Vendors	300,000	(5,559)	294,441	234,946	59,495
Total Student Transportation Services	327,500	3,810	331,310	268,034	63,276
Unallocated Benefits - Employee Benefits					
Social Security Contributions	165,000	5,836	170,836	170,836	-
Other Retirement Contributions-PERS	180,000	(21,308)	158,692	158,692	-
Other Retirement Contributions-Regular	30,000	-	30,000	29,565	435
Unemployment Compensation	12,000	(2,125)	9,875	-	9,875
Workmen's Compensation	77,000	-	77,000	76,682	318
Health Benefits	1,820,000	22,217	1,842,217	1,831,983	10,234
Tuition Reimbursement	36,000	(16,000)	20,000	18,585	1,415
Other Employee Benefits	106,500	(26,500)	80,000	71,172	8,828
Unused Sick Payment to Terminated/Retired Staff	10,000	(1,257)	8,743	-	8,743
Total Unallocated Benefits - Employee Benefits	2,436,500	(39,137)	2,397,363	2,357,515	39,848
On-behalf TPAF Contributions - (Non-Budget):					
Pension Contribution				2,192,773	(2,192,773)
Pension - NCGI Premium				25,007	(25,007)
Post Retirement Medical Benefits				603,599	(603,599)
Long Term Disability Insurance Premium				1,041	(1,041)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	456,277	(456,277)
Total On-Behalf Payments	-	-	-	3,278,697	(3,278,697)
Total Undistributed Expenditures	8,375,937	23,714	8,399,651	11,266,105	(2,866,454)
Total - Current Expenditures	14,413,157	88,758	14,501,915	17,281,544	(2,779,629)
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Instruction	51,752	(5,413)	46,339	33,492	12,847
Undistributed Expenditures - Administrative Information Technology		9,781	9,781	9,781	-
Undistributed Expenditures - Operations and Plant Maint.	-	23,660	23,660	23,660	-
Total Equipment	51,752	28,028	79,780	66,933	12,847

**ORADELL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
CAPITAL OUTLAY (Continued)					
EXPENDITURES (Continued)					
Facilities Acquisition and Construction Services					
Buildings Other Than Lease Purchase Agreements					
Architectural/Engineering Services		\$ 57,100	\$ 57,100	\$ 37,915	\$ 19,185
Construction Services	\$ 330,000	601,580	931,580	323,459	608,121
Assessment for Debt Service on SDA Funding	27,860	-	27,860	27,860	-
Total Facilities Acquisition and Construction Services	357,860	658,680	1,016,540	389,234	627,306
Increase in Capital Reserve	141,457		141,457		141,457
Interest Deposit to Capital Reserve	500	-	500	-	500
	141,957	-	141,957	-	141,957
Total Capital Outlay	551,569	686,708	1,238,277	456,167	782,110
Total Expenditures	14,964,726	775,466	15,740,192	17,737,711	(1,997,519)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(946,457)	(775,466)	(1,721,923)	127,973	1,849,896
Net Change in Fund Balances	\$ (946,457)	\$ (775,466)	\$ (1,721,923)	\$ 127,973	\$ 1,849,896
Fund Balance, Beginning of Year	4,743,596	-	4,743,596	4,743,596	-
Fund Balance, End of Year	\$ 3,797,139	\$ (775,466)	\$ 3,021,673	\$ 4,871,569	\$ 1,849,896
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 1,398,628	
Capital Reserve - Designated for Subsequent Year's Expenditures				782,312	
Maintenance Reserve				493,157	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				150,000	
Emergency Reserve				130,425	
Emergency Reserve - Designated for Subsequent Year's Expenditures				45,000	
Unemployment Compensation Reserve				25,717	
Excess Surplus				200,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				357,356	
Committed Fund Balance:					
Year End Encumbrances				622,564	
Assigned Fund Balance:					
Year End Encumbrances				44,150	
Unassigned Fund Balance				<u>622,260</u>	
Reconciliation to Governmental Funds Statements (GAAP):				4,871,569	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(456,218)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 4,415,351</u>	

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 56,305	46,265	\$ 102,570	\$ 76,870	\$ (25,700)
Federal	212,883	261,616	474,499	381,735	(92,764)
Other	-	183,408	183,408	109,687	(73,721)
Total Revenues	269,188	491,289	760,477	568,292	(192,185)
EXPENDITURES					
Instruction					
Salaries of Teachers	13,812	6,398	20,210	34,940	(14,730)
Purchased Professional and Technical Services		34,020	34,020	22,680	11,340
Purchased Professional and Educational Services		835	835	824	11
Other Purchased Services		27,760	27,760	-	27,760
Tuition	187,108	22,082	209,190	209,190	-
Supplies and Materials	5,380	71,791	77,171	49,790	27,381
Textbooks	3,280	882	4,162	4,162	-
Co-curricular/Extra-curricular Activities	-	101,360	101,360	72,717	28,643
Total Instruction	209,580	265,128	474,708	394,303	80,405
Support Services					
Salaries		2,105	2,105	1,905	200
Employee Benefits		11,002	11,002	5,830	5,172
Purchased Professional and Technical Services		71,490	71,490	62,680	8,810
Purchased Professional and Educational Services	8,670	13,011	21,681	9,416	12,265
Other Purchased Services	40,749	45,174	85,923	44,081	41,842
Supplies and Materials	10,189	4,571	14,760	14,760	-
Total Support Services	59,608	147,353	206,961	138,672	68,289
Capital Outlay					
Construction Services		73,813	73,813	30,653	43,160
Instructional Equipment	-	4,995	4,995	4,995	-
Total Capital Outlay	-	78,808	78,808	35,648	43,160
Total Expenditures	269,188	491,289	760,477	568,623	191,854
Net Change in Fund Balances	-	-	-	(331)	(331)
Fund Balances, Beginning of Year	48,998	-	48,998	48,998	-
Fund Balances, End of Year	\$ 48,998	\$ -	\$ 48,998	\$ 48,667	\$ (331)
Restricted Fund Balance					
Student Activities				\$ 48,667	

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 17,865,684	\$ 568,292
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023, net of cancellations		43,160
Encumbrances, June 30, 2024		(27,265)
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2022/2023 State Aid)	405,857	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2023/2024 State Aid)	<u>(456,218)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 17,815,323</u>	<u>\$ 584,187</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 17,737,711	\$ 568,623
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2023, net of cancellations		43,160
Encumbrances, June 30, 2024	<u>-</u>	<u>(27,265)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 17,737,711</u>	<u>\$ 584,518</u>

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

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

Public Employees Retirement System

Last Ten Fiscal Years*

	<u>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0.01179 %	0.01154 %	0.01312 %	0.01167 %	0.01032 %	0.01070 %	0.01198 %	0.01225 %	0.01206 %	0.01217 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,707,203	\$ 1,740,792	\$ 1,554,550	\$ 1,903,535	\$ 1,860,300	\$ 2,107,382	\$ 2,788,755	\$ 3,627,957	\$ 2,706,898	\$ 2,278,086
District's Covered Payroll	\$ 881,106	\$ 871,731	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528	\$ 823,261
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	193.76 %	199.69 %	174.95 %	212.01 %	229.53 %	280.05 %	347.08 %	435.41 %	333.56 %	276.71 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23 %	62.91 %	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %

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

ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<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>
Contractually Required Contribution	\$ 157,530	\$ 145,462	\$ 153,679	\$ 127,695	\$ 100,427	\$ 106,461	\$ 110,982	\$ 108,823	\$ 103,671	\$ 100,307
Contributions in Relation to the Contractually Required Contribution	<u>157,530</u>	<u>145,462</u>	<u>153,679</u>	<u>127,695</u>	<u>100,427</u>	<u>106,461</u>	<u>110,982</u>	<u>108,823</u>	<u>103,671</u>	<u>100,307</u>
Contribution Deficiently (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 923,290	\$ 881,106	\$ 871,731	\$ 888,575	\$ 897,839	\$ 810,499	\$ 752,502	\$ 803,494	\$ 833,228	\$ 811,528
Contributions as a Percentage of Covered Payroll	17.06 %	16.51 %	17.63 %	14.37 %	11.19 %	13.14 %	14.75 %	13.54 %	12.44 %	12.36 %

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years*

	<u>2024</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>25,734,455</u>	<u>25,994,298</u>	<u>24,284,432</u>	<u>32,565,463</u>	<u>29,236,099</u>	<u>28,524,493</u>	<u>30,780,524</u>	<u>35,991,367</u>	<u>30,794,856</u>	<u>24,295,013</u>
Total	<u>\$ 25,734,455</u>	<u>\$ 25,994,298</u>	<u>\$ 24,284,432</u>	<u>\$ 32,565,463</u>	<u>\$ 29,236,099</u>	<u>\$ 28,524,493</u>	<u>\$ 30,780,524</u>	<u>\$ 35,991,367</u>	<u>\$ 30,794,856</u>	<u>\$ 24,295,013</u>
District's Covered Payroll	\$ 5,655,476	\$ 6,053,640	\$ 5,502,288	\$ 5,653,537	\$ 5,481,322	\$ 5,053,002	\$ 4,895,026	\$ 4,708,379	\$ 4,652,286	\$ 4,571,132
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %	33.64 %

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

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Change of Benefit Terms: None.

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

REQUIRED SUPPLEMENTARY INFORMATION - PART IV
POSTEMPLOYMENT BENEFITS INFORMATION

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

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 934,146	\$ 1,222,454	\$ 1,415,703	\$ 782,193	\$ 727,750	\$ 862,968	\$ 1,041,253
Interest on Total OPEB Liability	742,441	540,067	649,332	642,322	749,223	817,375	703,583
Changes of Benefit Terms			(26,643)				
Differences Between Expected and Actual Experience	(457,575)	(429,886)	(5,236,018)	4,706,531	(2,296,746)	(2,340,036)	-
Changes of Assumptions	42,490	(5,466,862)	24,695	5,242,300	265,549	(2,168,267)	(2,934,327)
Gross Benefit Payments	(578,745)	(534,953)	(511,492)	(499,624)	(546,715)	(505,239)	(563,601)
Contribution from the Member	<u>19,026</u>	<u>17,162</u>	<u>16,600</u>	<u>15,144</u>	<u>16,206</u>	<u>17,462</u>	<u>20,753</u>
Net Change in Total OPEB Liability	701,783	(4,652,018)	(3,667,823)	10,888,866	(1,084,733)	(3,315,737)	(1,732,339)
Total OPEB Liability - Beginning	<u>20,379,045</u>	<u>25,031,063</u>	<u>28,698,886</u>	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>	<u>23,942,829</u>
Total OPEB Liability - Ending	<u>\$ 21,080,828</u>	<u>\$ 20,379,045</u>	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>21,080,828</u>	<u>20,379,045</u>	<u>25,031,063</u>	<u>28,698,886</u>	<u>17,810,020</u>	<u>18,894,753</u>	<u>22,210,490</u>
Total OPEB Liability - Ending	<u>\$ 21,080,828</u>	<u>\$ 20,379,045</u>	<u>\$ 25,031,063</u>	<u>\$ 28,698,886</u>	<u>\$ 17,810,020</u>	<u>\$ 18,894,753</u>	<u>\$ 22,210,490</u>
District's Covered Payroll	<u>\$ 6,536,582</u>	<u>\$ 6,925,371</u>	<u>\$ 6,390,863</u>	<u>\$ 6,551,376</u>	<u>\$ 6,291,821</u>	<u>\$ 5,805,504</u>	<u>\$ 5,698,520</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

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

**ORADELL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

[illegible]

**ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	From Exhibit <u>E-1</u>	IDEIA Part B <u>Basic</u>	IDEIA Part B <u>Preschool</u>	Title I <u>Part A</u>	Title II <u>Part A</u>	Title IV	To Exhibit <u>E-1B</u>
REVENUES							
Intergovernmental							
State	\$ 58,771						\$ 58,771
Federal	-	\$ 202,393	\$ 14,557	\$ 15,153	\$ 9,416	\$ 8,562	250,081
Other	109,687	-	-	-	-	-	109,687
Total Revenues	168,458	202,393	14,557	15,153	9,416	8,562	418,539
EXPENDITURES							
Instruction							
Salaries of Teachers	-			5,250		4,900	10,150
Purchased Professional and Technical Services	-						-
Purchased Professional and Educational Services	-					824	824
Other Purchased Services	-						-
Tuition	-	194,633	14,557				209,190
Supplies and Materials	28,275			6,103		2,838	37,216
Textbooks	4,162						4,162
Other Objects	-						-
Co-curricular/Extra-curricular Activities	72,717	-	-	-	-	-	72,717
Total Instruction	105,154	194,633	14,557	11,353	-	8,562	334,259
Support Services							
Salaries	-						-
Employee Benefits	-						-
Purchased Professional and Technical Services	-			3,800			3,800
Purchased Professional and Educational Services	-				9,416		9,416
Other Purchased Services	36,321	7,760					44,081
Supplies and Materials	14,760	-	-	-	-	-	14,760
Total Support Services	51,081	7,760	-	3,800	9,416	-	72,057
Capital Outlay							
Construction Services	12,554	-	-	-	-	-	12,554
Total Capital Outlay	12,554	-	-	-	-	-	12,554
Total Expenditures	168,789	202,393	14,557	15,153	9,416	8,562	418,870
Net Change in Fund Balances	(331)	-	-	-	-	-	(331)
Fund Balances, Beginning of Year	48,998	-	-	-	-	-	48,998
Fund Balances, End of Year	\$ 48,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,667

