

**MAYWOOD BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**MAYWOOD, NEW JERSEY**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Maywood Board of Education**

**Maywood, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**MAYWOOD BOARD OF EDUCATION**

**452 Maywood Avenue  
Maywood, NJ 07607**

**Jennifer Pfohl  
School Business Administrator/  
Board Secretary**

**Phone (201)843-4598  
Fax (201)843-2744**

February 3, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Maywood School District for the fiscal year ended June 30, 2021 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District’s organization chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor’s report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, “Audits of States and Local Governments, and Non-Profit Organizations”, and the same New Jersey OMB 15-08 Circular, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid” and are not a required part of the basic financial statements. 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.

**REPORTING ENTITY AND ITS SERVICES:** Maywood School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Maywood Board of Education and both of its schools constitute the District’s reporting entity. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped youngsters. The District completed the 2020/2021 fiscal year with an average daily enrollment of 944 students, which is a decrease of 34 students over the previous year’s average daily enrollment. The following details the changes in the student enrollment of the District over the last ten years:

<u>Average Daily Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	944	-3.48%
2019-2020	978	-1.81%
2018-2019	996	1.94%
2017-2018	977	0.001%
2016-2017	976	0.93%
2015-2016	967	2.22%
2014-2015	945	-2.10%
2013-2014	965	1.26 %
2012-2013	953	4.27 %
2011-2012	914	(1.40%)

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

## **ECONOMIC OUTLOOK AND MAJOR INITIATIVES:**

Maywood will continue its focus on technology through further investment in Chromebook and Promethean technology and online learning tools. Chromebooks will be used to increase our technology base and its relationship to the new generation of assessments while all classrooms at the elementary school will now contain smart boards and promethean boards for teacher and student usage. The District will enhance its 1:1 program to include all grade levels within the District while also shifting from an in-school 1:1 focus to a 24/7 student ownership 1:1 program. All teachers are fully linked with Google Classroom and Go Guardian for student support. The district has invested in a district technology coordinator that will assist with technology needs as well as data mining. Linked professional development sessions for district staff that will provide turnkey technology professional development will also fall within this domain. These programs will be implemented by members of the team along with staff who seek to progress to the level of teacher trainer. The district is also focusing its professional development initiatives on that of ELL training for regular education and special education staff as well as a district focus on that of mindfulness training for staff. The major technology thrust will also include a shift to the NWEA - MAP testing platform and related IXL and MobyMax supplemental programs. This is linked to the District's investment in a district wide RTI implementation that leans heavily on the data trends from the aforementioned projects. Curricular expansion includes the shift to a new math program series that aligns with our sending high school district as well as the adoption of a science textbook series to align with our Mystery Science and Lab Aids focus. The next major initiative that the district will begin to investigate is a referendum project that will focus on three components, they being roofing, air conditioning and classroom expansion for in district autism programming. This initiative will be linked to Becton's expansion that includes a grades 9-12 autistic program that will extend Maywood's K-8 program through high school grade levels.

**INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

**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. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are

included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

**ACCOUNTING SYSTEM AND REPORTS:** The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Government Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in “Notes to the Financial Statements” Note 1.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements”, Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government 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.

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

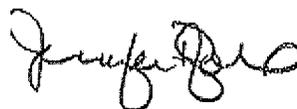
**OTHER INFORMATION:** Independent Audit - State statutes require and annual audit by independent certified public accountant or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP’s was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor’s report on the basic financial statements and combining and individual fund 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.

**ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Maywood 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 preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and administrative staff.

Respectfully submitted,

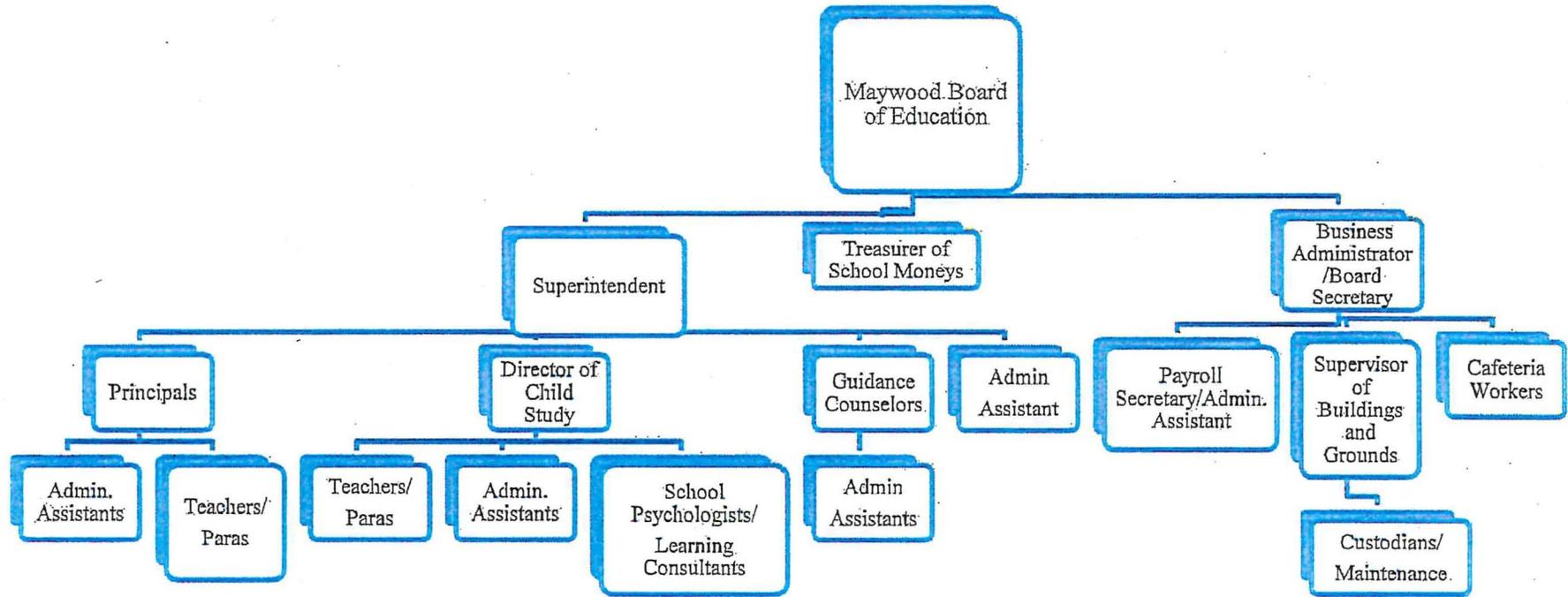


Michael Jordan  
Superintendent



Jennifer Pfohl  
Board Secretary/Business Administrator

# Organizational Chart



**MAYWOOD BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

**MEMBERS OF THE BOARD OF EDUCATION**                      **TERM EXPIRES**

KEVIN TAYLOR, PRESIDENT	2021
JULIO BENDEZU, VICE PRESIDENT	2021
FRANK CILENTO	2022
GINA-MARIE KIELY	2023
CLAIRE PADORANO	2023
LYNN WIEBE	2021
RAY VELEZ	2022

**OTHER OFFICIALS**

MICHAEL JORDAN, SUPERINTENDENT OF SCHOOLS

JENNIFER PFOHL, BUSINESS ADMINISTRATOR/BOARD SECRETARY

CHARLEY HANGLEY, TREASURER OF SCHOOL MONIES

**MAYWOOD BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

**Lan Associates  
445 Godwin Avenue  
Midland Park, NJ 07432**

**AUDIT FIRM**

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

**ATTORNEY**

**Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410**

**OFFICIAL DEPOSITORY**

**TD Bank  
560 Maywood Ave.  
Maywood, NJ 07607**

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, 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, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Maywood Board of Education as of and for the fiscal year ended June 30, 2021 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Maywood Board of Education as of June 30, 2021, 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.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Maywood Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *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, 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.

## *Other Information*

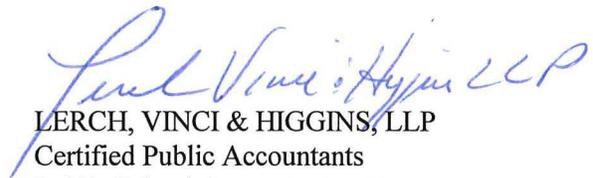
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maywood Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of 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 Maywood Board of Education.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

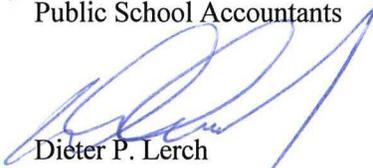
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 3, 2022 on our consideration of the Maywood 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 Maywood 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 Maywood Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
February 3, 2022

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

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis Fiscal Year Ended June 30, 2021**

This section of Maywood School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2020-2021 fiscal year include the following:

The district wide assets and deferred outflows of resources of the Maywood School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,858,241 (net position).

Overall governmental activities revenues were \$27,337,764 which were \$1,727,153 more than expenses. General revenues of \$20,634,747 accounted for 75 percent of total revenues.

As of the close of the current fiscal year, the District's governmental funds reported combining ending fund balances of \$3,688,221. Of this amount, \$662,528 is available for spending at the District's discretion (unassigned fund balance) in the General Fund.

#### **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.

**MAYWOOD BOARD OF EDUCATION**

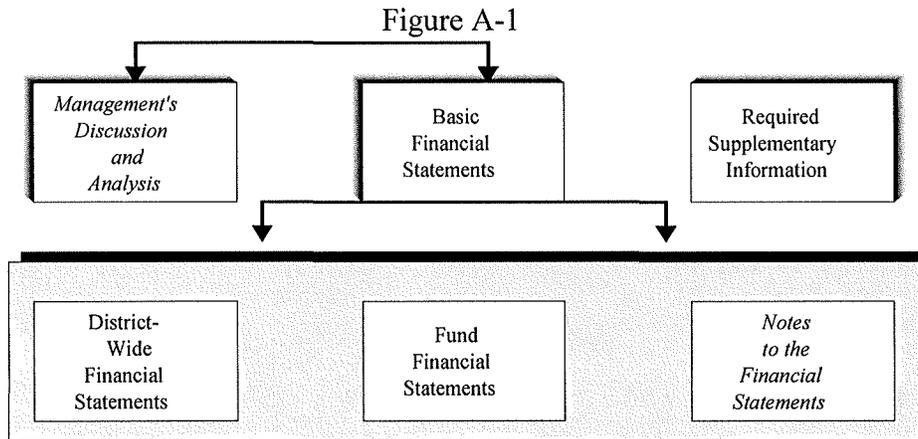
**Management Discussion and Analysis (Continued)  
Fiscal Year Ended June 30, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

- Fiduciary funds statements provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others to whom the resources belong. Currently, the District has no fiduciary funds.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-2 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.



Summary-----Details

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021

### 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 they have changed. Net position- the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements		
	District-Wide Statements	Governmental Fund	Proprietary Funds	Fiduciary 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	Instances in which the district administers resources on behalf of someone else, such as unemployment, student activities, and payroll deduction.
Required Financial Statements	Statements of net position Statements of activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net position Statement of revenues, expenses, and changes in fund net position, Statement of cash flows	Statements of Fiduciary net position, Statement of changes in fiduciary net position.
Accounting basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term. Funds do not currently contain capital assets, although they can
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.	All additions and dedications during the year, regardless of when cash is received or paid.

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021**

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, administration and support services, which are supported by Local property taxes and State and Federal aid.
- 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 Service operations is 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.
- The District establishes other funds in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

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

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021**

- 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 one enterprise fund for its food service (cafeteria) program.

- Fiduciary funds – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations. Currently, the District has not fiduciary funds.

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The Statement of Net Position provides one perspective of the District as a whole.

# MAYWOOD BOARD OF EDUCATION

## Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 1 provides a summary of the District's net position as of June 30, 2021 and 2020.

The District's combined net position were \$6,858,241 and \$5,153,963 (restated) on June 30, 2021 and 2020, respectively.

#### Statement of Net Position As of June 30, 2021 and 2020

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020 (Restated)	2021	2020	2021	2020 (Restated)
Current and Other Assets	\$ 4,083,745	\$ 3,352,476	\$ 38,600	\$ 55,864	\$ 4,122,345	\$ 3,408,340
Capital Assets	15,961,241	16,057,521	6,509	8,679	15,967,750	16,066,200
<b>Total Assets</b>	<u>20,044,986</u>	<u>19,409,997</u>	<u>45,109</u>	<u>64,543</u>	<u>20,090,095</u>	<u>19,474,540</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	291,568	328,006			291,568	328,006
Deferred Amounts on Net Pension Liability	310,358	476,474	-	-	310,358	476,474
<b>Total Deferred Outflows of Resources</b>	<u>601,926</u>	<u>804,480</u>	<u>-</u>	<u>-</u>	<u>601,926</u>	<u>804,480</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>20,646,912</u>	<u>20,214,477</u>	<u>45,109</u>	<u>64,543</u>	<u>20,692,021</u>	<u>20,279,020</u>
Noncurrent Liabilities	12,125,691	13,030,389			12,125,691	13,030,389
Other Liabilities	508,014	971,657	20,186	15,805	528,200	987,462
<b>Total Liabilities</b>	<u>12,633,705</u>	<u>14,002,046</u>	<u>20,186</u>	<u>15,805</u>	<u>12,653,891</u>	<u>14,017,851</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	1,179,848	1,106,225			1,179,848	1,106,225
Deferred Commodities Revenue	-	-	41	981	41	981
<b>Total Deferred Inflows of Resources</b>	<u>1,179,848</u>	<u>1,106,225</u>	<u>41</u>	<u>981</u>	<u>1,179,889</u>	<u>1,107,206</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>13,813,553</u>	<u>15,108,271</u>	<u>20,227</u>	<u>16,786</u>	<u>13,833,780</u>	<u>15,125,057</u>
Net Position						
Net investment in capital assets	6,737,660	6,422,792	6,509	8,679	6,744,169	6,431,471
Restricted	1,380,548	1,096,285			1,380,548	1,096,285
Unrestricted	(1,284,849)	(2,412,871)	18,373	39,078	(1,266,476)	(2,373,793)
<b>Total Net Position</b>	<u>\$ 6,833,359</u>	<u>\$ 5,106,206</u>	<u>\$ 24,882</u>	<u>\$ 47,757</u>	<u>\$ 6,858,241</u>	<u>\$ 5,153,963</u>

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2021**

Table 2 shows changes in net position for fiscal years 2021 and 2020.

**Table 2  
Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 20,757	\$ 44,650	\$ 148,626	\$ 20,757	\$ 193,276	
Operating Grants and Contributions	6,682,260	4,861,205	\$ 78,207	64,784	6,760,467	4,925,989
General Revenues						
Local Taxes	20,247,186	19,837,470			20,247,186	19,837,470
State Aid - Unrestricted	321,572	322,302			321,572	322,302
Other	65,989	66,988	-	-	65,989	66,988
<b>Total Revenues</b>	<b><u>27,337,764</u></b>	<b><u>25,132,615</u></b>	<b><u>78,207</u></b>	<b><u>213,410</u></b>	<b><u>27,415,971</u></b>	<b><u>25,346,025</u></b>
<b>Expenses</b>						
Instruction						
Regular Education	12,210,634	12,169,302			12,210,634	12,169,302
Special Education	5,549,232	4,695,369			5,549,232	4,695,369
Other Instruction	644,246	704,231			644,246	704,231
School Sponsored Activities	59,193	101,384			59,193	101,384
Support Services						
School Administrative Services	615,754	574,675			615,754	574,675
Student & Inst. Related Svcs.	2,576,396	2,275,455			2,576,396	2,275,455
General Administrative Services	628,909	689,349			628,909	689,349
Plant Operations and Maintenance	1,948,556	1,893,880			1,948,556	1,893,880
Pupil Transportation	499,296	804,854			499,296	804,854
Central Services	564,907	503,734			564,907	503,734
Interest and Other Charges on Debt	313,488	333,593			313,488	333,593
Food Service	-	-	101,082	218,777	101,082	218,777
<b>Total Expenses</b>	<b><u>25,610,611</u></b>	<b><u>24,745,826</u></b>	<b><u>101,082</u></b>	<b><u>218,777</u></b>	<b><u>25,711,693</u></b>	<b><u>24,964,603</u></b>
<b>Change in Net Position</b>	<b>1,727,153</b>	<b>386,789</b>	<b>(22,875)</b>	<b>(5,367)</b>	<b>1,704,278</b>	<b>381,422</b>
Beginning of Year, Net Position	<u>5,106,206</u>	<u>4,590,783</u>	<u>47,757</u>	<u>53,124</u>	<u>5,153,963</u>	<u>4,643,907</u>
Prior Period Adjustment	-	128,634	-	-	-	128,634
<b>End of Year, Net Position</b>	<b><u>\$ 6,833,359</u></b>	<b><u>\$ 5,106,206</u></b>	<b><u>\$ 24,882</u></b>	<b><u>\$ 47,757</u></b>	<b><u>\$ 6,858,241</u></b>	<b><u>\$ 5,153,963</u></b>

## MAYWOOD BOARD OF EDUCATION

### Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021

#### Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for District operations. Property taxes made up 74 percent of revenues for governmental activities for the Maywood School District in fiscal year 2021. The District's total governmental revenues were \$27,337,764 for the fiscal year ended June 30, 2021. State and local grants accounted for another 26 percent of revenue. The total cost of all programs and services was \$25,610,611. Instruction comprises 72 percent of District expenses.

#### Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services, federal and state reimbursements.

##### Food Service Program

- Food service expenses exceeded revenues by \$22,875.
- Revenues include federal and state reimbursement of lunches provided as part of the district's participation in the National School Lunch Program.

#### Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction	\$ 18,463,305	\$ 17,670,286	\$ 13,241,845	\$ 13,648,851
Support Services:				
Pupils and Instructional Staff	2,576,396	2,275,455	1,908,854	1,864,108
General Admin. & School Admin.				
Business Operation and Maintenance of Facilities	3,758,126	3,661,638	3,138,420	3,350,497
Pupil Transportation	499,296	804,854	304,987	642,922
Interest and Fiscal Charges	313,488	333,593	313,488	333,593
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 25,610,611</u>	<u>\$ 24,745,826</u>	<u>\$ 18,907,594</u>	<u>\$ 19,839,971</u>

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2021**

**Governmental Activities (Continued)**

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the District.

**The District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$25,324,093 and expenditures were \$24,360,309. In addition, other financing sources amounted to \$225,955.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2021 and 2020.

<u>Revenue</u>	<u>Amount</u>		Amount of Increase/ (Decrease)	Percent Increase/ (Decrease)
	<u>2021</u>	<u>2020</u>		
Local Sources	\$ 20,333,932	\$ 19,949,108	\$ 384,824	2%
State Sources	4,430,799	3,845,002	585,797	15%
Federal Sources	<u>559,362</u>	<u>472,437</u>	<u>86,925</u>	18%
Total	<u>\$ 25,324,093</u>	<u>\$ 24,266,547</u>	<u>\$ 1,057,546</u>	4%

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2021**

**The District's Funds (Continued)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal years ended June 30, 2021 and 2020.

<u>Expenditure</u>	<u>2021</u>	<u>2020</u>	<u>Amount of Increase/ (Decrease)</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 17,047,660	\$ 16,919,262	\$ 128,398	1%
Undistributed Expenses	5,866,724	6,057,580	(190,856)	-3%
Capital Outlay	490,161	14,664	475,497	3243%
Debt Service:				
Principal	642,833	593,469	49,364	8%
Interest	<u>312,931</u>	<u>330,669</u>	<u>(17,738)</u>	-5%
 Total	 <u>\$ 24,360,309</u>	 <u>\$ 23,915,644</u>	 <u>\$ 444,665</u>	 2%

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions were made to prevent over expenditures in specific line item accounts. Several of these revisions bear notation.

- Salary accounts were adjusted to reflect: changes in staff assignments; retirements, resignations and the resulting new hires; program adjustments necessitated by student population changes.
- Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into and out of the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.
- Property, liability, and medical insurances were renewed at higher rates than budgeted. This represents a national trend in all major areas of the insurance industry.
- TPAF, which is the state's contribution to the pension fund and social security is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.

**MAYWOOD BOARD OF EDUCATION**

**Management Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2021**

**Capital Assets**

At the end of fiscal year 2021, the District's Governmental Activities had \$15,961,241 (net) invested in land, construction in progress, buildings, furniture, equipment and vehicles. Table 4 shows fiscal year 2021 balances compared to 2020.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	<u>2021</u>	<u>2020</u>
Land	\$ 15,522	\$ 15,522
Building and Building Improvements	15,428,894	15,969,700
Machinery and Equipment	<u>516,825</u>	<u>72,299</u>
Total	<u>\$ 15,961,241</u>	<u>\$ 16,057,521</u>

Overall capital assets decreased by \$96,280 from fiscal year 2020 to fiscal year 2021. The decrease is attributable to the net effect of the depreciation of building and building improvements and machinery and equipment and acquisition of capital assets.

Additional information about the district's capital assets can be found in the notes of this report.

**Debt Administration**

At June 30, 2021, the District had long-term debt and outstanding long-term liabilities in the amount of \$12,125,691. These liabilities include bonds payable, compensated absences payable, capital leases payable, and net pension liability.

**Table 5  
Outstanding Debt at June 30**

	<u>2021</u>	<u>2020</u>
Bonds Payable	\$ 7,405,661	\$ 7,948,369
Lease Purchase Agreements	2,109,488	2,014,366
Compensated Absences Payable	264,883	333,443
Net Pension Liability	<u>2,345,659</u>	<u>2,734,211</u>
	<u>\$ 12,125,691</u>	<u>\$ 13,030,389</u>

Additional information about the district's long-term debt can be found in the notes of the report.

## **MAYWOOD BOARD OF EDUCATION**

### **Management Discussion and Analysis (continued) Fiscal Year Ended June 30, 2021**

#### **For the Future**

The district will continue enhancing curriculum in line with current NJ Learning Standards and Science Standards. This will be achieved through continued participation in the tri-district curriculum consortium, as well as the Region V Consortium and Northern Valley Consortium.

Maywood will continue its focus on technology, through further investment in Chromebook and Smartboard technology and online learning tools.

The district will further explore revenue-generating opportunities and cost-savings measures, with focus on development of programs designed to educate students with multiple needs.

#### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, 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, Maywood Board of Education, 452 Maywood Avenue, Maywood, New Jersey 07607.

## **FINANCIAL STATEMENTS**

**MAYWOOD BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,893,875	\$ 25,559	\$ 3,919,434
Receivables, net			
Receivables from Other Governments	104,475	9,787	114,262
Other	85,395	885	86,280
Inventory		2,369	2,369
Capital Assets, Not Being Depreciated	15,522		15,522
Capital Assets, Being Depreciated	<u>15,945,719</u>	<u>6,509</u>	<u>15,952,228</u>
Total Assets	<u>20,044,986</u>	<u>45,109</u>	<u>20,090,095</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	291,568		291,568
Deferred Amounts on Net Pension Liability	<u>310,358</u>	<u>-</u>	<u>310,358</u>
Total Deferred Outflows of Resources	<u>601,926</u>	<u>-</u>	<u>601,926</u>
Total Assets and Deferred Outflows of Resources	<u>20,646,912</u>	<u>45,109</u>	<u>20,692,021</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	395,524	9,875	405,399
Unearned Revenue		10,311	10,311
Accrued Interest Payable	112,490		112,490
Noncurrent Liabilities			
Due Within One Year	668,326		668,326
Due Beyond One Year	<u>11,457,365</u>		<u>11,457,365</u>
Total Liabilities	<u>12,633,705</u>	<u>20,186</u>	<u>12,653,891</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	1,179,848		1,179,848
Deferred Commodities Revenue		<u>41</u>	<u>41</u>
Total Deferred Inflows of Resources	<u>1,179,848</u>	<u>41</u>	<u>1,179,889</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,813,553</u>	<u>20,227</u>	<u>13,833,780</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,737,660	6,509	6,744,169
Restricted for:			
Capital Projects	1,027,693		1,027,693
Maintenance	250,000		250,000
Unemployment Compensation	73,976		73,976
Student Activities	28,879		28,879
Unrestricted	<u>(1,284,849)</u>	<u>18,373</u>	<u>(1,266,476)</u>
Total Net Position	<u>\$ 6,833,359</u>	<u>\$ 24,882</u>	<u>\$ 6,858,241</u>

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

**MAYWOOD BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	\$ 12,210,634		\$ 2,618,159		\$ (9,592,475)		\$ (9,592,475)
Special Education	5,549,232		2,369,237		(3,179,995)		(3,179,995)
Other Instruction	644,246		203,721		(440,525)		(440,525)
School Sponsored Activities and Athletics	59,193	\$ 20,757	9,586		(28,850)		(28,850)
Support Services							
Student and Instruction Related Svcs.	2,576,396		667,542		(1,908,854)		(1,908,854)
General Administrative Services	628,909		145,485		(483,424)		(483,424)
School Administrative Services	615,754		159,970		(455,784)		(455,784)
Plant Operations and Maintenance	1,948,556		171,840		(1,776,716)		(1,776,716)
Pupil Transportation	499,296		194,309		(304,987)		(304,987)
Central Services	564,907		142,411		(422,496)		(422,496)
Interest and Other Charges on Debt	313,488				(313,488)	-	(313,488)
Total Governmental Activities	25,610,611	20,757	6,682,260	-	(18,907,594)	-	(18,907,594)
Business-Type Activities							
Food Service	101,082	-	78,207	-		\$ (22,875)	(22,875)
Total Business-Type Activities	101,082	-	78,207	-	-	(22,875)	(22,875)
Total Primary Government	\$25,711,693	\$ 20,757	\$ 6,760,467	\$ -	(18,907,594)	(22,875)	(18,930,469)
General Revenues:							
Property Taxes, Levied for General Purposes, Net					19,494,961		19,494,961
Taxes Levied for Debt Service					752,225		752,225
State Aid, Unrestricted					321,572		321,572
Investment Earnings					4,176		4,176
Miscellaneous Income					61,813		61,813
Total General Revenues					20,634,747	-	20,634,747
Change in Net Position					1,727,153	(22,875)	1,704,278
Net Position, Beginning of Year (Restated)					5,106,206	47,757	5,153,963
Net Position, End of Year					\$ 6,833,359	\$ 24,882	\$ 6,858,241

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

**FUND FINANCIAL STATEMENTS**

**MAYWOOD BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,862,303	\$ 28,879	\$ 2,693		\$ 3,893,875
Due from Other Funds	40,567				40,567
Receivables, Net					
Intergovernmental	56,408	48,067			104,475
Other	85,395				85,395
Total Assets	<u>\$ 4,044,673</u>	<u>\$ 76,946</u>	<u>\$ 2,693</u>	<u>\$ -</u>	<u>\$ 4,124,312</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 341,630	\$ 7,500			\$ 349,130
Intergovernmental Payable	32,167				32,167
Payroll Deductions	14,227				14,227
Due to Other Funds	-	40,567	-	-	40,567
Total Liabilities	<u>388,024</u>	<u>48,067</u>	<u>-</u>	<u>-</u>	<u>436,091</u>
Fund Balances					
Restricted for					
Capital Reserve	1,000,000				1,000,000
Capital Reserve - Designated for Subsequent Year's Expenditures	25,000				25,000
Maintenance Reserve	250,000				250,000
Excess Surplus	728,371				728,371
Excess Surplus -Designated for Subsequent Year's Expenditures	525,205				525,205
Capital Projects			\$ 2,693		2,693
Unemployment Compensation	73,976				73,976
Student Activities		28,879			28,879
Assigned					
Designated for Subsequent Year's Expenditures	278,043				278,043
Year-End Encumbrances	113,526				113,526
Unassigned, Reported in General Fund	<u>662,528</u>				<u>662,528</u>
Total Fund Balances	<u>3,656,649</u>	<u>28,879</u>	<u>2,693</u>	<u>-</u>	<u>3,688,221</u>
Total Liabilities and Fund Balances	<u>\$ 4,044,673</u>	<u>\$ 76,946</u>	<u>\$ 2,693</u>	<u>\$ -</u>	

**MAYWOOD BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

<b>Total Fund Balances (Exhibit B-1)</b>		<b>\$ 3,688,221</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$25,504,251 and the accumulated depreciation is \$9,543,010.</p>		15,961,241
<p>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.</p>		291,568
<p>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 deferred over future years.</p>		
	Deferred Outflows of Resources	\$ 310,358
	Deferred Inflows of Resources	<u>(1,179,848)</u>
		(869,490)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(112,490)
<p>Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
	Bonds Payable	(7,405,661)
	Capital Leases Payable	(2,109,488)
	Compensated Absences Payable	(264,883)
	Net Pension Liability	<u>(2,345,659)</u>
		(12,125,691)
	<b>Net position of governmental activities</b>	<b><u>\$ 6,833,359</u></b>

**MAYWOOD BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 19,494,961			\$ 752,225	\$ 20,247,186
Interest	4,176				4,176
Miscellaneous	61,813	\$ 20,757		-	82,570
Total - Local Sources	19,560,950	20,757	-	752,225	20,333,932
State Sources	4,400,174				4,400,174
Federal Sources	-	589,987			589,987
Total Revenues	23,961,124	610,744	-	752,225	25,324,093
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	11,057,365	260,071			11,317,436
Special Education Instruction	4,854,489	257,792			5,112,281
Other Instruction	556,777	5,066			561,843
School Sponsored Activities and Athletics	34,500	21,600			56,100
Support Services and Undistributed Costs					
Student and Instruction Related Services	2,331,603				2,331,603
General Administrative Services	570,369				570,369
School Administrative Services	558,922				558,922
Plant Operations and Maintenance	1,357,162	67,058			1,424,220
Pupil Transportation	473,847				473,847
Central Services	507,763				507,763
Capital Outlay	490,161				490,161
Debt Service					
Principal	127,833			515,000	642,833
Interest and Other Charges	50,706			262,225	312,931
Total Expenditures	22,971,497	611,587	-	777,225	24,360,309
Excess (Deficiency) of Revenues Over Expenditures	989,627	(843)	-	(25,000)	963,784
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Purchase Proceeds (Non-Budget)	222,955		-		222,955
Transfers In				25,000	25,000
Transfers Out	(25,000)		-		(25,000)
Total Other Financing Sources and Uses	197,955	-	-	25,000	222,955
Net Change in Fund Balances	1,187,582	(843)	-	-	1,186,739
Fund Balance, Beginning of Year (Restated)	2,469,067	29,722	2,693		2,501,482
Fund Balance, End of Year	<u>\$ 3,656,649</u>	<u>\$ 28,879</u>	<u>\$ 2,693</u>	<u>\$ -</u>	<u>\$ 3,688,221</u>

**MAYWOOD 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, 2021**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 1,186,739**

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

Governmental Funds report capital outlays as expenditures. However, in the statement of activities the costs of the assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays.