ORADELL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

			American Rescue Plan - ESSER III							
	From Exhibit E-1A	SDA Emergent and Capital Maintenance Needs	NJ High Impact Tutoring Grant	ESSER III	Accelerated Learning Coach and Educator Support	Evidence-Based Summer Learning and Enrichment	Evidence-Based Comprehensive Beyond the School Day	Mental Health	Exhibit E-1 Grand Total	
REVENUES										
Intergovernmental										
State	\$ 58,771	\$ 18,099							\$ 76,870	
Federal	250,081		\$ 22,680	\$ 20,393	\$ 46,635	\$ 14,790	\$ 18,279	\$ 8,877	381,735	
Other	109,687	-	-	-	-	-	-	-	109,687	
Total Revenues	418,539	18,099	22,680	20,393	46,635	14,790	18,279	8,877	568,292	
EXPENDITURES										
Instruction										
Salaries of Teachers	10,150					14,790	10,000		34,940	
Purchased Professional and Technical Services	-		22,680						22,680	
Purchased Professional and Educational Services	824								824	
Tuition	209,190								209,190	
Supplies and Materials	37,216			8,993			3,284	297	49,790	
Textbooks	4,162								4,162	
Co-curricular/Extra-curricular Activities	72,717	-	-	-	-	-	-	-	72,717	
Total Instruction	334,259	-	22,680	8,993	-	14,790	13,284	297	394,303	
Support Services										
Salaries	-				1,905				1,905	
Employee Benefits	-							5,830	5,830	
Purchased Professional and Technical Services	3,800			11,400	44,730			2,750	62,680	
Purchased Professional and Educational Services	9,416								9,416	
Other Purchased Services	44,081								44,081	
Supplies and Materials	14,760	-	-	-	-	-	-	-	14,760	
Total Support Services	72,057	-	-	11,400	46,635	-	-	8,580	138,672	
Capital Outlay										
Construction Services	12,554	18,099							30,653	
Instructional Equipment	-	-	-	-	-	-	4,995	-	4,995	
Total Capital Outlay	12,554	18,099	-	-	-	-	4,995	-	35,648	
Total Expenditures	418,870	18,099	22,680	20,393	46,635	14,790	18,279	8,877	568,623	
Net Change in Fund Balances	(331)	-	-	-	-	-	-	-	(331)	
Fund Balances, Beginning of Year	48,998	-	-	-	-	-	-	-	48,998	
Fund Balances, End of Year	\$ 48,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,667	

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**ORADELL BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

Financial Statements are Presented on Exhibit B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Statements are Presented on Exhibit B-5

EXHIBIT G-3

**PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Statements are Presented on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

ORADELL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

**ORADELL BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 450,200	-	\$ 450,200	\$ 450,200	-
Total Revenues	450,200	-	450,200	450,200	-
EXPENDITURES					
Regular Debt Service					
Redemption of Bond Principal	425,000	-	425,000	425,000	-
Interest on Bonds	25,200	-	25,200	25,200	-
Total Expenditures	450,200	-	450,200	450,200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

EXHIBIT I-3

ORADELL BOARD OF EDUCATION
SCHEDULE OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2023</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2024</u>
<u>Capital Financing Agreements:</u>						
Energy Savings Incentive Project (ESIP)	\$ 1,946,368	2.46%	\$ 1,382,186		\$ 74,656	\$ 1,307,530
06 Copiers	36,036	5.70%	<u>9,381</u>	<u>-</u>	<u>8,001</u>	<u>1,380</u>
			<u>\$ 1,391,567</u>	<u>\$ -</u>	<u>\$ 82,657</u>	<u>\$ 1,308,910</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 8,192,648	\$ 8,105,230	\$ 8,252,637	\$ 8,701,442	\$ 9,209,648	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119	\$ 9,155,356	\$ 9,444,569
Restricted	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558	3,090,494	2,898,481
Unrestricted	(1,829,044)	(1,512,335)	(1,850,714)	(1,692,154)	(1,563,591)	(1,563,242)	(789,512)	(436,360)	(698,476)	(287,142)
Total Governmental Activities Net Position	<u>\$ 7,812,243</u>	<u>\$ 8,423,669</u>	<u>\$ 8,447,480</u>	<u>\$ 9,135,341</u>	<u>\$ 9,204,225</u>	<u>\$ 9,370,121</u>	<u>\$ 10,397,758</u>	<u>\$ 11,176,317</u>	<u>\$ 11,547,374</u>	<u>\$ 12,055,908</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 5,184	\$ 9,063	\$ 6,473	\$ 3,884	\$ 1,294					\$ 2,642
Restricted										
Unrestricted	36,245	44,130	50,897	52,735	54,143	64,571	\$ 64,571	\$ 63,712	\$ 72,302	\$ 91,897
Total Business-Type Activities Net Position	<u>\$ 41,429</u>	<u>\$ 53,193</u>	<u>\$ 57,370</u>	<u>\$ 56,619</u>	<u>\$ 55,437</u>	<u>\$ 64,571</u>	<u>\$ 64,571</u>	<u>\$ 63,712</u>	<u>\$ 72,302</u>	<u>\$ 94,539</u>
District-Wide										
Net Investment in Capital Assets	\$ 8,197,832	\$ 8,114,293	\$ 8,259,110	\$ 8,705,326	\$ 9,210,942	\$ 9,516,064	\$ 9,269,649	\$ 9,135,119	\$ 9,155,356	\$ 9,447,211
Restricted	1,448,639	1,830,774	2,045,557	2,126,053	1,558,168	1,417,299	1,917,621	2,477,558	3,090,494	2,898,481
Unrestricted	(1,792,799)	(1,468,205)	(1,799,817)	(1,639,419)	(1,509,448)	(1,498,671)	(724,941)	(372,648)	(626,174)	(195,245)
Total District Net Position	<u>\$ 7,853,672</u>	<u>\$ 8,476,862</u>	<u>\$ 8,504,850</u>	<u>\$ 9,191,960</u>	<u>\$ 9,259,662</u>	<u>\$ 9,434,692</u>	<u>\$ 10,462,329</u>	<u>\$ 11,240,029</u>	<u>\$ 11,619,676</u>	<u>\$ 12,150,447</u>