Depreciation Expense	\$	(586,441)	
Acquisition of Capital Assets		<u>490,161</u>	
			(96,280)

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

Debt Issuance			
Lease Purchase Agreements		(222,955)	
Principal Repayments			
Capital Leases		127,833	
General Obligation Bonds		<u>515,000</u>	
			419,878

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium		27,708	
Amortization of Deferred Amount on Refunding		<u>(36,438)</u>	
			(8,730)

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

Decrease in Compensated Absences		68,560	
Decrease in Pension Expense		<u>148,813</u>	
			217,373

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>8,173</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,727,153**

**MAYWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2021**

	<b>Business- Type            Activities            Enterprise            Funds            Food            Service</b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 25,559
Intergovernmental Accounts Receivable	9,787
Other Accounts Receivable	885
Inventories	2,369
Total Current Assets	38,600
Capital Assets	
Furniture, Machinery and Equipment	30,284
Less Accumulated Depreciation	(23,775)
Total Capital Assets, Net of Accumulated Depreciation	6,509
Total Assets	45,109
<b>LIABILITIES</b>	
Liabilities	
Accounts Payable	9,875
Unearned Revenues	10,311
Total Current Liabilities	20,186
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Commodities Revenue	41
Total Liabilities and Deferred Inflows of Resources	20,227
<b>NET POSITION</b>	
Net Investment in Capital Assets	6,509
Unrestricted	18,373
Total Net Position	\$ 24,882

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

**MAYWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activities Enterprise Fund</b>
	<b>Food Service</b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ -
Total Operating Revenues	-
 <b>OPERATING EXPENSES</b>	
Cost of Sales	29,173
Salaries and Wages	28,191
Insurance	2,769
Management Fee	21,136
Purchased Professional - Educational Srvc.	2,765
Supplies and Materials	10,657
Repair and Maintenance	3,658
Miscellaneous	563
Depreciation	2,170
	101,082
Total Operating Expenses	101,082
Operating (Loss)	(101,082)
 <b>NONOPERATING REVENUES</b>	
State Sources	
State School Lunch Program	3,572
Federal Sources	
National School Lunch Program	65,893
National School Lunch PB Program	1,314
USDA Commodities	7,428
	78,207
Total Nonoperating Revenues	78,207
Change in Net Position	(22,875)
Net Position, Beginning of Year	47,757
Net Position, End of Year	\$ 24,882

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

**MAYWOOD BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activities Enterprise Funds</b>
	<b>Food Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ (1,834)
Payments for Employees	(28,191)
Payments to Suppliers	(54,876)
Net Cash Provided by (Used for) Operating Activities	(84,901)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State and Federal Sources	61,629
Net Cash Provided by Non-Capital Financing Activities	61,629
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of Capital Assets	-
Net Cash Provided By (Used For) Capital and Related Financing Activities	-
Net Decrease in Cash and Cash Equivalents	(23,272)
Cash and Cash Equivalents—Beginning of Year	48,831
Cash and Cash Equivalents—End of Year	\$ 25,559
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>	
Operating Income (Loss)	\$ (101,082)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Depreciation	2,170
Food Distribution Program - Non-Cash Assistance	7,428
(Increase) Decrease in Inventory	2,736
(Increase) Decrease in Other Accounts Receivable	406
Increase/(Decrease) in Deferred Inflows of Resources	(940)
Increase (Decrease) in Accounts Payable	6,621
Increase (Decrease) in Unearned Revenue	(2,240)
Net Cash Provided by (Used for ) Operating Activities	\$ (84,901)
Non-Cash Investing, Capital and Financing Activities Value Received - Food Distribution Program	\$ 6,488

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

**NOTES TO THE FINANCIAL STATEMENTS**

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Maywood Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. A 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 eight (8) 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 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 Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and 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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards .

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

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

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

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

**Reclassifications**

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

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

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

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

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

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

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

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**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.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

***4. Capital Assets***

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. 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 commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other 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.

***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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

***8. Long-Term Obligations***

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

***9. 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 2).

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 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 2).

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 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, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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

*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).

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

*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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

***10. 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 government 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 government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

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

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**F. Revenues and Expenditures/Expenses (Continued)**

**3. *Tuition Revenues and Expenditures* (Continued)**

Tuition Expenditures - The Maywood School District (Sending District) entered into an agreement with the Hackensack School District (Receiving District) regarding the appropriate tuition to be charged in future years 2010/11 through 2016/17 and to address issues regarding adjustments to tuition for school years 2007/08, 2010/11, 2012/13. There was no tuition agreement in effect between the Sending District and Receiving District for the 2017/18 school year. The Sending District's resident students continued to attend the Receiving District at the rate charged by the Receiving District to other board of educations.

The parties agreed that the retroactive adjustment owed by the sending District to the receiving District amounts to \$950,901 shall be paid over a 10 year period. As such the Maywood School District is obligated to pay the receiving District an amount equal to \$95,090 per annum for years 2012/2013 through 2021/22. Maywood has an offsetting claim for fiscal years 2014-15, 2015-16 and 2016-17 totaling \$395,735 as a result of the certified tuition rates being less than contracted rates.

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 15, 2012, 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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$153,855. The increase was funded by grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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

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

**B. Capital Reserve**

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

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

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**B. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 549,800
Increased by:	
Deposits Approved by Board Resolution	<u>500,200</u>
	1,050,000
Decreased by:	
Withdrawals approved in District Budget	<u>25,000</u>
Balance, June 30, 2021	<u>\$ 1,025,000</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted Capital Projects is \$2,427,000.

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$25,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/22 original budget certified for taxes.

**C. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 250,000
Increased by:	
Deposits Approved by Board Resolution	<u>25,000</u>
	275,000
Decreased by:	
Withdrawals Approved in District Budget	<u>25,000</u>
Balance, June 30, 2021	<u>\$ 250,000</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$873,564.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$1,253,576. Of this amount, \$525,205 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$728,371 will be appropriated in the 2022/2023 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

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, 2021, the book value of the Board's deposits were \$3,919,434 and bank and brokerage firm balances of the Board's deposits amounted to \$4,519,757. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	<u>\$ 4,519,757</u>
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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, 2021, none of the Board's bank balances were exposed to custodial credit risk.

**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, 2021, the Board had no outstanding investments.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**B. Receivables**

Receivables as of June 30, 2021 for the district's individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts			\$ 885	\$ 885
Intergovernmental-				
Federal		\$ 48,067	9,787	57,854
State	\$ 56,408			56,408
Other	<u>85,395</u>	<u>-</u>	<u>-</u>	<u>85,395</u>
Gross Receivables	141,803	48,067	10,672	200,542
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 141,803</u>	<u>\$ 48,067</u>	<u>\$ 10,672</u>	<u>\$ 200,542</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 15,522			\$ 15,522
Construction in Progress	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>15,522</u>	<u>-</u>	<u>-</u>	<u>15,522</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	24,022,259			24,022,259
Machinery and Equipment	<u>976,309</u>	<u>\$ 490,161</u>	<u>-</u>	<u>1,466,470</u>
Total Capital Assets Being Depreciated	<u>24,998,568</u>	<u>490,161</u>	<u>-</u>	<u>25,488,729</u>
Less Accumulated Depreciation for:				
Buildings	(8,052,559)	(540,806)		(8,593,365)
Machinery and Equipment	<u>(904,010)</u>	<u>(45,635)</u>	<u>-</u>	<u>(949,645)</u>
Total Accumulated Depreciation	<u>(8,956,569)</u>	<u>(586,441)</u>	<u>-</u>	<u>(9,543,010)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,041,999</u>	<u>(96,280)</u>	<u>-</u>	<u>15,945,719</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,057,521</u>	<u>\$ (96,280)</u>	<u>\$ -</u>	<u>\$ 15,961,241</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 30,284	\$ -	-	\$ 30,284
Total Capital Assets Being Depreciated	<u>30,284</u>	<u>-</u>	<u>-</u>	<u>30,284</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(21,605)</u>	<u>(2,170)</u>	<u>-</u>	<u>(23,775)</u>
Total Accumulated Depreciation	<u>(21,605)</u>	<u>(2,170)</u>	<u>-</u>	<u>(23,775)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,679</u>	<u>(2,170)</u>	<u>-</u>	<u>6,509</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,679</u>	<u>\$ (2,170)</u>	<u>\$ -</u>	<u>\$ 6,509</u>

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

**Governmental Activities:**

Instruction	
Regular	\$ 16,538
Support Services	
Student and Instruction Related Service	1,784
School Administration	540,806
Operations And Maintenance Of Plant	27,313
Transportation	-
Total Support Services	<u>586,441</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 586,441</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 2,170</u>

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2021, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 40,567
		<u>\$ 40,567</u>

The above balances are the result of expenditures paid by one fund on behalf of another fund and to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**Interfund Transfers**

	<u>Transfer In:</u>
	Debt Service Fund
Transfer Out:	
General Fund	\$ <u>25,000</u>

The above transfer is the result of monies earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Capital Leases**

The District entered into a capital lease-purchase agreement totaling \$2,374,921 for energy saving incentive project improvements for a term of 20 years. The District has also entered into a capital lease-purchase agreement totaling \$222,955 for school buses for a term of five years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building and Improvements	\$ <u>2,597,876</u>

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities Lease-Purchase Agreement</u>
2022	\$ 178,390
2023	181,738
2024	185,177
2025	188,720
2026	145,974
2027-2030	764,085
2031-2035	<u>887,531</u>
Total minimum lease payments	2,531,615
Less: amount representing interest	<u>(422,127)</u>
Present value of minimum lease payments	<u>\$ 2,109,488</u>

**G. Long-Term Debt**

**General Obligation Bonds**

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

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

\$8,495,000, 2012 Refunding Bonds, due in annual installments of \$430,000 to \$650,000 through August 15, 2031, interest at 3.000% to 4.000%	\$ 6,025,000
\$1,600,000, 2015 Refunding Bonds, due in annual installments of \$85,000 to \$120,000 through August 15, 2031, interest at 2.000% to 3.750%	<u>1,165,000</u>
	<u>\$ 7,190,000</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**G. Long-Term Debt (Continued)**

**Governmental Activities:**

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 540,000	\$ 242,000	\$ 782,000
2023	555,000	221,000	776,000
2024	585,000	199,150	784,150
2025	605,000	176,350	781,350
2026	625,000	152,775	777,775
2027-2031	3,510,000	412,720	3,922,720
2032	<u>770,000</u>	<u>12,406</u>	<u>782,406</u>
	<u>\$ 7,190,000</u>	<u>\$ 1,416,401</u>	<u>\$ 8,606,401</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 43,873,053
Less: Net Debt	<u>(7,190,000)</u>
Remaining Borrowing Power	<u>\$ 36,683,053</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021, was as follows:

	Balance, <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2021</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 7,705,000		\$ 515,000	\$ 7,190,000	\$ 540,000
Add: Unamortized Premium	<u>243,369</u>	-	<u>27,708</u>	<u>215,661</u>	-
Net Bonds Payable	7,948,369	-	542,708	7,405,661	540,000
Capital Leases Payable	2,014,366	222,955	127,833	2,109,488	128,326
Compensated Absences	333,443		68,560	264,883	
Net Pension Liability	<u>2,734,211</u>	-	<u>388,552</u>	<u>2,345,659</u>	-
Governmental Activity Long-Term Liabilities	<u>\$ 13,030,389</u>	<u>\$ 222,955</u>	<u>\$ 1,127,653</u>	<u>\$ 12,125,691</u>	<u>\$ 668,326</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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:

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	None	\$ 19,511	\$ 12,627	\$ 105,796
2020	None	15,661	11,621	98,912
2019	None	17,044	892	94,872

**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, 2021, 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, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

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

**Other Pension Funds**

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

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

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

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 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 member 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 2021.

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, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this 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 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, to contribute for TPAF, respectively for normal cost pension and 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>
2021	\$ 157,354	\$ 1,773,833	\$ 22,969
2020	147,603	1,263,453	22,965
2019	151,441	1,096,719	27,669

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2021, 2020 and 2019, the District contributed \$0, \$634 and \$610, respectively for PERS and the State contributed \$771, \$730 and \$834, 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 \$491,381 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$2,345,659 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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. At June 30, 2020, the District's proportionate share was 0.01517 percent, which was a decrease of .00079 percent from its proportionate share measured as of June 30, 2019 of .01438 percent.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,541 for PERS. The pension contribution made by the District during the current 2020/2021 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, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. 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, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 42,711	\$ 8,295
Changes of Assumptions	76,096	982,149
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	80,176	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>111,375</u>	<u>189,404</u>
Total	<u>\$ 310,358</u>	<u>\$ 1,179,848</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (321,318)
2023	(277,202)
2024	(162,327)
2025	(90,728)
2026	(17,915)
Thereafter	<u>-</u>
	<u>\$ (869,490)</u>

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020) 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 target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 (Continued)***

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,952,793</u>	<u>\$ 2,345,659</u>	<u>\$ 1,830,489</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, 2020. A sensitivity analysis specific to the District’s net pension liability at June 30, 2020 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

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

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. 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, 2020, the State's pension contribution was less 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,317,169 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$37,262,957. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. 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, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .05659 percent, which was an increase of 0.00197 percent from its proportionate share measured as of June 30, 2019 of .05462 percent.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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

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

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

**Teachers Pension and Annuity Fund (TPAF) (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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

<b>Period of Projected Benefit Payments for which the Following Rates were Applied:</b>	
Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

***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 5.40%, 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 (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 43,769,707</u>	<u>\$ 37,262,957</u>	<u>\$ 31,860,193</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, 2020. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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)**

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a 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.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	216,804
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit 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 plans. 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**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the June 30, 2019 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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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 \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$555,892, \$468,718 and \$497,470, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. 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, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,026,227. 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, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$34,982,987. 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, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.05159 percent, which was an increase of 0.00215 percent from its proportionate share measured as of June 30, 2019 of 0.04944 percent.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 %.

**MAYWOOD 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)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21 %
2020	June 30, 2019	3.50%

The discount rate 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.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Changes in the Total OPEB Liability**

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>20,632,777</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,005,548
Interest on the Total OPEB Liability	747,095
Differences Between Expected and Actual Experience	6,797,942
Changes of Assumptions	6,390,190
Gross Benefit Payments	(609,025)
Contributions from the Member	18,460
<b>Net Changes</b>	<u>\$ 14,350,210</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>34,982,987</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

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, 2020.

**MAYWOOD BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower ( 1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 41,328,732	\$ 34,982,987	\$ 29,942,275

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 28,824,422	\$ 34,982,987	\$ 43,135,662

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Maywood Board of Education implemented GASB Statement No. 84 “Fiduciary Activities”. The Maywood Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$128,634 from \$4,977,572 as previously reported to \$5,106,206 as of June 30, 2020.

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5 RESTATEMENT (Continued)**

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$128,634 from \$2,372,848 as previously reported to \$2,501,482 as of June 30, 2020. General Fund fund balance increased \$98,912 from \$2,370,155 as previously reported to \$2,469,067 as of June 30, 2020. Special Revenue Fund fund balance increased \$29,722 from \$0 as previously reported to \$29,722 as of June 30, 2020.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$98,912 from \$98,912 as previously reported to \$0 as of June 30, 2020.

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 19,494,961		\$ 19,494,961	\$ 19,494,961	
Tuition	33,600		33,600	-	\$ (33,600)
Interest	20	\$ 1,000	1,020	4,176	3,156
Miscellaneous	54,000	(1,000)	53,000	61,813	8,813
<b>Total Local Sources</b>	<u>19,582,581</u>	<u>-</u>	<u>19,582,581</u>	<u>19,560,950</u>	<u>(21,631)</u>
State Sources					
Categorical Special Education Aid	856,210	(40,975)	815,235	815,235	
Equalization Aid	324,912		324,912	324,912	
Categorical Security Aid	23,035		23,035	23,035	
Categorical Transportation Aid	153,364		153,364	153,364	
Extraordinary Aid	75,000		75,000	405,548	330,548
Reimbursed Non Public Transportation Aid	-		-	32,190	32,190
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				33,119	33,119
TPAF Pension Contribution (Non-Budget)					
Normal Cost				1,740,714	1,740,714
TPAF OPEB Contribution (Non-Budget)					
Post - Retirement Medical Contribution				555,892	555,892
TPAF LTDI Contribution (Non-Budget)					
Long-Term Disability Insurance Premium				771	771
TPAF Social Security Contributions (Non-Budget)	-	-	-	491,381	491,381
<b>Total State Sources</b>	<u>1,432,521</u>	<u>(40,975)</u>	<u>1,391,546</u>	<u>4,576,161</u>	<u>3,184,615</u>
<b>Total Revenues</b>	<u>21,015,102</u>	<u>(40,975)</u>	<u>20,974,127</u>	<u>24,137,111</u>	<u>3,162,984</u>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	519,736	(87,108)	432,628	426,617	6,011
Grades 1-5	1,981,284	(91,394)	1,889,890	1,880,523	9,367
Grades 6-8	1,715,747	39,193	1,754,940	1,744,736	10,204
Regular Programs - Home Instruction					
Purchased Professional & Educational Services	5,000	-	5,000	-	5,000
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	20,964	31,721	52,685	49,821	2,864
Purchased Professional & Educational Services	5,609	-	5,609	5,609	-
Other Purchased Services	70,768	2,560	73,328	73,328	-
General Supplies	458,863	248,833	707,696	575,229	132,467
Textbooks	50,000	16,101	66,101	59,800	6,301
Other Objects	1,000	-	1,000	-	1,000
<b>Total Regular Programs</b>	<u>4,828,971</u>	<u>159,906</u>	<u>4,988,877</u>	<u>4,815,663</u>	<u>173,214</u>
Learning and/or Language Disabilities					
Salaries of Teachers	166,336	(44,402)	121,934	115,845	6,089
Other Salaries for Instruction	23,293	51,964	75,257	75,257	-
General Supplies	500	25	525	515	10
<b>Total Learning and/or Language Disabilities</b>	<u>190,129</u>	<u>7,587</u>	<u>197,716</u>	<u>191,617</u>	<u>6,099</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Auditory Impairments					
Purchased Technical Services	\$ 27,930	-	\$ 27,930	\$ 27,430	\$ 500
General Supplies	1,500	-	1,500	495	1,005
Total Auditory Impairments	<u>29,430</u>	<u>-</u>	<u>29,430</u>	<u>27,925</u>	<u>1,505</u>
Resource Room/Resource Center					
Salaries of Teachers	933,196	\$ 29,177	962,373	958,568	3,805
Other Salaries for Instruction	237,624	(114,206)	123,418	123,356	62
General Supplies	-	3,500	3,500	2,922	578
Total Resource Room/Resource Center	<u>1,170,820</u>	<u>(81,529)</u>	<u>1,089,291</u>	<u>1,084,846</u>	<u>4,445</u>
Special Education Instruction - Autism					
Salaries of Teachers	284,679	(30,187)	254,492	254,450	42
Other Salaries for Instruction	320,286	(76)	320,210	223,497	96,713
Purchased Professional - Educational Services	65,205	(55,205)	10,000	-	10,000
General Supplies	1,500	-	1,500	1,035	465
Total Autism	<u>671,670</u>	<u>(85,468)</u>	<u>586,202</u>	<u>478,982</u>	<u>107,220</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	117,451	-	117,451	88,086	29,365
Other Salaries for Instruction	61,997	-	61,997	57,190	4,807
General Supplies	1,000	-	1,000	411	589
Total Preschool Disabilities Part Time	<u>180,448</u>	<u>-</u>	<u>180,448</u>	<u>145,687</u>	<u>34,761</u>
Total Special Education	<u>2,242,497</u>	<u>(159,410)</u>	<u>2,083,087</u>	<u>1,929,057</u>	<u>154,030</u>
Basic Skills/Remedial					
Salaries of Teachers	307,974	(34,440)	273,534	219,481	54,053
Total Basic Skills/Remedial	<u>307,974</u>	<u>(34,440)</u>	<u>273,534</u>	<u>219,481</u>	<u>54,053</u>
Bilingual Education					
Salaries of Teachers	139,966	-	139,966	132,700	7,266
General Supplies	500	-	500	483	17
Total Bilingual Education	<u>140,466</u>	<u>-</u>	<u>140,466</u>	<u>133,183</u>	<u>7,283</u>
School Sponsored Co-Curricular Activities					
Salaries	27,471	-	27,471	18,850	8,621
Purchased Services	1,100	-	1,100	-	1,100
Supplies and Materials	9,500	-	9,500	4,725	4,775
Total School Sponsored Co-Curricular Activities	<u>38,071</u>	<u>-</u>	<u>38,071</u>	<u>23,575</u>	<u>14,496</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 21,106	\$ (6,242)	\$ 14,864	-	\$ 14,864
Purchased Services	7,500	-	7,500	-	7,500
Supplies and Materials	5,000	-	5,000	-	5,000
Total School Sponsored Athletics	<u>33,606</u>	<u>(6,242)</u>	<u>27,364</u>	<u>-</u>	<u>27,364</u>
Total Instruction	<u>7,591,585</u>	<u>(40,186)</u>	<u>7,551,399</u>	<u>\$ 7,120,959</u>	<u>430,440</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Regular	3,439,443	(96,666)	3,342,777	3,170,429	172,348
Tuition to Other LEAs w/i State - Special	390,325	(4,230)	386,095	280,252	105,843
Tuition to County Voc. School Dist-Reg	518,661	83,246	601,907	600,323	1,584
Tuition to County Voc. School Dist-Special	513,000	(23,190)	489,810	489,810	-
Tuition to CSSD & Reg. Day Schools	679,660	(26,088)	653,572	527,103	126,469
Tuition to Private School for Disabled w/i State	664,406	-	664,406	557,932	106,474
Total Undistributed Expenditures - Instruction	<u>6,205,495</u>	<u>(66,928)</u>	<u>6,138,567</u>	<u>5,625,849</u>	<u>512,718</u>
Attendance & Social Work					
Other Purchased Services	9,300	-	9,300	9,221	79
Total Attendance & Social Work	<u>9,300</u>	<u>-</u>	<u>9,300</u>	<u>9,221</u>	<u>79</u>
Health Services					
Salaries	153,776		153,776	149,250	4,526
Purchased Professional and Technical Services	6,920	820	7,740	7,740	-
Supplies and Materials	5,500	80	5,580	5,318	262
Total Health Services	<u>166,196</u>	<u>900</u>	<u>167,096</u>	<u>162,308</u>	<u>4,788</u>
Speech, OT, PT & Related Services					
Salaries	212,198	13,384	225,582	210,496	\$ 15,086
Purchased Prof. Ed. Services	246,940	(15,000)	231,940	219,923	12,017
Total Speech, OT, PT & Related Services	<u>459,138</u>	<u>(1,616)</u>	<u>457,522</u>	<u>430,419</u>	<u>27,103</u>
Other Support Services - Students - Extraordinary					
Purchased Professional - Educational Services	96,210	4,230	100,440	89,315	11,125
Total Other Supp.Serv. Student - Extraordinary	<u>96,210</u>	<u>4,230</u>	<u>100,440</u>	<u>89,315</u>	<u>11,125</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Guidance					
Salaries of Other Professional Staff	\$ 181,188	\$ (5,575)	\$ 175,613	\$ 175,613	-
Salaries of Secretarial & Clerical Assistants	41,406	8,594	50,000	50,000	-
Total Guidance	<u>222,594</u>	<u>3,019</u>	<u>225,613</u>	<u>225,613</u>	<u>-</u>
Child Study Teams					
Salaries of Other Professional Staff	428,052	16,880	444,932	444,932	-
Salaries of Secretarial & Clerical Assistants	76,884	(7,117)	69,767	59,000	\$ 10,767
Misc. Purchased Services	20,000	-	20,000	19,900	100
Supplies and Materials	30,000	5,500	35,500	34,854	646
Other Objects	26,906	3,356	30,262	26,707	3,555
Total Child Study Teams	<u>581,842</u>	<u>18,619</u>	<u>600,461</u>	<u>585,393</u>	<u>15,068</u>
Improvement of Inst. Serv.					
Purchased Professional/Educational Services	15,000	-	15,000	-	15,000
Total Improvement of Inst. Serv.	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Educational Media/School Library					
Salaries	135,449	-	135,449	91,049	44,400
Supplies and Materials	9,000	-	9,000	7,300	1,700
Total Educational Media/School Library	<u>144,449</u>	<u>-</u>	<u>144,449</u>	<u>98,349</u>	<u>46,100</u>
Instructional Staff Training Services					
Purchased Professional/Educational Services	8,250	-	8,250	5,202	3,048
Other Purchased Services	12,000	-	12,000	1,315	10,685
Total Instructional Staff Training Services	<u>20,250</u>	<u>-</u>	<u>20,250</u>	<u>6,517</u>	<u>13,733</u>
Support Services General Administration					
Salaries	252,289	784	253,073	253,058	15
Legal Services	70,000	(36,324)	33,676	13,756	\$ 19,920
Audit Fees	26,500	(300)	26,200	25,778	422
Architectural/Engineering Services	20,000	12,800	32,800	25,833	6,967
Other Purchased Professional Services	12,500	-	12,500	6,453	6,047
Communications/Telephone	28,630	-	28,630	22,799	5,831
BOE Other Purchased Services	14,300	-	14,300	10,964	3,336
General Supplies	14,000	-	14,000	7,391	6,609
Miscellaneous Expenditures	2,350	-	2,350	-	2,350
BOE Membership Dues and Fees	10,684	-	10,684	8,023	2,661
Total Support Services General Administration	<u>451,253</u>	<u>(23,040)</u>	<u>428,213</u>	<u>374,055</u>	<u>54,158</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 286,547	\$ (18,298)	\$ 268,249	\$ 250,685	\$ 17,564
Salaries of Secretarial and Clerical Assistants	81,660	18,298	99,958	96,590	3,368
Other Purchased Services	2,520	-	2,520	-	2,520
Supplies and Materials	1,000	-	1,000	-	1,000
	<u>371,727</u>	<u>-</u>	<u>371,727</u>	<u>347,275</u>	<u>24,452</u>
Total Support Services School Administration					
Central Services					
Salaries	245,618	2,094	247,712	247,712	-
Purchased Prof. Services	42,916	(7,253)	35,663	18,243	17,420
Purchased Technical Services	-	2,119	2,119	119	2,000
Miscellaneous Purchased Services	600	-	600	-	600
Supplies and Material	3,600	-	3,600	2,683	917
Other Objects	275	1,115	1,390	1,390	-
	<u>293,009</u>	<u>(1,925)</u>	<u>291,084</u>	<u>270,147</u>	<u>20,937</u>
Total Central Services					
Administration Information Technology					
Salaries	3,260	-	3,260	-	3,260
Purchased Technical Services	91,555	4,050	95,605	94,050	1,555
	<u>94,815</u>	<u>4,050</u>	<u>98,865</u>	<u>94,050</u>	<u>4,815</u>
Total Administration Information Technology					
Required Maintenance for School Facilities					
Salaries	139,148	(11,320)	127,828	123,446	4,382
Cleaning, Repair and Maintenance Services	139,888	17,644	157,532	145,915	11,617
General Supplies	60,000	(10,000)	50,000	36,080	13,920
	<u>339,036</u>	<u>(3,676)</u>	<u>335,360</u>	<u>305,441</u>	<u>29,919</u>
Total Allowable Maintenance for School Facilities					
Custodial Services					
Salaries	397,685	(15,349)	382,336	376,139	6,197
Salaries of Non-Instructional Aides	65,612	(13,551)	52,061	-	52,061
Unused Vacation Pay to Term/Retired Staff	-	4,415	4,415	-	4,415
Insurance	135,000	(480)	134,520	132,090	2,430
General Supplies	38,000	45,000	83,000	63,200	19,800
Energy (Natural Gas)	80,000	(10,000)	70,000	56,302	13,698
Energy (Electricity)	95,000	-	95,000	74,395	20,605
Other Objects	7,500	-	7,500	6,376	1,124
Interest - Energy Savings Impr Prog Bonds	49,162	-	49,162	49,162	-
Principal - Energy Savings Impr Prog Bonds	82,985	-	82,985	82,985	-
	<u>950,944</u>	<u>10,035</u>	<u>960,979</u>	<u>840,649</u>	<u>120,330</u>
Total Custodial Services					