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

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,572,721	\$ 5,996,527	\$ 6,952,407	\$ 6,770,203	\$ 6,271,824	\$ 6,025,833	\$ 6,147,474	\$ 5,917,630	\$ 5,617,234	\$ 5,700,088
Special Education	1,766,934	1,862,442	2,062,668	2,464,103	2,641,712	2,881,463	3,351,013	3,043,103	2,975,252	3,010,706
Other Instruction	654,929	676,687	643,808	949,075	838,689	776,230	958,231	952,616	894,768	1,019,919
School Sponsored Activities and Athletics	32,672	43,938	55,062	43,588	34,978	27,012	46,367	67,914	135,771	106,516
Support Services:										
Student & Instruction Related Services	1,831,207	1,999,876	2,061,498	1,975,724	2,254,787	2,330,291	2,380,912	2,456,420	2,453,967	2,602,406
General Administrative Services	398,210	450,012	450,402	584,582	623,514	587,506	470,304	529,199	512,941	530,216
School Administrative Services	722,483	828,704	952,768	901,436	695,111	637,310	703,078	567,319	588,381	745,784
Central Services and Info. Technology	386,686	369,219	422,606	419,806	440,208	375,838	490,560	411,726	393,034	437,019
Plant Operations and Maintenance	1,575,083	1,622,744	1,705,808	1,645,958	1,770,999	1,880,360	1,904,383	2,017,816	2,507,268	2,220,660
Pupil Transportation	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594	251,089	268,034
Interest on Long-Term Debt	137,089	142,254	164,216	149,139	134,886	121,289	102,606	83,713	66,502	52,200
Total Governmental Activities Expenses	<u>13,167,810</u>	<u>14,120,921</u>	<u>15,590,423</u>	<u>16,050,224</u>	<u>15,862,113</u>	<u>15,731,521</u>	<u>16,642,280</u>	<u>16,227,050</u>	<u>16,396,207</u>	<u>16,693,548</u>
Business-Type Activities:										
Food Service	10,586	15,033	19,221	15,158	15,290	5,293		10,034	10,958	6,381
Summer Program	76,118	70,788	58,937	62,164	59,584	121,485			77,528	65,096
Total Business-Type Activities Expense	<u>86,704</u>	<u>85,821</u>	<u>78,158</u>	<u>77,322</u>	<u>74,874</u>	<u>126,778</u>	<u>-</u>	<u>10,034</u>	<u>88,486</u>	<u>71,477</u>
Total District Expenses	<u>\$ 13,254,514</u>	<u>\$ 14,206,742</u>	<u>\$ 15,668,581</u>	<u>\$ 16,127,546</u>	<u>\$ 15,936,987</u>	<u>\$ 15,858,299</u>	<u>\$ 16,642,280</u>	<u>\$ 16,237,084</u>	<u>\$ 16,484,693</u>	<u>\$ 16,765,025</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 122,670	\$ 78,250							\$ 5,055	\$ 4,585
Instruction (School-Sponsored Activities)							\$ 35,175	\$ 51,682	110,145	72,386
Support Services		\$ 68,736	75,562						27,426	42,811
Operating Grants and Contributions	2,855,491	3,458,146	4,271,564	4,795,117	\$ 3,801,831	\$ 3,533,152	\$ 4,918,389	3,983,750	3,332,952	3,343,469
Capital Grants and Contributions	37,400	32,994	-	2,126				52,141	17,745	78,808
Total Governmental Activities Program Revenues	<u>3,015,561</u>	<u>3,638,126</u>	<u>4,347,126</u>	<u>4,797,243</u>	<u>3,801,831</u>	<u>3,533,152</u>	<u>4,953,564</u>	<u>4,087,573</u>	<u>3,493,323</u>	<u>3,542,059</u>
Business-Type Activities:										
Charges for Services										
Food Service	\$ 10,097	\$ 10,796	\$ 9,218	\$ 8,511	\$ 7,966	\$ 6,573		\$ 6,188	\$ 9,817	\$ 8,954
Summer Program	69,625	82,680	69,635	64,360	62,671	69,428			81,371	84,760
Operating Grants and Contributions	4,331	4,109	3,482	3,700	3,055			2,987	5,888	-
Total Business Type Activities Program Revenues	<u>84,053</u>	<u>97,585</u>	<u>82,335</u>	<u>76,571</u>	<u>73,692</u>	<u>76,001</u>	<u>-</u>	<u>9,175</u>	<u>97,076</u>	<u>93,714</u>
Total District Program Revenues	<u>\$ 3,099,614</u>	<u>\$ 3,735,711</u>	<u>\$ 4,429,461</u>	<u>\$ 4,873,814</u>	<u>\$ 3,875,523</u>	<u>\$ 3,609,153</u>	<u>\$ 4,953,564</u>	<u>\$ 4,096,748</u>	<u>\$ 3,590,399</u>	<u>\$ 3,635,773</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (10,152,249)	\$ (10,482,795)	\$ (11,243,297)	\$ (11,252,981)	\$ (12,060,282)	\$ (12,198,369)	\$ (11,688,716)	\$ (12,139,477)	\$ (12,902,884)	\$ (13,151,489)
Business-Type Activities	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-	(859)	8,590	22,237
Total District-Wide Net Expense	<u>\$ (10,154,900)</u>	<u>\$ (10,471,031)</u>	<u>\$ (11,239,120)</u>	<u>\$ (11,253,732)</u>	<u>\$ (12,061,464)</u>	<u>\$ (12,249,146)</u>	<u>\$ (11,688,716)</u>	<u>\$ (12,140,336)</u>	<u>\$ (12,894,294)</u>	<u>\$ (13,129,252)</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 10,294,274	\$ 10,514,068	\$ 10,724,349	\$ 11,257,005	\$ 11,459,631	\$ 11,735,516	\$ 12,091,897	\$ 12,333,735	\$ 12,628,511	\$ 12,981,081
Property Taxes Levied for Debt Service, Net	521,200	523,700	500,360	525,150	527,850	525,100	507,700	485,300	468,100	450,200
Unrestricted Grants and Contributions	14,467	7,611	7,779	7,775	2,136					
Investment Earnings	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181	102,188	197,517
Miscellaneous Income	23,422	40,569	22,658	131,242	105,723	76,123	112,923	91,820	75,142	31,225
Total Governmental Activities	<u>10,854,063</u>	<u>11,094,221</u>	<u>11,267,108</u>	<u>11,940,842</u>	<u>12,129,166</u>	<u>12,364,843</u>	<u>12,716,353</u>	<u>12,918,036</u>	<u>13,273,941</u>	<u>13,660,023</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 10,854,063</u>	<u>\$ 11,094,221</u>	<u>\$ 11,267,108</u>	<u>\$ 11,940,842</u>	<u>\$ 12,129,166</u>	<u>\$ 12,364,843</u>	<u>\$ 12,716,353</u>	<u>\$ 12,918,036</u>	<u>\$ 13,273,941</u>	<u>\$ 13,660,023</u>
Change in Net Position										
Governmental Activities	\$ 701,814	\$ 611,426	\$ 23,811	\$ 687,861	\$ 68,884	\$ 166,474	\$ 1,027,637	\$ 778,559	\$ 371,057	\$ 508,534
Business-Type Activities	(2,651)	11,764	4,177	(751)	(1,182)	(50,777)	-	(859)	8,590	22,237
Total District	<u>\$ 699,163</u>	<u>\$ 623,190</u>	<u>\$ 27,988</u>	<u>\$ 687,110</u>	<u>\$ 67,702</u>	<u>\$ 115,697</u>	<u>\$ 1,027,637</u>	<u>\$ 777,700</u>	<u>\$ 379,647</u>	<u>\$ 530,771</u>

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

	As of June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 2,085,833	\$ 2,565,471	\$ 2,398,304	\$ 2,843,605	\$ 2,419,587	\$ 2,378,356	\$ 2,986,666	\$ 3,487,093	\$ 4,045,734	\$ 3,582,595
Committed								298,231	46,709	622,564
Assigned	76,185	323,648	218,928	321,753	331,808	132,963	384,233	120,491	88,760	44,150
Unassigned	<u>182,100</u>	<u>190,346</u>	<u>189,422</u>	<u>187,085</u>	<u>166,281</u>	<u>84,043</u>	<u>361,971</u>	<u>395,406</u>	<u>156,536</u>	<u>166,042</u>
Total General Fund	<u>\$ 2,344,118</u>	<u>\$ 3,079,465</u>	<u>\$ 2,806,654</u>	<u>\$ 3,352,443</u>	<u>\$ 2,917,676</u>	<u>\$ 2,595,362</u>	<u>\$ 3,732,870</u>	<u>\$ 4,301,221</u>	<u>\$ 4,337,739</u>	<u>\$ 4,415,351</u>
All Other Governmental Funds										
Restricted	\$ 32,190	\$ 1,241,053	\$ 374,973	\$ 63,426	\$ 1,839	\$ 35,455	\$ 27,467	\$ 37,347	\$ 48,998	\$ 48,667
Total all Other Governmental Funds	<u>\$ 32,190</u>	<u>\$ 1,241,053</u>	<u>\$ 374,973</u>	<u>\$ 63,426</u>	<u>\$ 1,839</u>	<u>\$ 35,455</u>	<u>\$ 27,467</u>	<u>\$ 37,347</u>	<u>\$ 48,998</u>	<u>\$ 48,667</u>

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes	\$ 10,815,474	\$ 11,037,768	\$ 11,224,709	\$ 11,782,155	\$ 11,987,481	\$ 12,260,616	\$ 12,599,597	\$ 12,819,035	\$ 13,096,611	\$ 13,431,281
Tuition Charges	122,670	78,250							5,055	4,585
Interest Earnings	700	8,273	11,962	19,670	33,826	28,104	3,833	7,181	102,188	197,517
Miscellaneous	51,875	65,691	71,936	180,187	120,914	101,455	149,297	146,895	244,622	226,883
State Sources	1,613,767	1,709,550	1,807,475	2,053,787	2,376,714	2,553,803	3,069,337	4,171,687	4,223,650	4,634,974
Federal Sources	221,250	217,233	231,840	245,849	244,022	237,511	289,646	374,863	370,396	354,470
Total Revenue	12,825,736	13,116,765	13,347,922	14,281,648	14,762,957	15,181,489	16,111,710	17,519,661	18,042,522	18,849,710
Expenditures										
Instruction										
Regular Instruction	4,827,298	4,980,626	5,422,164	5,415,971	5,645,138	5,632,393	5,409,089	6,271,426	6,285,742	6,500,934
Special Education Instruction	1,629,069	1,636,361	1,750,893	2,129,556	2,505,667	2,811,210	3,121,285	3,179,750	3,241,484	3,280,212
Other Instruction	640,639	636,436	588,609	744,556	754,738	731,112	845,094	1,014,030	1,008,969	1,173,979
School Sponsored Activities and Athletics	32,672	43,660	51,857	39,572	33,750	28,798	46,255	69,695	135,451	109,002
Support Services:										
Student & Inst. Related Services	1,777,519	1,832,974	1,798,599	1,761,678	2,131,959	2,260,240	2,193,243	2,585,595	2,673,554	2,879,743
General Administrative Services	430,151	446,886	433,751	543,361	566,817	561,433	412,594	548,384	550,667	574,465
School Administrative Services	643,352	705,244	756,996	720,891	614,971	610,704	632,610	606,233	664,862	846,932
Central Services and Info. Technology	361,407	329,906	355,207	354,587	396,091	342,313	433,240	439,187	437,573	480,629
Plant Operations and Maintenance	1,017,702	1,061,038	1,089,183	990,367	1,207,672	1,196,800	1,165,418	1,400,203	1,329,479	1,584,657
Pupil Transportation	89,796	128,518	119,180	146,610	155,405	88,389	87,352	179,594	251,089	268,034
Capital Outlay	153,101	818,437	1,442,378	487,773	612,776	603,552	12,945	51,130	833,706	507,115
Debt Service:										
Principal	411,970	392,331	502,574	552,471	489,653	506,711	510,142	502,752	507,598	507,657
Interest and Other Charges	147,610	139,356	175,422	160,013	144,674	131,990	112,923	93,451	74,179	59,070
Total Expenditures	12,162,286	13,151,773	14,486,813	14,047,406	15,259,311	15,505,645	14,982,190	16,941,430	17,994,353	18,772,429
Excess (Deficiency) of Revenues over (under) Expenditures	663,450	(35,008)	(1,138,891)	234,242	(496,354)	(324,156)	1,129,520	578,231	48,169	77,281
Other Financing sources (uses)										
Proceeds from Bonds/Lease - Purchase		1,946,368				36,036				
Insurance Recoveries		32,850								
Transfers in			466,600		5,544		1,839			
Transfers out			(466,600)	-	(5,544)		(1,839)			
Total Other Financing Sources (uses)	-	1,979,218	-	-	-	36,036	-	-	-	-
Net change in fund balances	\$ 663,450	\$ 1,944,210	\$ (1,138,891)	\$ 234,242	\$ (496,354)	\$ (288,120)	\$ 1,129,520	\$ 578,231	\$ 48,169	\$ 77,281
Debt Service as a Percentage of Noncapital Expenditures	4.66%	4.31%	5.20%	5.25%	4.33%	4.29%	4.16%	3.53%	3.39%	3.10%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Interest Earned</u>	<u>Refunds/ Reimbursements</u>	<u>E-Rate</u>	<u>Rents</u>	<u>Clean Energy Rebates</u>	<u>Prior Year Cancelled Payables</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 122,670	\$ 700	\$ 8,000		\$ 13,005			\$ 2,417	\$ 146,792
2016	78,250	8,235	17,082		14,065			9,422	127,054
2017		11,745			13,836			8,822	34,403
2018		19,670	22,030	\$ 1,916	24,092	\$ 33,000	\$ 42,704	7,500	150,912
2019		33,826	9,620	1,150	31,242	55,000		8,711	139,549
2020		28,104	24,370	3,731	31,259			16,763	104,227
2021		3,833	91,603	3,437	14,960	592		2,331	116,756
2022		7,181	45,204	8,144	25,513			12,959	99,001
2023	5,055	102,188	33,050	22,101	27,426			19,991	209,811
2024	4,585	197,517	6,158	2,724	42,811			22,343	276,138

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 3,565,500	\$ 1,248,969,400	\$ 187,018,800		\$ 7,325,200	\$ 1,446,878,900	\$ 1,356,001	\$ 1,448,234,901	\$ 1,645,169,703	0.762
2016	3,622,100	1,250,345,100	186,327,100		7,325,200	1,447,619,500	1,344,599	1,448,964,099	1,717,435,009	0.775
2017 (A)	3,229,300	1,414,167,200	210,872,100		8,484,500	1,636,753,100	1,640,262	1,638,393,362	1,686,217,246	0.720
2018	2,515,600	1,439,519,000	211,847,800		9,238,100	1,663,120,500	1,607,928	1,664,728,428	1,750,681,475	0.720
2019	2,820,000	1,449,748,800	212,150,000		9,417,200	1,674,136,000	1,648,675	1,675,784,675	1,783,988,149	0.732
2020	3,470,500	1,480,325,100	205,642,100		9,831,400	1,699,269,100	1,660,525	1,700,929,625	1,750,018,181	0.741
2021	3,491,500	1,496,005,200	201,285,300		11,052,600	1,711,834,600	1,693,957	1,713,528,557	1,766,338,710	0.748
2022	3,913,700	1,578,976,600	208,680,500		13,435,000	1,805,005,800	1,700,271	1,806,706,071	1,850,073,434	0.725
2023	4,262,500	1,656,173,700	216,523,500		14,058,700	1,891,018,400	-	1,891,018,400	1,963,302,731	0.711
2024	4,674,900	1,669,819,600	216,853,500		14,584,400	1,905,932,400	-	1,905,932,400	2,042,695,082	0.724

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

<u>Overlapping Rates</u>						
<u>Calendar Year</u>	<u>Total Direct School Tax Rate</u>	<u>River Dell Regional High School District</u>	<u>Borough of Oradell</u>	<u>Municipal Library</u>	<u>County of Bergen</u>	<u>Total Direct and Overlapping Tax Rate</u>
2015	0.762	1.066	0.774	0.038	0.271	2.911
2016	0.775	1.074	0.797	0.039	0.288	2.973
2017 (A)	0.720	0.958	0.731	0.035	0.258	2.702
2018	0.720	0.987	0.744	0.037	0.257	2.745
2019	0.732	0.997	0.760	0.037	0.260	2.786
2020	0.741	0.953	0.781	0.035	0.253	2.763
2021	0.748	0.958	0.795	0.035	0.260	2.796
2022	0.725	0.905	0.770	0.035	0.239	2.674
2023	0.711	0.883	0.790	0.035	0.249	2.668
2024	0.724	0.900	0.814	0.037	0.247	2.722

(A) Borough performed a reassessment of real property.