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Student Transportation Services					
Salaries for Non-Instructional Aids	\$ 8,500	\$ 1,593	\$ 10,093	\$ 10,093	
Salaries for Pupil Transport. (Between Home & School) - Regular	-	43,328	43,328	36,883	\$ 6,445
Salaries for Pupil Transport. (Between Home & School) - Special Ed	18,311	-	18,311	15,983	2,328
Rental Payments - Buses	-	8,688	8,688	8,688	-
Lease Purchase Payments - Buses	-	46,392	46,392	46,392	-
Contracted Services - Aid In Lieu of Payment for Non-Public School Students	75,000	(698)	74,302	65,941	8,361
Contracted Services (Regular Education Students) - ESC's & CTAS	350,000	(301,000)	49,000	32,408	16,592
Contracted Services (Special Students) - ESC's & CTAS	290,000	(8,900)	281,100	250,842	30,258
General Supplies	-	11,086	11,086	9,756	1,330
Total Student Transportation Services	<u>741,811</u>	<u>(199,511)</u>	<u>542,300</u>	<u>476,986</u>	<u>65,314</u>
Unallocated Benefits- Employee Benefits					
Social Security Contributions	182,166	-	182,166	166,530	15,636
Other Retirement Contributions - PERS	155,000	2,354	157,354	157,354	-
Other Retirement Contributions - ERIP	-	280	280	280	-
Other Retirement Contributions - Regular	30,000	-	30,000	22,969	7,031
Unemployment Compensation	-	35,000	35,000	24,936	10,064
Worker's Compensation	80,000	15,514	95,514	95,514	-
Health Benefits	2,245,538	(22,633)	2,222,905	1,868,549	354,356
Tuition Reimbursement	35,000	-	35,000	35,000	-
Other Employee Benefits	161,838	32,742	194,580	117,393	77,187
Total Unallocated Benefits	<u>2,889,542</u>	<u>63,257</u>	<u>2,952,799</u>	<u>2,488,525</u>	<u>464,274</u>
TPAF Pension Contribution (Non-Budget)					
NCGI Premium				33,119	(33,119)
TPAF Pension Contribution (Non-Budget)					
Normal Cost				1,740,714	(1,740,714)
TPAF OPEB Contribution (Non-Budget)					
Post - Retirement Medical Contribution				555,892	(555,892)
TPAF LTDI Contribution (Non-Budget)					
Long-Term Disability Insurance				771	(771)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	491,381	(491,381)
Total Undistributed Expenditures	<u>14,052,611</u>	<u>(192,586)</u>	<u>13,860,025</u>	<u>15,251,989</u>	<u>(1,391,964)</u>
Interest Earned on Maintenance Reserve	10	-	10	-	10
Total Current Expenditures	<u>21,644,206</u>	<u>(232,772)</u>	<u>21,411,434</u>	<u>22,372,948</u>	<u>(961,514)</u>

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed:					
Care and Upkeep of Grounds	-	\$ 43,430	\$ 43,430	\$ 43,430	-
Buses Acquired Under Capital Lease (Non-Budget)				222,955	(222,955)
School Buses	-	223,776	223,776	223,776	-
	-	267,206	267,206	490,161	(222,955)
Facilities Acq. And Construction Services					
Assessment for Debt Service on SDA Funding	\$ 49,650	-	49,650	49,650	-
Total Facilities Acq. And Construction Services.	49,650	-	49,650	49,650	-
Interest Earned on Capital Reserve	10	-	10	-	10
Total Capital Outlay	49,660	267,206	316,866	539,811	(222,945)
Transfer of Funds to Charter Schools	81,908	-	81,908	58,738	23,170
Total General Fund	21,775,774	34,434	21,810,208	22,971,497	(1,161,289)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(760,672)	(75,409)	(836,081)	1,165,614	2,001,695
Other Financing (Uses)					
Transfer to Cover Deficit - Food Service	-	(20,000)	(20,000)	-	20,000
Capital Reserve - Transfer to Debt Service	(25,000)		(25,000)	(25,000)	
Capital Lease Proceeds (Non-Budget)	-	-	-	222,955	222,955
Total Other Financing Sources	(25,000)	(20,000)	(45,000)	197,955	242,955
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures and Other Financing (Uses)	(785,672)	(95,409)	(881,081)	1,363,569	2,244,650
Fund Balance, Beginning of Year (Restated)	2,791,357	-	2,791,357	2,791,357	-
Fund Balance, End of Year	\$ 2,005,685	\$ (95,409)	\$ 1,910,276	\$ 4,154,926	\$ 2,244,650
Restricted Fund Balance					
Capital Reserve				\$ 1,000,000	
Capital Reserve- Designated for Subsequent Years' Expenditures				25,000	
Maintenance Reserve				250,000	
Excess Surplus				728,371	
Excess Surplus- Designated for Subsequent Years' Expenditures				525,205	
Unemployment Compensation				73,976	
Assigned Fund Balance					
Designated for Subsequent Years' Expenditures				278,043	
Year-End Encumbrances				113,526	
Unassigned Fund Balance				1,160,805	
				4,154,926	
<b>Reconciliation to Governmental Fund Statements (GAAP)</b>					
2020/2021 State Aid and Extraordinary Aid Not Recognized on a GAAP Basis				(498,277)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,656,649	

**MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
State Sources	\$ -	\$ 30,625	\$ 30,625	\$ -	\$ (30,625)
Other		-		20,757	20,757
Federal Sources	531,541	27,821	559,362	589,987	30,625
<b>Total Revenues</b>	<u>531,541</u>	<u>58,446</u>	<u>589,987</u>	<u>610,744</u>	<u>20,757</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	35,000	(8,000)	27,000	27,000	-
Purchased Professional and Technical	7,000	-	7,000	7,000	-
Tuition	257,792	-	257,792	257,792	-
General Supplies	226,071	-	226,071	226,071	-
School Sponsored Co-curricular Activities (Non-Budget) (Non-Budget)	-	-	-	21,600	(21,600)
<b>Total Instruction</b>	<u>525,863</u>	<u>(8,000)</u>	<u>517,863</u>	<u>539,463</u>	<u>(21,600)</u>
<b>Support Services</b>					
Personnel Services - Employee Benefits	2,678	(612)	2,066	2,066	-
Purchased Professional and Technical Supplies and Materials	3,000	-	3,000	3,000	-
	-	67,058	67,058	67,058	-
<b>Total Support Services</b>	<u>5,678</u>	<u>66,446</u>	<u>72,124</u>	<u>72,124</u>	<u>-</u>
<b>Total Expenditures</b>	<u>531,541</u>	<u>58,446</u>	<u>589,987</u>	<u>611,587</u>	<u>(21,600)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(843)	(843)
Fund Balances, Beginning of Year (Restated)	-	-	-	29,722	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,879</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**MAYWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 24,137,111	\$ 610,744
Difference - Budget to GAAP		
State aid payment recognized for GAAP purposes not recognized for GAAP statements. (2019/2020 Aid)	322,290	
State aid payment recognized for budgetary purposes not recognized for GAAP statements. (2020/2021 Aid)	<u>(498,277)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 23,961,124</u>	<u>\$ 610,744</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 22,971,497</u>	<u>\$ 611,587</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 22,971,497</u>	<u>\$ 611,587</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**AND**

**OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Eight Fiscal Years \***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.01438 %	0.01517 %	0.01522 %	0.01417 %	0.01476 %	0.01496 %	0.01492 %	0.01671 %
District's Proportionate Share of the Net Pension Liability (Asset)	2,345,659	2,734,211	2,997,755	3,298,099	4,371,631	3,357,388	2,795,173	3,193,830
District's Covered-Employee Payroll	1,023,885	1,066,662	1,073,046	1,052,701	995,836	1,002,587	667,835	549,226
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	229%	256%	279%	313%	439%	335%	419%	582%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**MAYWOOD BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 157,354	\$ 148,237	\$ 126,005	\$ 131,252	\$ 131,130	\$ 128,584	\$ 131,988	\$ 125,915
Contributions in Relation to the Contractually Required Contributions	<u>157,354</u>	<u>148,237</u>	<u>126,005</u>	<u>131,252</u>	<u>131,130</u>	<u>128,584</u>	<u>131,988</u>	<u>125,915</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
District's Covered- Employee Payroll	944,117	1,023,885	1,066,662	1,073,046	1,052,701	995,836	1,002,587	667,835
Contributions as a Percentage of Covered-Employee Payroll	16.67%	14.48%	11.81%	12.23%	12.46%	12.91%	13.16%	18.85%

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

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

**TEACHERS PENSION AND ANNUITY FUND  
Last Eight Fiscal Years \***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
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>\$ 37,262,957</u>	<u>\$ 33,520,465</u>	<u>\$ 36,318,192</u>	<u>\$ 38,711,779</u>	<u>\$ 44,120,440</u>	<u>\$ 35,553,912</u>	<u>\$ 29,916,885</u>	<u>\$ 28,227,660</u>
<b>Total</b>	<b>\$ 37,262,957</b>	<b>\$ 33,520,465</b>	<b>\$ 36,318,192</b>	<b>\$ 38,711,779</b>	<b>\$ 44,120,440</b>	<b>\$ 35,553,912</b>	<b>\$ 29,916,885</b>	<b>\$ 28,227,660</b>
District's Covered-Employee Payroll	6,969,470	6,464,554	6,016,143	5,870,241	5,896,815	5,822,779	7,054,280	6,874,043
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**MAYWOOD 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, 2021**

**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 4.

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

**Postemployment Health Benefit Plan**

**Last Four Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 1,005,548	\$ 893,943	\$ 1,022,465	\$ 1,234,633
Interest on Total OPEB Liability	747,095	871,243	953,712	819,111
Differences Between Expected and Actual Experience	6,797,942	(2,748,628)	(2,869,274)	
Changes of Assumptions	6,390,190	307,636	(2,515,794)	(3,421,503)
Gross Benefit Payments	(609,025)	(633,365)	(586,218)	(631,725)
Contribution from the Member	<u>18,460</u>	<u>18,775</u>	<u>20,261</u>	<u>23,262</u>
<b>Net Change in Total OPEB Liability</b>	14,350,210	(1,290,396)	(3,974,848)	(1,976,222)
<b>Total OPEB Liability - Beginning</b>	<u>20,632,777</u>	<u>21,923,173</u>	<u>25,898,021</u>	<u>27,874,243</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 34,982,987</u>	<u>\$ 20,632,777</u>	<u>\$ 21,923,173</u>	<u>\$ 25,898,021</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>34,982,987</u>	<u>20,632,777</u>	<u>21,923,173</u>	<u>25,898,021</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 34,982,987</u>	<u>\$ 20,632,777</u>	<u>\$ 21,923,173</u>	<u>\$ 25,898,021</u>
District's Covered-Employee Payroll	<u>\$ 7,993,355</u>	<u>\$ 7,531,216</u>	<u>\$ 7,089,189</u>	<u>\$ 6,922,942</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	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.

**MAYWOOD 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, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>ESEA Title I</u>	<u>ESEA Title II A</u>	<u>ESEA IV</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>CARES</u>	<u>County CARES</u>	<u>CRF</u>	<u>Digital Divide</u>	<u>CRRSA ESSER II</u>	<u>Student Activities</u>	<u>Grand Total</u>
<b>REVENUES</b>												
Intergovernmental												
State												-
Other											\$ 20,757	\$ 20,757
Federal	\$ 129,205	\$ 26,553	\$ 10,000	\$ 247,343	\$ 10,449	\$ 37,090	\$ 30,625	\$ 52,810	\$ 9,479	\$ 36,433	-	\$ 589,987
Total Revenues	<u>\$ 129,205</u>	<u>\$ 26,553</u>	<u>\$ 10,000</u>	<u>\$ 247,343</u>	<u>\$ 10,449</u>	<u>\$ 37,090</u>	<u>\$ 30,625</u>	<u>\$ 52,810</u>	<u>\$ 9,479</u>	<u>\$ 36,433</u>	<u>\$ 20,757</u>	<u>\$ 610,744</u>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers	\$ 27,000											\$ 27,000
Purchased Prof. and Tech. Services			\$ 7,000									7,000
Tuition				\$ 247,343	\$ 10,449							257,792
General Supplies	100,139	\$ 26,553				\$ 37,090		\$ 52,810	\$ 9,479			226,071
School Sponsored Co-curricular Activities	-	-	-	-	-	-	-	-	-		\$ 21,600	21,600
Total Instruction	<u>127,139</u>	<u>26,553</u>	<u>7,000</u>	<u>247,343</u>	<u>10,449</u>	<u>37,090</u>	<u>-</u>	<u>52,810</u>	<u>9,479</u>	<u>-</u>	<u>21,600</u>	<u>539,463</u>
Support Services												
Personnel Services-Employee Benefits	2,066											2,066
Purchased Prof. and Tech. Services			3,000									3,000
Supplies and Materials	-	-	-	-	-	-	30,625	-	-	36,433	-	67,058
Total Support Services	<u>2,066</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,625</u>	<u>-</u>	<u>-</u>	<u>36,433</u>	<u>-</u>	<u>72,124</u>
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 129,205</u>	<u>\$ 26,553</u>	<u>\$ 10,000</u>	<u>\$ 247,343</u>	<u>\$ 10,449</u>	<u>\$ 37,090</u>	<u>\$ 30,625</u>	<u>\$ 52,810</u>	<u>\$ 9,479</u>	<u>\$ 36,433</u>	<u>\$ 21,600</u>	<u>\$ 611,587</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(843)	(843)
Fund Balances, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	-	29,722	29,722
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,879</u>	<u>\$ 28,879</u>

**MAYWOOD BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance, June 30, 2021</u>
Energy Savings Incentive Program	\$ 2,650,004	\$ 2,647,311	\$ -	\$ 2,693
	<u>\$ 2,650,004</u>	<u>\$ 2,647,311</u>	<u>\$ -</u>	<u>\$ 2,693</u>

**Recapitulation of Fund Balance**

Restricted	
Capital Projects	\$ <u>2,693</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 2,693</u>

**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Revenues and Other Financing Sources**

## Revenues

State Aid SDA	\$ <u>          -</u>
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Total Revenues and Other Financing Sources	<u>          -</u>
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**Expenditures and Other Financing Uses**

## Capital Outlays

Other Purchased Professional and Technical Services

Construction Services

Transfer to Capital Reserve	<u>          -</u>
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Total Expenditures and Other Financing Uses	<u>          -</u>
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Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-
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Fund Balance - Beginning of Year	<u>          2,693</u>
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Fund Balance- End of Year	<u><u>          2,693</u></u>
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**Reconciliation to GAAP**