Source: County Abstract of Ratables

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

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Hajjar Med Off Bldg	\$ 21,137,000	1.11%	\$ 18,618,500	1.29%
RW Oradell LLC	19,840,800	1.04%		
600 Kinderkamack Road LLC	17,985,900	0.94%	14,000,000	0.97%
White Beeches Golf Club	9,238,600	0.48%	6,171,000	0.43%
Holy Name Real Estate Corp	8,159,500	0.43%	5,310,000	0.37%
Emet Realty	7,856,200	0.41%	5,147,800	0.36%
WFCM 2016-C34 C/O Colliers Tri State	7,561,600	0.40%		
Hackensack Golf Club	7,262,600	0.38%		
Huntington Properties LLC	7,035,200	0.37%		
Oradell Office Plaza	5,848,700	0.31%		
PSE&G			6,808,600	0.47%
Cranston Associates			17,778,300	1.23%
Rio Vista Property			9,897,000	0.68%
Kamack Realty Corp			8,579,800	0.59%
Emerson Real Estate LLC			5,500,000	0.38%
	<u>\$ 111,926,100</u>	<u>5.87%</u>	<u>\$ 97,811,000</u>	<u>6.75%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	10,815,474	10,815,474	100.00%	
2016	11,037,768	11,037,768	100.00%	
2017	11,224,709	11,224,709	100.00%	
2018	11,782,155	11,782,155	100.00%	
2019	11,987,481	11,987,481	100.00%	
2020	12,260,616	12,260,616	100.00%	
2021	12,599,597	12,599,597	100.00%	
2022	12,819,035	12,819,035	100.00%	
2023	13,096,611	13,096,611	100.00%	
2024	13,431,281	13,431,281	100.00%	

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

<u>Governmental Activities</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Capital Financing Agreements</u>	<u>Total District</u>	<u>Population</u>	<u>(E) Per Capita</u>
2015	4,190,000	23,395	4,213,395	8,089	521
2016	3,805,000	1,962,432	5,767,432	8,113	711
2017	3,405,000	1,859,858	5,264,858	8,125	648
2018	2,995,000	1,717,387	4,712,387	8,174	577
2019	2,570,000	1,652,734	4,222,734	8,160	517
2020	2,135,000	1,617,059	3,752,059	8,132	461
2021	1,700,000	1,541,917	3,241,917	8,094	401
2022	1,270,000	1,469,165	2,739,165	8,181	335
2023	840,000	1,391,567	2,231,567	8,165	273
2024	415,000	1,308,910	1,723,910	8,188	211

(E) - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	4,190,000	26,790	4,163,210	0.29%	515
2016	3,805,000	26,790	3,778,210	0.26%	466
2017	3,405,000		3,405,000	0.21%	419
2018	2,995,000		2,995,000	0.18%	366
2019	2,570,000		2,570,000	0.15%	315
2020	2,135,000		2,135,000	0.13%	263
2021	1,700,000		1,700,000	0.10%	210
2022	1,270,000		1,270,000	0.07%	155
2023	840,000		840,000	0.04%	103
2024	415,000		415,000	0.02%	51

Source: District records

ORADELL BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2023
(Unaudited)

Total Debt

Municipal Debt:

Oradell Board of Education	\$ 840,000
River Dell Regional High School - Oradell's Share	9,702,408
Borough of Oradell	<u>17,915,971</u>

Total Direct Debt	<u>28,458,379</u>
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Overlapping Debt Apportioned to the Municipality:

Bergen County:

County of Bergen (A)	14,852,260
Bergen County Utilities Authority - Wastewater (B)	<u>2,446,342</u>

Total Overlapping Debt	<u>17,298,602</u>
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Total Direct and Overlapping Debt	<u><u>\$ 45,756,981</u></u>
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Source:

Borough of Oradell's 2023 Annual Debt Statement
County of Bergen's 2023 Annual Debt Statement
Bergen County Utilities Authority's 2023 Annual Audit

(A) The debt for this entity was apportioned to Oradell by dividing the municipality's 2023 equalized value by the total 2023 equalized value for Bergen County.

(B) The debt was computed based upon usage

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 41,300,565	\$ 41,508,962	\$ 43,323,518	\$ 43,897,399	\$ 45,310,079	\$ 45,860,987	\$ 45,681,731	\$ 45,750,696	\$ 47,719,716	\$ 50,689,948
Total net debt applicable to limit	4,190,000	3,805,000	3,405,000	2,995,000	2,570,000	2,135,000	1,700,000	1,270,000	840,000	415,000
Legal debt margin	<u>\$ 37,110,565</u>	<u>\$ 37,703,962</u>	<u>\$ 39,918,518</u>	<u>\$ 40,902,399</u>	<u>\$ 42,740,079</u>	<u>\$ 43,725,987</u>	<u>\$ 43,981,731</u>	<u>\$ 44,480,696</u>	<u>\$ 46,879,716</u>	<u>\$ 50,274,948</u>
Total net debt applicable to the limit as a percentage of debt limit	10.15%	9.17%	7.86%	6.82%	5.67%	4.66%	3.72%	2.78%	1.76%	0.82%

Source: Annual Debt Statements

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2023 \$ 2,165,122,968
	2022 2,027,185,310
	2021 1,890,485,478
	<u>\$ 6,082,793,756</u>
Average equalized valuation of taxable property	\$ 2,027,597,919
Debt limit (2.5 % of average equalization value)	50,689,948
Total Net Debt Applicable to Limit	<u>415,000</u>
Legal debt margin	<u>\$ 50,274,948</u>

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	8,089	77,323	3.50%
2016	8,113	78,836	3.10%
2017	8,125	81,024	3.30%
2018	8,174	85,191	2.70%
2019	8,160	88,241	2.10%
2020	8,132	91,972	6.80%
2021	8,094	97,343	4.20%
2022	8,181	97,138	2.50%
2023	8,165	97,138 (E)	2.80%
2024	8,188	97,138 (E)	2.80% (E)

Source: New Jersey State Department of Education

(E) Estimate

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

	2024		2015	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Employer				

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2024</u>
Instruction										
Regular	48.5	51.0	53.0	60.0	55.0	45.0	45.7	50.6	53.0	53.0
Special Education	21.0	12.0	22.0	11.1	16.0	25.0	13.0	13.0	13.0	13.0
Support Services:										
Student & instruction related services	19.5	23.0	21.0	27.0	24.6	28.0	28.8	22.5	22.5	22.5
General administration	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	5.6	5.6	5.6	4.0	5.5	4.5	4.7	5.0	5.0	5.0
Central services	3.0	3.0	3.0	3.0	4.0	4.0	4.0	3.0	3.0	3.0
Administrative Information Technology										
Plant operations and maintenance	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5	6.5	6.5
Total	<u>105.8</u>	<u>102.6</u>	<u>112.6</u>	<u>113.1</u>	<u>113.1</u>	<u>115.0</u>	<u>104.7</u>	<u>102.6</u>	<u>105.0</u>	<u>105.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2015	775	11,449,605	14,774	6.33%	63	1:11	739	709	-5.50%	95.94%
2016	763	11,801,649	15,467	4.70%	65	1:11	757	726	2.44%	95.90%
2017	769	12,366,439	16,081	3.97%	65	1:11	767	735	1.32%	95.83%
2018	750	12,847,149	17,130	6.52%	65	1:11	739	707	-3.65%	95.67%
2019	760	14,012,208	18,437	7.63%	65	1:11	754	725	2.03%	96.15%
2020	777	14,263,392	18,357	-0.43%	70	1:11	751	729	-0.40%	97.07%
2021	748	14,346,180	19,179	4.48%	59	1:12	746	730	-0.67%	97.86%
2022	784	16,294,097	21,147	10.26%	64	1:12	781	748	4.69%	95.77%
2023	803	16,578,870	20,646	-2.37%	66	1:12	796	756	1.92%	94.97%
2024	783	17,698,587	22,604	9.48%	66	1:12	778	747	-2.26%	96.02%