Fund Balance - Budgetary	\$ <u>          2,693</u>
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Fund Balance - GAAP	<u><u>          2,693</u></u>
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**MAYWOOD BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
ENERGY SAVINGS INCENTIVE PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Interest	\$ 83		\$ 83	\$ 83
Lease Purchase Proceeds	2,374,921		2,374,921	2,374,921
Transfer from Capital Outlay	200,000		200,000	200,000
Transfer from Capital Reserve	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
 Total Revenues	 2,650,004	 -	 2,650,004	 2,650,004
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>				
Legal Services	20,000		20,000	20,000
Other Purchased Professional and Technical Services	602,032		602,032	602,032
Construction Services	<u>2,025,279</u>	<u>-</u>	<u>2,025,279</u>	<u>2,027,972</u>
 Total Expenditures and Other Financing Uses	 <u>2,647,311</u>	 <u>-</u>	 <u>2,647,311</u>	 <u>2,650,004</u>
 Excess (deficiency) of Revenues over (under) Expenditures	 <u>\$ 2,693</u>	 <u>\$ -</u>	 <u>\$ 2,693</u>	 <u>\$ -</u>
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 2,374,921			
Local Share	275,083			
Revised Authorized Cost	\$ 2,650,004			
 Percentage Completion	 100%			
Original Target Completion Date	June 2017			
Revised Target Completion Date	February 2018			

## **PROPRIETARY FUNDS**

**EXHIBIT G-1**

**MAYWOOD BOARD OF EDUCATION  
PROPRIETARY FUNDS  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**EXHIBIT G-2**

**COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

**NOT APPLICABLE**

## **FIDUCIARY FUNDS**

**MAYWOOD BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2021**

**NOT APPLICABLE**

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOT APPLICABLE**

**LONG-TERM DEBT**



**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASE CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
School Buses	1.66%	\$ 222,955	\$ -	\$ 222,955	\$ 44,848	\$ 178,107
ESIP Project	2.47%	\$ 2,374,921	<u>2,014,366</u>	<u>-</u>	<u>82,985</u>	<u>1,931,381</u>
			<u>\$ 2,014,366</u>	<u>\$ 222,955</u>	<u>\$ 127,833</u>	<u>\$ 2,109,488</u>

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Final Budget - Positive
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 752,225	-	\$ 752,225	\$ 752,225	-
Total Revenues	<u>752,225</u>	<u>-</u>	<u>752,225</u>	<u>752,225</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	262,225		262,225	262,225	
Redemption of Principal	515,000		515,000	515,000	
Total Regular Debt Service	<u>777,225</u>	<u>-</u>	<u>777,225</u>	<u>777,225</u>	<u>-</u>
Total Expenditures	<u>777,225</u>	<u>-</u>	<u>777,225</u>	<u>777,225</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	-	(25,000)	(25,000)	-
OTHER FINANCING SOURCES(USES)					
Transfer from Capital Outlay to Debt Service	25,000		25,000	25,000	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MAYWOOD BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SCHOOL LOANS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the Maywood Board of Education's comprehensive annual 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 government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government'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 government'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 government's current levels of outstanding debt and the government'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 government'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 government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017	2018	2019	2020 (Restated)	2021
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 7,003,453	\$ 6,459,888	\$ 6,351,372	\$ 6,264,674	\$ 6,274,515	\$ 6,510,974	\$ 6,480,940	\$ 6,386,780	\$ 6,422,792	\$ 6,737,660
Restricted	30,489	156,908	157,392	98,994	248,994	337,953	367,164	497,583	1,096,285	1,380,548
Unrestricted	<u>1,586,718</u>	<u>1,757,565</u>	<u>(1,885,465)</u>	<u>(1,871,126)</u>	<u>(1,755,098)</u>	<u>(1,935,071)</u>	<u>(1,936,733)</u>	<u>(2,293,580)</u>	<u>(2,412,871)</u>	<u>(1,284,849)</u>
<b>Total Governmental Activities Net Position</b>	<b>\$ 8,620,660</b>	<b>\$ 8,374,361</b>	<b>\$ 4,623,299</b>	<b>\$ 4,492,542</b>	<b>\$ 4,768,411</b>	<b>\$ 4,913,856</b>	<b>\$ 4,911,371</b>	<b>\$ 4,590,783</b>	<b>\$ 5,106,206</b>	<b>\$ 6,833,359</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 2,679	\$ 1,849	\$ 1,057	\$ 3,828	\$ 2,640	\$ 1,823	\$ 1,013	\$ 202	\$ 8,679	\$ 6,509
Restricted										
Unrestricted	<u>70,020</u>	<u>62,360</u>	<u>62,472</u>	<u>51,849</u>	<u>47,395</u>	<u>45,031</u>	<u>48,634</u>	<u>52,922</u>	<u>39,078</u>	<u>18,373</u>
<b>Total Business-Type Activities Net Position</b>	<b>\$ 72,699</b>	<b>\$ 64,209</b>	<b>\$ 63,529</b>	<b>\$ 55,677</b>	<b>\$ 50,035</b>	<b>\$ 46,854</b>	<b>\$ 49,647</b>	<b>\$ 53,124</b>	<b>\$ 47,757</b>	<b>\$ 24,882</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 7,006,132	\$ 6,461,737	\$ 6,352,429	\$ 6,268,502	\$ 6,277,155	\$ 6,512,797	\$ 6,481,953	\$ 6,386,982	\$ 6,431,471	\$ 6,744,169
Restricted	30,489	156,908	157,392	98,994	248,994	337,953	367,164	497,583	1,096,285	1,380,548
Unrestricted	<u>1,656,738</u>	<u>1,819,925</u>	<u>(1,822,993)</u>	<u>(1,819,277)</u>	<u>(1,707,703)</u>	<u>(1,890,040)</u>	<u>(1,888,099)</u>	<u>(2,240,658)</u>	<u>(2,373,793)</u>	<u>(1,266,476)</u>
<b>Total District Net Position</b>	<b>\$ 8,693,359</b>	<b>\$ 8,438,570</b>	<b>\$ 4,686,828</b>	<b>\$ 4,548,219</b>	<b>\$ 4,818,446</b>	<b>\$ 4,960,710</b>	<b>\$ 4,961,018</b>	<b>\$ 4,643,907</b>	<b>\$ 5,153,963</b>	<b>\$ 6,858,241</b>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2012 (Restated)	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 9,086,275	\$ 10,006,804	\$ 10,037,129	\$ 10,693,070	\$ 11,112,674	\$ 12,025,441	\$ 11,746,286	\$ 11,743,671	\$ 12,169,302	\$ 12,210,634
Special Education	4,013,917	4,021,871	3,958,848	4,551,240	5,107,862	5,414,290	5,283,349	5,608,336	4,695,369	5,549,232
Other Instruction	329,383	359,908	454,611	502,848	506,521	633,148	535,810	577,683	704,231	644,246
School Sponsored Activities And Athletics	82,774	78,862	79,495	87,485	87,632	100,650	107,310	112,454	101,384	59,193
Community Services	5,706	5,467	5,360	6,209	6,549	7,146				
<b>Support Services:</b>										
Student & Instruction Related Services	1,507,020	1,483,678	1,601,467	1,986,708	1,668,171	1,807,689	2,273,335	2,324,193	2,275,455	2,576,396
School Administrative Services	342,535	450,340	465,467	514,773	570,507	630,824	575,475	615,094	574,675	615,754
General Administration	472,926	515,546	440,689	541,477	521,160	588,308	608,256	611,701	689,349	628,909
Central Services	355,980	349,152	301,508	402,566	541,772	614,821	489,686	550,003	503,734	564,907
Plant Operations And Maintenance	1,545,918	1,597,406	1,733,694	1,841,985	1,959,383	2,156,981	2,256,677	2,328,146	1,893,880	1,948,556
Pupil Transportation	528,471	544,751	574,252	479,424	557,414	542,935	540,897	589,058	804,854	499,296
Interest On Long-Term Debt	469,473	363,864	391,334	358,390	359,274	383,491	367,654	350,552	333,593	313,488
<b>Total Governmental Activities Expenses</b>	<u>18,740,378</u>	<u>19,777,649</u>	<u>20,043,854</u>	<u>21,966,175</u>	<u>22,998,919</u>	<u>24,905,724</u>	<u>24,784,735</u>	<u>25,410,891</u>	<u>24,745,826</u>	<u>25,610,611</u>
<b>Business-Type Activities:</b>										
Food Service	237,113	305,266	302,132	309,291	301,339	307,706	296,568	297,522	218,777	101,082
<b>Total Business-Type Activities Expense</b>	<u>237,113</u>	<u>305,266</u>	<u>302,132</u>	<u>309,291</u>	<u>301,339</u>	<u>307,706</u>	<u>296,568</u>	<u>297,522</u>	<u>218,777</u>	<u>101,082</u>
<b>Total District Expenses</b>	<u>\$ 18,977,491</u>	<u>\$ 20,082,915</u>	<u>\$ 20,345,986</u>	<u>\$ 22,275,466</u>	<u>\$ 23,300,258</u>	<u>\$ 25,213,430</u>	<u>\$ 25,081,303</u>	<u>\$ 25,708,413</u>	<u>\$ 24,964,603</u>	<u>\$ 25,711,693</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Operating Grants And Contributions	\$ 2,556,671	\$ 2,908,771	\$ 2,402,554	\$ 3,912,996	\$ 4,608,922	\$ 5,807,572	\$ 5,180,825	\$ 5,160,744	\$ 4,861,205	\$ 6,682,260
Charges for Services	336,000	357,952	163,697	193,064	246,424	58,885	34,000	82,176	44,650	20,757
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<u>2,892,671</u>	<u>3,266,723</u>	<u>2,566,251</u>	<u>4,106,060</u>	<u>4,855,346</u>	<u>5,866,457</u>	<u>5,214,825</u>	<u>5,242,920</u>	<u>4,905,855</u>	<u>6,703,017</u>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	149,747	180,580	191,014	190,305	199,132	213,004	214,011	213,723	148,626	-
Operating Grants And Contributions	83,351	116,196	110,438	111,134	96,565	91,521	85,350	87,276	64,784	78,207
<b>Total Business Type Activities Program Revenues</b>	<u>233,098</u>	<u>296,776</u>	<u>301,452</u>	<u>301,439</u>	<u>295,697</u>	<u>304,525</u>	<u>299,361</u>	<u>300,999</u>	<u>213,410</u>	<u>78,207</u>
<b>Total District Program Revenues</b>	<u>\$ 3,125,769</u>	<u>\$ 3,563,499</u>	<u>\$ 2,867,703</u>	<u>\$ 4,407,499</u>	<u>\$ 5,151,043</u>	<u>\$ 6,170,982</u>	<u>\$ 5,514,186</u>	<u>\$ 5,543,919</u>	<u>\$ 5,119,265</u>	<u>\$ 6,781,224</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (15,847,707)	\$ (16,510,926)	\$ (17,477,603)	\$ (17,860,115)	\$ (18,143,573)	\$ (19,039,267)	\$ (19,569,910)	\$ (20,167,971)	\$ (19,839,971)	\$ (18,907,594)
Business-Type Activities	(4,015)	(8,490)	(680)	(7,852)	(5,642)	(3,181)	2,793	3,477	(5,367)	(22,875)
<b>Total District-Wide Net Expense</b>	<u>\$ (15,851,722)</u>	<u>\$ (16,519,416)</u>	<u>\$ (17,478,283)</u>	<u>\$ (17,867,967)</u>	<u>\$ (18,149,215)</u>	<u>\$ (19,042,448)</u>	<u>\$ (19,567,117)</u>	<u>\$ (20,164,494)</u>	<u>\$ (19,845,338)</u>	<u>\$ (18,930,469)</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>	(Restated)									
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 15,142,548	\$ 15,415,114	\$ 15,723,416	\$ 16,431,138	\$ 17,116,748	\$ 17,794,387	\$ 18,150,275	\$ 18,598,281	\$ 19,083,295	\$ 19,494,961
Taxes Levied For Debt Service	809,705	810,439	753,943	786,243	781,553	777,850	776,600	778,100	754,175	752,225
State Aid, Unrestricted	51,116	20,721	431,422	404,408	348,064	344,441	328,574	342,216	322,302	321,572
Investment Earnings	2,327	2,495	6,428	2,025	1,196	1,302	2,459	14,022	8,587	4,176
Donation of Capital Assets			3,327							
Miscellaneous Income	498,457	15,858	1,835	105,544	171,881	266,732	309,517	114,764	58,401	61,813
<b>Total Governmental Activities</b>	<u>16,504,153</u>	<u>16,264,627</u>	<u>16,920,371</u>	<u>17,729,358</u>	<u>18,419,442</u>	<u>19,184,712</u>	<u>19,567,425</u>	<u>19,847,383</u>	<u>20,226,760</u>	<u>20,634,747</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total District-Wide</b>	<u>\$ 16,504,153</u>	<u>\$ 16,264,627</u>	<u>\$ 16,920,371</u>	<u>\$ 17,729,358</u>	<u>\$ 18,419,442</u>	<u>\$ 19,184,712</u>	<u>\$ 19,567,425</u>	<u>\$ 19,847,383</u>	<u>\$ 20,226,760</u>	<u>\$ 20,634,747</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 656,446	\$ (246,299)	\$ (557,232)	\$ (130,757)	\$ 275,869	\$ 145,445	\$ (2,485)	\$ (320,588)	\$ 386,789	\$ 1,727,153
Business-Type Activities	(4,015)	(8,490)	(680)	(7,852)	(5,642)	(3,181)	2,793	3,477	(5,367)	(22,875)
<b>Total District</b>	<u>\$ 652,431</u>	<u>\$ (254,789)</u>	<u>\$ (557,912)</u>	<u>\$ (138,609)</u>	<u>\$ 270,227</u>	<u>\$ 142,264</u>	<u>\$ 308</u>	<u>\$ (317,111)</u>	<u>\$ 381,422</u>	<u>\$ 1,704,278</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund										
Reserved										
Unreserved										
Restricted										
Committed	\$ 1,081,033	\$ 1,431,394	\$ 1,194,182	\$ 1,116,399	\$ 1,364,627	\$ 1,488,481	\$ 1,355,986	\$ 1,374,144	\$ 1,882,636	\$ 2,602,552
Assigned	834,777	548,558	445,739	405,667	459,868	372,600	593,733	353,783	329,088	391,569
Unassigned	<u>161,082</u>	<u>326,658</u>	<u>306,654</u>	<u>285,544</u>	<u>288,802</u>	<u>331,097</u>	<u>311,264</u>	<u>291,325</u>	<u>257,343</u>	<u>662,528</u>
Total General Fund	<u>\$ 2,076,892</u>	<u>\$ 2,306,610</u>	<u>\$ 1,946,575</u>	<u>\$ 1,866,029</u>	<u>\$ 2,113,297</u>	<u>\$ 2,192,178</u>	<u>\$ 2,260,983</u>	<u>\$ 2,019,252</u>	<u>\$ 2,469,067</u>	<u>\$ 3,656,649</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ 1	\$ 29,516			\$ 1,311,780	\$ 22,453	\$ 2,693	\$ 2,693	\$ 32,415	\$ 31,572
Unassigned	<u>96,904</u>	<u>-</u>								
Total All Other Governmental Funds	<u>\$ 96,905</u>	<u>\$ 29,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,311,780</u>	<u>\$ 22,453</u>	<u>\$ 2,693</u>	<u>\$ 2,693</u>	<u>\$ 32,415</u>	<u>\$ 31,572</u>