Sources: District records

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

	<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>	<u>2024</u>
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440	113,440
Capacity (students)	853	853	853	853	853	853	853	853	853	853
Enrollment	801	763	769	750	760	775	748	784	803	783

Number of Schools at June 30, 2024
Elementary = 1

Source: District Records

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

	Oradell Elementary <u>School</u>
2015	222,290
2016	257,205
2017	304,754
2018	175,805
2019	244,713
2020	242,431
2021	297,452
2022	337,775
2023	231,714
2024	347,307

Source: District Records

**ORADELL BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2024
(Unaudited)**

	<u>Coverage (A)</u>	<u>Deductible (A)</u>
Northeast Bergen County School Board Group		
School Package Policy		
Property-Blanket Building & Contents (Oradell School Only)	\$ 58,080,216	\$ 25,000
Flood/Earthquake	5,000,000	100,000
General Liability Coverage	1,000,000	2,500
Employee Benefit Liability	1,000,000	10,000
School Board Errors and Omission Coverage	1,000,000	Varies
Automobile Coverage	1,000,000	1,000
Excess Liability Coverage - Auto	9,000,000	
Excess Liability Coverage - General	9,000,000	
Educators Legal Liability/Employment Legal Liability	1,000,000	10,000
Employers Liability Coverage	1,000,000	
Bodily Injury And Property Damage Resulting From New Pollution Conditions	4,000,000	25,000
Public Employee Dishonesty Crime Coverage		
Employee Theft	500,000	5,000
Forgery or Alteration	250,000	5,000
Computer Fraud	250,000	5,000
Funds Transfer Fraud	250,000	5,000
Cyber Liability		
Third Party Liability Coverages	1,000,000	5,000
First Party Coverages	1,000,000	5,000
Data Breach Response and Crises		
Management Coverage	1,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bonds		
School Business Administrator/Board Secretary	200,000	
Treasurer of School Monies	236,000	

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

Source: District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Oradell Board of Education's basic financial statements and have issued our report thereon dated December 17, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

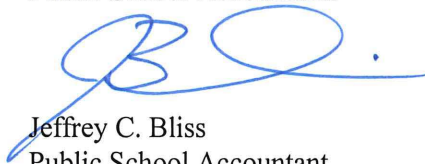
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Oradell Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 17, 2024.

Purpose of this Report

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

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 17, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Oradell Board of Education's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Oradell Board of Education's major state programs for the fiscal year ended June 30, 2024. The Oradell Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Oradell Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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


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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oradell Board of Education, as of and for the fiscal year ended June 30, 2024, 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 17, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Leach, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 17, 2024

ORADELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2023		Carryover / (Walkover)		Cash Received	Budgetary Expenditures	Funds Released		Balance, June 30, 2024		(Memo) GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Amount Def. Rev.	Accounts Receivable			Account Receivable	Unearned Revenue	(Account Receivable)	Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Education Special Milk Program for Children	10.556	231NJ304N1099	7/1/22-6/30/23	\$ 5,888	\$ (1,112)	-	-	-	\$ 1,112	-	-	-	-	-	-
Total U.S. Department of Agriculture					(1,112)	-	-	-	1,112	-	-	-	-	-	-
U.S. Department of Education Passed-through State Department of Education															
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/23-9/30/24	218,535			\$ 12,264	\$ (12,264)	197,438	\$ 202,393			\$ (33,361)	\$ 28,406	\$ (4,955)
I.D.E.A. Part B, Basic Regular	84.027A	H027A210100	7/1/22-9/30/23	215,049	(15,719)	\$ 12,264	(12,264)	12,264	3,455						-
ARP IDEA - Basic	84.027X	H027X210100	7/1/21-9/30/22	35,793	(298)				298						-
I.D.E.A. Preschool	84.173A	H173A210114	7/1/23-9/30/24	14,557	-	-	-	-	14,557	14,557	-	-	-	-	-
Total Special Education Cluster (IDEA)					(16,017)	12,264	-	-	215,748	216,950	-	-	(33,361)	28,406	(4,955)
Title III Immigrant	84.365A	S365A200030	7/1/22-9/30/23	2,353	(2,417)	1,748	-	-	669	-	\$ 1,748	\$ (1,748)	-	-	-
Total Title III Cluster (ESEA)					(2,417)	1,748	-	-	669	-	1,748	(1,748)	-	-	-
Title IA	84.010A	S010A210030	7/1/23-9/30/24	17,363			1,023	(1,023)	13,928	14,461			(4,458)	3,925	(533)
Title IA	84.010A	S010A210030	7/1/22-9/30/23	16,249	(2,465)	1,715	(1,023)	1,023	692						-
Title IIA	84.367A	S367A210029	7/1/23-9/30/24	9,417					9,416	9,416			(1)	1	-
Title IIA	84.367A	S367A200029	7/1/22-9/30/23	9,648	(1,974)				1,974						-
Title IV	84.424	S424A210031	7/1/23-9/30/24	10,000					2,625	8,562			(7,375)	1,438	(5,937)
Title IV	84.424	S424A210031	7/1/22-9/30/23		(380)	85	-	-	295	-	85	(85)	-	-	-
Total Other ESEA Programs					(4,819)	1,800	-	-	29,680	33,131	85	(85)	(11,834)	5,364	(6,470)
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	76,582	(36,512)	30,979			7,036	20,393			(29,476)	10,586	(18,890)
American Rescue Plan (ARP) - Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	65,172	(55,922)	53,922			3,875	46,635	500	(500)	(51,547)	6,787	(44,760)
American Rescue Plan (ARP) - Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(27,760)	27,760			14,790	14,790	1,750	(1,750)	(11,220)	11,220	-
American Rescue Plan (ARP) - Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	35,800			4,200	18,279	8,288	(8,288)	(27,512)	9,233	(18,279)
American Rescue Plan (ARP) - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(22,550)	9,882			21,545	8,877	60	(60)	(945)	945	-
American Rescue Plan (ARP) - NJ High Impact Tutoring Competitive Grant	84.425V	E2400245	10/11/23-8/31/24	34,020	-	-	-	-	22,680	22,680	-	-	(11,340)	11,340	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(182,744)	158,343	-	-	74,126	131,654	10,598	(10,598)	(132,040)	50,111	(81,929)
Total Special Revenue Fund					(205,997)	174,155	-	-	320,223	381,735	12,431	(12,431)	(177,235)	83,881	(93,354)
Total U.S. Department of Education					\$ (205,997)	\$ 174,155	\$ -	\$ -	\$ 320,223	\$ 381,735	\$ 12,431	\$ (12,431)	\$ (177,235)	\$ 83,881	\$ (93,354)
Total Federal Awards					\$ (207,109)	\$ 174,155	\$ -	\$ -	\$ 321,335	\$ 381,735	\$ 12,431	\$ (12,431)	\$ (177,235)	\$ 83,881	\$ (93,354)

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

**ORADELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2023	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustment	Balance, June 30, 2024		GAAP Receivable	Memo Cumulative Total Expenditures
									(Accounts Receivable)	Due to Grantor		
State Department of Education												
General Fund:												
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 868,528		\$ 785,203	\$ 868,528			\$ (83,325)	*		\$ 868,528
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	701,912	\$ (66,739)	66,739					*		-
Security Aid	24-495-034-5120-089	7/1/23-6/30/24	58,565		52,946	58,565			(5,619)	*		58,565
Security Aid	23-495-034-5120-089	7/1/22-6/30/23	58,565	(5,568)	5,568	-	-	-	-	*	-	-
Total State Aid-Public Cluster				(72,307)	910,456	927,093	-	-	(88,944)	*	-	927,093
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	29,595		26,756	29,595			(2,839)	*		29,595
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	29,595	(2,814)	2,814					*		-
Nonpublic School Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	8,645		8,645	8,645			(8,645)	*	\$ (8,645)	8,645
Nonpublic School Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	4,680	(4,680)	4,680	-	-	-	-	*	-	-
Total Transportation Aid Cluster				(7,494)	34,250	38,240	-	-	(11,484)	*	(8,645)	38,240
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	364,435			364,435			(364,435)	*		364,435
Extraordinary Aid	23-495-034-5120-473	7/1/22-6/30/23	330,736	(330,736)	330,736					*		-
Reimbursed TPAF Social Security Contribution	24-495-034-5120-003	7/1/23-6/30/24	456,277		434,864	456,277			(21,413)	*	(21,413)	456,277
Reimbursed TPAF Social Security Contribution	23-495-034-5120-003	7/1/22-6/30/23	449,542	(43,278)	43,278					*		-
TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24	2,192,773		2,192,773	2,192,773				*		2,192,773
TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	25,007		25,007	25,007				*		25,007
TPAF - Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	603,599		603,599	603,599				*		603,599
TPAF - Long-Term Disability Insurance Premium	24-495-034-5094-004	7/1/23-6/30/24	1,041	-	1,041	1,041	-	-	-	*	-	1,041
Total Extraordinary Aid and On-Behalf TPAF				(374,014)	3,631,298	3,643,132	-	-	(385,848)	*	(21,413)	3,643,132
School Security Grant	20E00255	7/1/20-6/30/22	39,735	-	-	-	-	-	-	*	-	-
Total School Security Grant Cluster				-	-	-	-	-	-	*	-	-
Total General Fund				(453,815)	4,576,004	4,608,465	-	-	(486,276)	*	(30,058)	4,608,465
Special Revenue Fund:												
New Jersey Nonpublic Aid												
Auxiliary Services												
Compensatory Education	24-101-034-5120-067	7/1/23-6/30/24	17,982		17,982	8,182			\$ 9,800	*		8,182
Compensatory Education	23-101-034-5120-067	7/1/22-6/30/23	18,976	3,079	-	-	\$ 3,079	-	-	*	-	-
English as a Second Language	XX-101-034-5120-067			-	-	-	-	-	-	*	-	-
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				3,079	17,982	8,182	3,079	-	-	*	-	8,182
Handicapped Services												
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	8,911		8,911	3,792				*		3,792
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	10,431	5,879			5,879			*		-
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	18,228		18,228	13,485				*		13,485
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	14,880	1,767			1,767			*		-
Supplementary Instruction	24-100-034-5120-066	7/1/23-6/30/24	8,260		8,260	2,230			6,030	*		2,230
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	9,912	4,791	-	-	4,791	-	-	*	-	-
Total Nonpublic Handicapped Aid (Chapter 193) Cluster				12,437	35,399	19,507	12,437	-	-	*	-	19,507
Other Nonpublic Aid												
Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	4,162		4,162	4,162				*	-	4,162
Technology Aid	24-100-034-5120-064	7/1/23-6/30/24	3,528		3,528	3,528				*		3,528
Technology Aid	23-100-034-5120-064	7/1/22-6/30/23	2,982	26			26			*	-	-
Nursing Services	24-100-034-5120-373	7/1/23-6/30/24	8,640		8,640	8,632				*		8,632
Nursing Services	23-100-034-5120-373	7/1/22-6/30/23	7,952	2			2			*	-	-
Security	24-100-034-5120-070	7/1/23-6/30/24	14,760	-	14,760	14,760	-	-	-	*	-	14,760
Total Other Nonpublic Aid				28	31,090	31,082	28	-	-	*	-	31,082
Schools Development Authority												
Emergent and Capital Maintenance Needs	N/A	7/1/23-6/30/24	18,099		18,099	18,099				*	-	18,099
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	17,745	(17,745)				\$ 17,745		*	-	-
Climate Awareness Education	23E00131	7/1/22-6/30/23	6,660	-	-	-	-	-	-	*	-	-
Total Special Revenue Fund				(17,745)	18,099	18,099	-	17,745	-	*	-	18,099
Total Other Nonpublic Aid				28	31,090	31,082	28	-	-	*	-	31,082
Total State Financial Assistance Subject to Single Audit Determination				\$ (456,016)	\$ 4,678,574	\$ 4,685,335	\$ 15,544	\$ 17,745	\$ (486,276)	\$ 25,700	\$ (30,058)	\$ 4,685,335

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

ORADELL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

											Memo	
	Grant or State	Grant	Award	Balance,	Cash	Budgetary	Refund of		Balance, June 30, 2024			Cumulative
State Grantor/Program Title	Project Number	Period	Amount	July 1, 2023	Received	Expenditures	Prior Years' Balances	Adjustment	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Total Expenditures
State Financial Assistance											*	
Not Subject to Major Program Determination											*	
General Fund											*	
TPAF Pension Benefit Contributions	24-495-034-5094-002	7/1/23-6/30/24	\$ 2,192,773		\$ (2,192,773)	\$ (2,192,773)					*	\$ (2,192,773)
TPAF Pension - NCGI Premium	24-495-034-5094-004	7/1/23-6/30/24	25,007		(25,007)	(25,007)					*	(25,007)
TPAF - Post Retirement Medical	24-495-034-5094-001	7/1/23-6/30/24	603,599		(603,599)	(603,599)					*	(603,599)
TPAF - Long-Term Disability Insurance Premium	24-495-034-5094-004	7/1/23-6/30/24	1,041	-	(1,041)	(1,041)	-	-	-	-	*	(1,041)
											*	
Total State Financial Assistance											*	
Subject to Major Program Determination											*	
				\$ (456,016)	\$ 1,856,154	\$ 1,862,915	\$ 15,544	\$ 17,745	\$ (486,276)	\$ 25,700	\$ (30,058)	\$ 1,862,915

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

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

**ORADELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

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

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, 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 \$50,361 for the general fund and an increase of \$15,895 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,558,104	\$ 4,558,104
Special Revenue Fund	\$ 354,470	76,870	431,340
Total Awards Financial Assistance	<u>\$ 354,470</u>	<u>\$ 4,634,974</u>	<u>\$ 4,989,444</u>

**ORADELL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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 \$456,277 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$2,217,780, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$603,599 and TPAF Long-Term Disability Insurance in the amount of \$1,041 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

Financial Statement Section

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

Federal Awards Section

NOT APPLICABLE

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part I – Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to distinguish Type A and Type B programs: \$ 750,000
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditors' report on compliance for major programs: Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? yes X none
- O) Identification of major programs:

GMIS Number(s):

495-034-5120-089

495-034-5120-089

Name of State Program:

Special Education Aid

Security Aid

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**ORADELL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.