Note: Fund balance at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 15,952,253	\$ 16,225,553	\$ 16,477,359	\$ 17,217,381	\$ 17,898,301	\$ 18,572,237	\$ 18,926,875	\$ 19,376,381	\$ 19,837,470	\$ 20,247,186
Tuition	269,286	291,331	121,155	140,927	194,168	58,885	34,000	82,176	44,650	-
Interest Earnings	2,327	2,495	6,428	2,025	1,196	1,302	2,459	14,022	8,587	4,176
Miscellaneous	499,457	17,358	4,059	108,062	172,881	267,732	309,517	114,764	58,401	82,570
State Sources	2,137,631	2,535,876	2,419,493	2,589,177	2,806,894	3,083,350	3,273,668	3,517,630	3,845,002	4,400,174
Federal Sources	469,156	392,116	412,259	420,021	427,248	398,440	415,082	412,941	472,437	589,987
<b>Total Revenue</b>	<b>19,330,110</b>	<b>19,464,729</b>	<b>19,440,753</b>	<b>20,477,593</b>	<b>21,500,688</b>	<b>22,381,946</b>	<b>22,961,601</b>	<b>23,517,914</b>	<b>24,266,547</b>	<b>25,324,093</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,966,784	10,008,585	9,979,107	9,982,486	10,315,417	10,630,236	10,788,378	10,936,567	11,672,511	11,317,436
Special Education Instruction	3,935,295	3,955,250	3,916,306	4,199,973	4,622,170	4,782,965	4,872,688	5,244,852	4,491,040	5,112,281
Other Instruction	329,383	359,908	454,611	461,135	432,098	518,519	462,096	506,996	654,327	561,843
School Sponsored Activities and Athletics	82,638	78,862	79,495	77,637	83,863	82,857	93,934	108,754	101,384	56,100
Community Services	5,706	5,467	5,360	5,469	5,611	5,730				
<b>Support Services:</b>										
Student and Inst. Related Services	1,488,766	1,480,094	1,599,569	1,841,099	1,502,347	1,530,753	2,054,929	2,144,448	2,177,544	2,331,603
General Administration	383,776	403,050	439,954	426,849	473,046	508,822	550,648	564,912	664,473	570,369
School Administrative Services	341,922	449,797	464,825	476,921	498,714	519,955	510,060	561,650	546,964	558,922
Central Services	357,539	359,599	294,265	369,514	477,784	513,957	435,878	510,563	479,208	507,763
Plant Operations And Maintenance	1,097,691	1,060,154	1,201,014	1,322,162	1,393,855	1,466,626	1,571,083	1,640,332	1,372,073	1,424,220
Pupil Transportation	528,471	544,751	574,252	475,551	551,092	530,829	535,051	583,289	817,318	473,847
Other Support Services										
Charter Schools										
Capital Outlay			3,327	98,339	1,144,250	1,564,358	33,212	35,857	14,664	490,161
<b>Debt Service:</b>										
Payments to Refunding Escrow Agent		661,275								
Cost of Issuance of Refunding Bonds		101,795		77,284						
Principal	335,000	350,000	435,458	456,147	491,852	560,830	640,514	574,596	593,469	642,833
Interest and Other Charges	474,706	394,193	382,761	364,857	324,462	375,955	364,085	346,829	330,669	312,931
<b>Total Expenditures</b>	<b>18,327,677</b>	<b>20,212,780</b>	<b>19,830,304</b>	<b>20,635,423</b>	<b>22,316,561</b>	<b>23,592,392</b>	<b>22,912,556</b>	<b>23,759,645</b>	<b>23,915,644</b>	<b>24,360,309</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,002,433	(748,051)	(389,551)	(157,830)	(815,873)	(1,210,446)	49,045	(241,731)	350,903	963,784

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Other Financing Sources (Uses)</b>										
Payments to Refunding Escrow Agent		\$ (8,235,000)		\$ (1,580,969)						
Refunding Bonds Proceeds		8,495,000		1,600,000						
Premium on Issuance of Refunding Bond		463,069		58,253						
Capital Leases (Non-Budgeted)		187,311								
Lease Purchase Proceeds					\$ 2,374,921					\$ 222,955
Cost of Issuance										
Premium on Sale of Bonds										
Transfers In		96,904				\$ 275,000		\$ 18,531	\$ 25,000	25,000
Transfers Out	-	(96,904)	-	-	-	(275,000)	-	(18,531)	(25,000)	(25,000)
<b>Total Other Financing Sources (Uses)</b>	-	910,380	-	77,284	2,374,921	-	-	-	-	222,955
<b>Net Change in Fund Balances</b>	<u>\$ 1,002,433</u>	<u>\$ 162,329</u>	<u>\$ (389,551)</u>	<u>\$ (80,546)</u>	<u>\$ 1,559,048</u>	<u>\$ (1,210,446)</u>	<u>\$ 49,045</u>	<u>\$ (241,731)</u>	<u>\$ 350,903</u>	<u>\$ 1,186,739</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.42%	3.68%	4.13%	4.00%	3.86%	4.25%	4.39%	3.88%	3.87%	4.00%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30</u>	<u>Interest on Deposits</u>	<u>Prior Year Accounts Payable Cancelled</u>	<u>Tuition</u>	<u>E-Rate</u>	<u>Energy Rebates</u>	<u>Facility Use Fees</u>	<u>Shared Service Agreements</u>	<u>Misc.</u>	<u>Total</u>
2012	\$ 2,327	\$ 448,456	\$ 269,286					\$ 50,001	\$ 770,070
2013	2,495		291,331					12,588	306,414
2014	6,428		121,155					1,835	129,418
2015	2,025	14,519	140,927					93,543	251,014
2016	1,144	12,889	194,168	\$ 40,085		\$ 22,000	\$ 85,000	11,907	367,193
2017	1,271		58,885	37,267	\$ 46,082	27,200	110,000	46,183	326,888
2018	2,459		34,000	34,854	121,498	23,500	57,518	72,147	345,976
2019	14,022		82,176		1,124	28,490	15,960	69,190	210,962
2020	8,587		44,650	12,925		20,215		25,261	111,638
2021	4,176					34,093		27,720	65,989

Source: District's financial records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 12,865,700	\$ 864,613,100	\$ 118,993,500	\$ 95,232,000	\$ 52,484,700	\$ 1,144,189,000	\$ 1,364,594	\$ 1,145,553,594	\$ 1,243,838,007	\$ 1.405
2013	11,701,800	865,585,900	118,885,500	90,696,900	52,484,700	1,139,354,800	626,290	1,139,981,090	1,280,476,904	1.436
2014	10,749,900	866,685,400	121,041,800	91,765,500	52,484,700	1,142,727,300	92,580	1,142,819,880	1,240,874,253	1.477
2015	10,749,900	868,321,900	121,041,800	106,765,500	52,484,700	1,159,363,800	60,490	1,159,424,290	1,287,462,683	1.516
2016	11,087,500	871,710,800	120,446,300	105,867,600	52,320,100	1,161,432,300	90,490	1,161,522,790	1,300,816,824	1.570
2017	10,749,900	875,002,500	119,726,900	99,665,500	52,320,100	1,157,464,900	86,390	1,157,551,290	1,286,169,100	1.621
2018	10,718,000	876,502,300	118,698,400	99,333,200	52,320,100	1,157,572,000	86,390	1,157,658,390	1,372,415,032	1.656
2019	10,522,800	876,793,900	115,256,400	93,968,300	52,320,100	1,148,861,500	86,390	1,148,947,890	1,429,287,758	1.707
2020	10,526,200	880,229,000	113,721,400	97,494,800	52,320,100	1,154,291,500	80,380	1,154,371,880	1,499,690,766	1.741
2021	18,579,800	1,129,018,300	163,047,600	120,346,700	79,755,300	1,510,747,700	80,380	1,510,828,080	1,492,660,269	1.348

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**MAYWOOD BOARD OF EDUCATION  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality</u></b>	<b><u>County</u></b>
2012	\$ 2.678	\$ 1.405	\$ 1.036	\$ 0.237
2013	2.744	1.436	1.057	0.251
2014	2.782	1.477	1.054	0.251
2015	2.822	1.516	1.039	0.267
2016	2.902	1.570	1.057	0.275
2017	2.994	1.621	1.082	0.291
2018	3.043	1.656	1.101	0.286
2019	3.112	1.707	1.101	0.304
2020	3.160	1.741	1.096	0.323
2021	2.434	1.348	0.837	0.249

Source: Tax Duplicate, Borough of Maywood

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Kin Properties Inc.	\$ 26,066,100	1.73%	\$ 22,434,400	1.96%
Vornado Bergen Mall, LLC	18,766,000	1.24%	18,067,600	1.58%
S.W.S. Realty	26,163,700	1.73%		
Maywood SNF Realty LLC	11,769,000	0.78%		
Adler (etal), Myron	15,089,600	1.00%	11,884,500	1.04%
Maybrook Gardens	8,869,900	0.59%	11,482,600	1.00%
Essex Gardens, LLC	9,033,000	0.60%	10,233,700	0.89%
Stephan Company	9,732,300	0.64%	12,118,000	1.06%
Maywood Sherwood Village LLC	9,261,300	0.61%		
Trumed Properties	9,656,400	0.64%	-	
	<u>\$ 144,407,300</u>	<u>9.56%</u>	<u>\$ 86,220,800</u>	<u>7.53%</u>

Source: Municipal Tax Assessor

**MAYWOOD 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	
2012	\$ 15,952,253	\$ 15,952,253	100.00%	-
2013	16,225,553	16,225,553	100.00%	-
2014	16,477,359	16,477,359	100.00%	-
2015	17,217,381	17,217,381	100.00%	-
2016	17,898,301	17,898,301	100.00%	-
2017	18,572,237	18,572,237	100.00%	-
2018	18,926,875	18,926,875	100.00%	-
2019	19,376,381	19,376,381	100.00%	-
2020	19,837,470	19,837,470	100.00%	-
2021	20,247,186	20,247,186	100.00%	-

Source: District's financial records

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Loans	Capital Leases and Lease Purchases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 10,947,000			N/A	N/A	\$ 10,947,000	9,656	\$ 1,134
2013	10,857,000		\$ 187,311	N/A	N/A	11,044,311	9,726	1,136
2014	10,452,000		156,853	N/A	N/A	10,608,853	9,764	1,087
2015	10,080,000		125,706	N/A	N/A	10,205,706	9,801	1,041
2016	9,620,000		2,468,775	N/A	N/A	12,088,775	9,819	1,231
2017	9,160,000		2,367,945	N/A	N/A	11,527,945	9,860	1,169
2018	8,690,000		2,197,431	N/A	N/A	10,887,431	9,694	1,123
2019	8,205,000		2,107,835	N/A	N/A	10,312,835	9,614	1,073
2020	7,705,000		2,014,266	N/A	N/A	9,719,266	9,566	1,016
2021	7,190,000		2,109,488	N/A	N/A	9,299,488	9,566 *	972

Source: District records

\*Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2012	\$ 10,947,000	-	\$ 10,947,000	0.96%	\$ 1,135
2013	10,857,000	-	10,857,000	0.95%	1,137
2014	10,452,000	-	10,452,000	0.91%	1,087
2015	10,080,000	-	10,080,000	0.91%	1,041
2016	9,620,000	-	9,620,000	0.82%	1,231
2017	9,160,000	-	9,160,000	0.79%	1,169
2018	8,690,000	-	8,690,000	0.75%	1,123
2019	8,205,000	-	8,205,000	0.71%	1,073
2020	7,705,000	-	7,705,000	0.67%	1,016 *
2021	7,190,000	-	7,190,000	0.48%	972

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

\* Estimate

**MAYWOOD BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Maywood School District	\$ 7,190,000	\$ 7,190,000	
Borough of Maywood	<u>15,266,749</u>	<u>452,251</u>	\$ 14,814,498
Total Direct Debt	<u>\$ 22,456,749</u>	<u>\$ 7,642,251</u>	14,814,498
Overlapping Debt Apportioned to the Municipality:			
Bergen County: (3);(A):			
County of Bergen (A)			12,242,159
Bergen County Utilities Authority - Water Pollution (B)			<u>1,972,571</u>
			<u>14,214,730</u>
Total Direct and Overlapping Debt			<u>\$ 29,029,228</u>

(A) The debt for this entity was apportioned to the Borough of Maywood by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.

(B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

- (1) Borough of Maywood Annual Debt Statement
- (2) BCUA 2020 Audit
- (3) Bergen County 2020 Annual Debt Statement

MAYWOOD BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis
	2020 \$ 1,460,943,551
	2019 1,486,237,387
	2018 <u>1,440,124,410</u>
	<u>\$ 4,387,305,348</u>
Average equalized valuation of taxable property	<u>\$ 1,462,435,116</u>
Debt limit (3 % of average equalization value)	\$ 43,873,053 <sup>a</sup>
Total Net Debt Applicable to Limit	<u>7,190,000</u>
Legal debt margin	<u>\$ 36,683,053</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 40,933,405	\$ 40,070,153	\$ 38,392,110	\$ 37,723,443	\$ 37,856,944	\$ 38,994,298	\$ 40,026,708	\$ 41,505,930	\$ 42,924,245	\$ 43,873,053
Total Net Debt Applicable to Limit	<u>10,947,000</u>	<u>10,857,000</u>	<u>10,452,000</u>	<u>10,080,000</u>	<u>9,620,000</u>	<u>9,160,000</u>	<u>8,690,000</u>	<u>8,205,000</u>	<u>7,705,000</u>	<u>7,190,000</u>
Legal Debt Margin	<u>\$ 29,986,405</u>	<u>\$ 29,213,153</u>	<u>\$ 27,940,110</u>	<u>\$ 27,643,443</u>	<u>\$ 28,236,944</u>	<u>\$ 29,834,298</u>	<u>\$ 31,336,708</u>	<u>\$ 33,300,930</u>	<u>\$ 35,219,245</u>	<u>\$ 36,683,053</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.74%	27.09%	27.22%	26.72%	25.41%	23.49%	21.71%	19.77%	17.95%	16.39%

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

<sup>a</sup> Limit set by NJSIA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population</u>
2011	7.6%	\$ 69,044	9,597
2012	7.7%	71,953	9,656
2013	7.9%	71,449	9,726
2014	5.5%	73,293	9,764
2015	4.6%	76,388	9,801
2016	4.1%	77,187	9,819
2017	3.7%	81,203	9,860
2018	3.3%	85,951	9,694
2019	2.9%	\$ 89,456	9,614
2020	10.0%	N/A	9,566

Source: United States Bureau of Census  
School District Records

(1) Bergen County Per Capita Income

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

	<u>2021</u>		<u>2012</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Instruction</b>										
Regular	53	57	59	60	69	71	70	71	72	70
Special Education	6	10	15	14	18	17	15	17	18	18
Other Special Education	23	23	22	23	30	28	28	32	30	30
Vocational										
Other Instruction										
Nonpublic School Programs										
Adult/Continuing Education Programs										
<b>Support Services:</b>										
Student and Instruction Related Services	2	10	10	10	10	10	10	10	10	10
General Administration	2	2	2	2	2	2	2	2	2	2
School Administrative Services	1	2	2	2	2	2	2	2	2	2
Other Administrative Services	9	5	5	5	5	5	5	5	5	5
Central Services	4	4	4	4	5	5	5	5	5	5
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operations And Maintenance	10	10	10	10	10	10	10	10	10	10
Pupil Transportation	-									2
Other Support Services	1									
<b>Special Schools</b>										
Food Service										
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>111</u>	<u>123</u>	<u>129</u>	<u>130</u>	<u>151</u>	<u>150</u>	<u>147</u>	<u>154</u>	<u>154</u>	<u>154</u>

Source: District Personnel Records

Note:  
GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2012	914	\$ 14,009,606	\$ 15,328	-1.75%	82.00	1:11	N/A	N/A	912	876	-1.63%	96.06%
2013	960	14,540,957	15,147	-1.18%	90.00	1:11	N/A	N/A	953	912	4.51%	95.70%
2014	967	14,794,158	15,299	1.00%	96.00	1:10	N/A	N/A	965	926	1.26%	95.96%
2015	943	15,573,578	16,515	7.95%	97.00	1:10	N/A	N/A	945	907	-2.07%	95.98%
2016	969	16,592,633	17,123	3.68%	117.00	1:8	N/A	N/A	967	926	2.33%	95.76%
2017	976	17,214,211	17,638	3.00%	116.00	1:8	N/A	N/A	976	936	0.93%	95.90%
2018	984	18,120,643	18,415	4.41%	112.00	1:8	N/A	N/A	976	941	0.00%	96.41%
2019	990	19,334,938	19,530	6.05%	120.00	1:8	N/A	N/A	996	956	2.05%	95.98%
2020	983	22,976,842	23,374	19.68%	120.00	1:8	N/A	N/A	978	950	-1.81%	97.14%
2021	940	22,914,384	24,377	4.29%	118.00	1:8	N/A	N/A	944	927	-3.48%	98.20%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service, capital outlay and H.S. regular tuition.
  - c Cost per pupil represents operating expenditures divided by enrollment.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	54,138	54,138	54,138	54,138	54,138	54,138	54,138	54,138	54,138	54,138
Capacity (students)	463	463	463	463	463	463	463	463	463	463
Enrollment	440	437	440	440	446	445	413	414	420	384
<b><u>Middle School</u></b>										
Square Feet	98,583	98,583	98,583	98,583	98,583	98,583	98,583	98,583	98,583	98,583
Capacity (students)	590	590	590	590	590	590	590	590	590	590
Enrollment	474	523	527	527	523	531	571	576	563	556
Number of Schools at June 30, 2021										
Elementary =	1									
Middle School =	1									
Senior High School =	-									
Other =	-									

Source: District Records

**MAYWOOD BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS ENDED JUNE 30,  
(UNAUDITED)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
School Facilities										
Maywood Ave. School	\$ 129,157	\$ 166,717	\$ 185,987	\$ 192,327	\$ 180,373	\$ 216,088	\$ 245,588	\$ 149,819	\$ 102,176	\$ 193,924
Memorial School	<u>155,330</u>	<u>82,594</u>	<u>96,066</u>	<u>99,340</u>	<u>99,054</u>	<u>118,667</u>	<u>134,867</u>	<u>272,815</u>	<u>186,059</u>	<u>111,517</u>
Grand Total	<u>\$ 284,487</u>	<u>\$ 249,311</u>	<u>\$ 282,053</u>	<u>\$ 291,667</u>	<u>\$ 279,427</u>	<u>\$ 334,755</u>	<u>\$ 380,455</u>	<u>\$ 422,634</u>	<u>\$ 288,235</u>	<u>\$ 305,441</u>

Source: District records

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
AS OF JUNE 30, 2021  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
American Alternative Insurance Company		
Property	\$ 45,056,690	\$ 2,500
Electronic Data Processing	3,000,000	
Boiler & Machinery	50,000,000	2,500
Crime Coverage	50,000	1,000
Comprehensive General Liability	3,000,000	
Bodily Injury & Property Damage	1,000,000	
Personal Injury & Advertising Injury	1,000,000	
Employee Benefit Liability	1,000,000	
Automobile		
Combined Single Limit for Bodily Injury	1,000,000	
Uninsured/Underinsured Motorists	35,000	
Public Employees' Faithful Performance Blanket	500,000	5,000

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, 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  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Maywood Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Maywood Board of Education's basic financial statements and have issued our report thereon dated February 3, 2022.

#### **Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

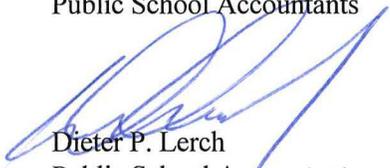
As part of obtaining reasonable assurance about whether the Maywood Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Maywood 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 Maywood Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
February 3, 2022



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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**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 Trustees  
Maywood Board of Education  
Maywood, New Jersey

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

We have audited the Maywood Board of Education’s compliance with the types of compliance requirements described 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 Maywood Board of Education’s major state programs for the fiscal year ended June 30, 2021. The Maywood 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.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Maywood Board of Education’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Maywood Board of Education’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Maywood Board of Education's compliance.

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

In our opinion, the Maywood Board of Education complied, in all material respects, with the types of 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, 2021.

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

Management of the Maywood Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Maywood Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Maywood Board of Education's internal control over compliance.

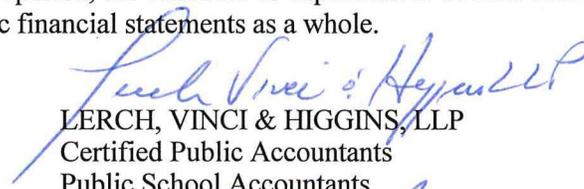
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Maywood Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 3, 2022, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
February 3, 2022

MAYWOOD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	June 30, 2021		(Memo) GAAP Receivable
										Accounts Receivable	Unearned Revenue	
<b>U.S. Department of Agriculture</b>												
<b>Food Service Fund</b>												
Non-Cash Assistance (Food Distribution Program)	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	\$ 6,488			\$ 6,488.00	\$ 6,447		\$ 41	-
Non-Cash Assistance (Food Distribution Program)	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	19,183	\$ 981			981			-
National School Lunch Program Cash Assistance	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	69,465			56,285	65,893	\$ (9,608)		\$ (9,608)
National School Lunch Program Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	39,095	(614)		614				-
National School Lunch HFFKA (PB) Cash Assistance	10.555	211NJ304N1099	N/A	7/1/20-6/30/21	1,314			1,135	1,314	(179)		(179)
National School Lunch HFFKA (PB) Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	3,079	(12)		12				-
<b>Total Child Nutrition Cluster/Food Service Fund</b>						<b>355</b>	<b>-</b>	<b>64,534</b>	<b>74,635</b>	<b>(9,787)</b>	<b>41</b>	<b>(9,787)</b>
<b>U.S. Department of Education Passed-through State Dept. of Education</b>												
<b>Special Revenue Fund</b>												
I.D.E.A. Part B, Basic	84.027A	H027A200100	IDEA364020	7/1/20-6/30/21	247,343			\$ 243,559	247,343	(3,784)		(3,784)
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA364020	7/1/20-6/30/21	10,449	-	-	10,449	10,449	-	-	-
<b>Total Special Education Cluster (IDEA)</b>						<b>-</b>	<b>-</b>	<b>254,008</b>	<b>257,792</b>	<b>(3,784)</b>	<b>-</b>	<b>(3,784)</b>
E.S.E.A. Title I-A	84.010	S010A200030	NCLB364020	7/1/20-6/30/21	137,817			129,205	129,205	(8,612)	8,612	-
E.S.E.A. Title I-A	84.010	S010A190030	NCLB364019	7/1/19-6/30/20	126,959	(9,759)		9,759		-	-	-
E.S.E.A. Title II-A	84.367A	S367A200029	NCLB364020	7/1/20-6/30/21	26,553			26,553	26,553	-	-	-
E.S.E.A. Title II-A	84.367A	S367A190029	NCLB364019	7/1/19-6/30/20	20,488	(18,104)		18,104		-	-	-
E.S.E.A. Title IV	84.424A	S424A200031	NCLB364020	7/1/20-6/30/21	10,000	-	-	2,150	10,000	(7,850)	-	(7,850)
<b>Total E.S.E.A</b>						<b>(27,863)</b>	<b>-</b>	<b>185,771</b>	<b>165,758</b>	<b>(16,462)</b>	<b>8,612</b>	<b>(7,850)</b>
<b>Elementary and Secondary School Emergency Relief (ESSER)</b>												
<b>Coronavirus Aid, Relief, and Economic Security (CARES) Act</b>												
CARES	84.425D	S425D200027		3/13/20-9/30/22	102,085	(102,085)	37,090	102,085	37,090	-	-	-
Digital Divide	84.425D	S377A130031		7/16/20-10/31/20	9,479			9,479	9,479	-	-	-
<b>Elementary and Secondary School Emergency Relief (ESSER II)</b>												
<b>Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</b>												
ESSER II	84.425D	S425D200027	36402109001	3/13/20-9/30/23	431,735			-	36,433	(431,735)	395,302.00	(36,433)
Learning	84.425D	S425D200027	36402109001	3/13/20-9/30/23	27,707			-	-	(27,707)	27,707.00	-
Mental Health	84.425D	S425D200027	36402109001	3/13/20-9/30/23	45,000			-	-	(45,000)	45,000.00	-
<b>Coronavirus Relief Fund</b>												
Coronavirus Relief Fund (CRF)	21.019			7/16/20-10/31/20	52,810	-	-	52,810	52,810	-	-	-
CARES Act - Bergen County	21.019			7/16/20-10/31/20	30,625	-	-	30,625	30,625	-	-	-
<b>Total - COVID Grants</b>						<b>(102,085)</b>	<b>37,090</b>	<b>194,999</b>	<b>166,437</b>	<b>(504,442)</b>	<b>468,009</b>	<b>(36,433)</b>
<b>Total Special Revenue Fund</b>						<b>(129,948)</b>	<b>37,090</b>	<b>634,778</b>	<b>589,987</b>	<b>(524,688)</b>	<b>476,621</b>	<b>(48,067)</b>
<b>Total Federal Awards</b>						<b>\$ (129,593)</b>	<b>\$ 37,090</b>	<b>\$ 699,312</b>	<b>\$ 664,622</b>	<b>\$ (534,475)</b>	<b>\$ 476,662</b>	<b>\$ (57,854)</b>

Note: This schedule was not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance.

MAYWOOD BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	June 30, 2021		MEMO	
									Accounts Receivable	Deferred Revenue	GAAP Receivable	Budgetary Expenditures
<b>State Department of Education</b>												
<b>General Fund</b>												
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 815,235			\$ 757,815	\$ 815,235		\$ (57,420)		\$ 815,235	
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	796,148	\$ (47,891)		47,891					-	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	324,912			302,027	324,912		(22,885)		324,912	
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	324,912	(19,545)		19,545					-	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	23,035			21,413	23,035		(1,622)		23,035	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	23,035	(1,386)		1,386					-	
Homeless Reimbursement		7/1/19-6/30/20	56,749	(56,749)	-	56,749	-	-	-	-	-	-
Total State Aid Public Cluster				(125,571)	-	1,206,826	1,163,182	-	(81,927)	-	-	1,163,182
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	153,364			142,562	153,364		(10,802)		153,364	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	153,364	(9,225)		9,225					-	
Reimbursed Non Public Transportation	21-495-034-5120-014	7/1/20-6/30/21	32,190				32,190		(32,190)		(32,190)	32,190
Reimbursed Non Public Transportation	20-495-034-5120-014	7/1/19-6/30/20	1,289	(1,289)	-	1,289	-	-	-	-	-	-
Total Transportation Aid Cluster				(10,514)	-	153,076	185,554	-	(42,992)	-	(32,190)	185,554
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	405,548				405,548		(405,548)		405,548	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	244,243	(244,243)		244,243					-	
On-behalf TPAF Pension System Payments - Normal Costs	21-495-034-5094-002	7/1/20-6/30/21	1,740,714			1,740,714	1,740,714				1,740,714	
On-behalf TPAF Pension System Payments - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	33,119			33,119	33,119				33,119	
On-behalf TPAF OPEB Payments - Post-Retirement Medical Contribution	21-100-034-5094-001	7/1/20-6/30/21	555,892			555,892	555,892				555,892	
On-behalf TPAF LTDI Payments - Long-Term Disability Insurance Premium	21-495-034-5094-004	7/1/20-6/30/21	771			771	771				771	
Reimbursed TPAF Social Security	21-495-034-5094-003	7/1/20-6/30/21	491,381			467,163	491,381		(24,218)		(24,218)	491,381
Reimbursed TPAF Social Security	20-495-034-5094-003	7/1/19-6/30/20	501,061	(24,872)	-	24,872	-	-	-	-	-	-
				(405,200)	-	4,426,676	4,576,161	-	(554,685)	-	(56,408)	4,576,161
<b>Food Service Fund</b>												
National School Lunch Program	21-100-010-3350-023	7/1/20-6/30/21	3,572			2,921	3,572		(651)		3,572	
National School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	2,241	(10)	-	10	-	-	-	-	-	-
				(10)	-	2,931	3,572	-	(651)	-	-	3,572
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				\$ (405,210)	\$ -	\$ 4,429,607	\$ 4,579,733	\$ -	\$ (555,336)	\$ -	\$ (56,408)	\$ 4,579,733
							(1,740,714)					
							(33,119)					
							(555,892)					
							(771)					
<b>Total State Financial Assistance Subject to Major Program Determination</b>							\$ 2,249,237					

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

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$175,987 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,400,174	\$ 4,400,174
Special Revenue Fund	\$ 589,987	-	589,987
Food Service Fund	<u>74,635</u>	<u>3,572</u>	<u>78,207</u>
Total Financial Assistance	<u>\$ 664,622</u>	<u>\$ 4,403,746</u>	<u>\$ 5,068,368</u>

**MAYWOOD BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$491,381 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, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$1,773,833, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$555,892 and TPAF Long-Term Disability Insurance in the amount of \$771 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Part I – Summary of Auditor’s Results

**Financial Statement Section**

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

**Federal Awards Section**

**NOT APPLICABLE**

MAYWOOD BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes       X  no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>21-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>21-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee?       X  yes      \_\_\_\_\_ no

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**MAYWOOD BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*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, as amended.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**MAYWOOD BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.