

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

**New Providence Board of Education
New Providence, New Jersey**

For the Fiscal Year Ended June 30, 2020

Prepared by

**New Providence Board of Education
Office of the School Business Administrator/Board Secretary**

**SCHOOL DISTRICT
OF
NEW PROVIDENCE**

**New Providence Board of Education
New Providence, New Jersey
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

NEW PROVIDENCE SCHOOL DISTRICT

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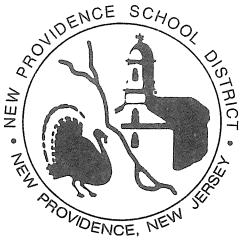
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INTRODUCTORY SECTION



NEW PROVIDENCE SCHOOL DISTRICT

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Assistant Superintendent
of Educational Services
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JAMES E. TESTA
School Business Administrator/
Board Secretary
908-464-9050 (ext. 4223)

JOHN M. RICHTER
Director of Curriculum,
Instruction, and Supervision
908-464-9050 (ext. 4221)

January 7, 2021

**Honorable President and
Members of the Board of Education**
New Providence School District
County of Union, New Jersey

Dear Board Members:

The comprehensive annual financial report of the New Providence School District (District) for the fiscal year ended June 30, 2020, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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 organizational chart and a list of principal officials. The financial section includes under the new Governmental Accounting Standard Board Statement No. 34, the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical sections include 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: New Providence School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Pronouncement Number 14. All funds and account groups of the District are included in this report. The New Providence Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped students. The District completed the 2019-2020 fiscal year with an enrollment of 2,445 students, which is eight students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

<u>School Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2015	2,386	0.0%
2016	2,437	2.1%
2017	2,436	0.0%
2018	2,406	-1.2%
2019	2,437	1.3%
2020	2,445	.3%

2. ECONOMIC CONDITION AND OUTLOOK: The economic condition and outlook seems to be stable. State funding and support have increased slightly over last year. The District will address the funding issues and cap restrictions by making changes in order to continue to meet the needs of the students while addressing the tax impact to the community.

3. MAJOR INITIATIVES:

High School

- New Curriculum:
 - STEM and Science: Research, Neuroscience of Animal Behavior, Electrical Circuits, Marine Biology, Oceanography, Forensics, Medical Terminology, Dynamics in Healthcare
 - Language Arts and Technology: Investigative Journalism, Broadcast Journalism, Media Design, Creative Writing

Middle School

- New Curriculum
 - Algebra I for 8th Grade (non-honors)
 - French

Elementary Schools

- New Curriculum/Curriculum Initiatives
 - 1 to 1 iPad Instruction, 3rd-6th grade
 - Google Classroom
 - Co-teaching/Inclusion Program
 - Art, K-5th grade
 - Health - Research and Debate

District

- Think Tank 2.0: Research, Collaboration, and Planning - Generation Z, Social Emotional Learning and Mental Health; Curriculum; Instructional Strategies; Data Driven Decision Making; Technology Tools; School and Classroom Environment and Structure
- Continuation of District Professional Development Program
- Continuation of Curriculum Evaluation and Review
- Continuation of Technology Curriculum Integration, Including iPad and Google Applications

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (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 judgements by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either cancelled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.

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

7) DEBT ADMINISTRATION: At June 30, 2020, the District's outstanding debt included \$19,745,000.00 of general obligation bonds. In 2006 and 2017, the district issued general obligation bonds. The proceeds of the bonds issued were placed in the District's capital projects fund for capital improvements to the District's buildings and grounds. These improvements include additions and various renovations at all three school locations. In 2014, the 2006 bonds were refunded and refinanced at a savings to the District.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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 Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

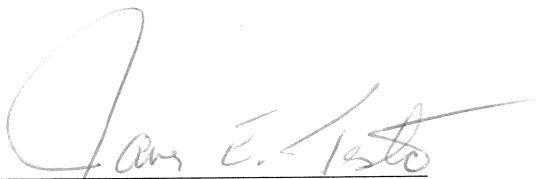
10) OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Donohue, Gironde, Doria & Tomkins, LLC CPA's, was recommended by the Board's Finance committee and approved by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and fund statements 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.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the New Providence 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 office staff.

Respectfully submitted,

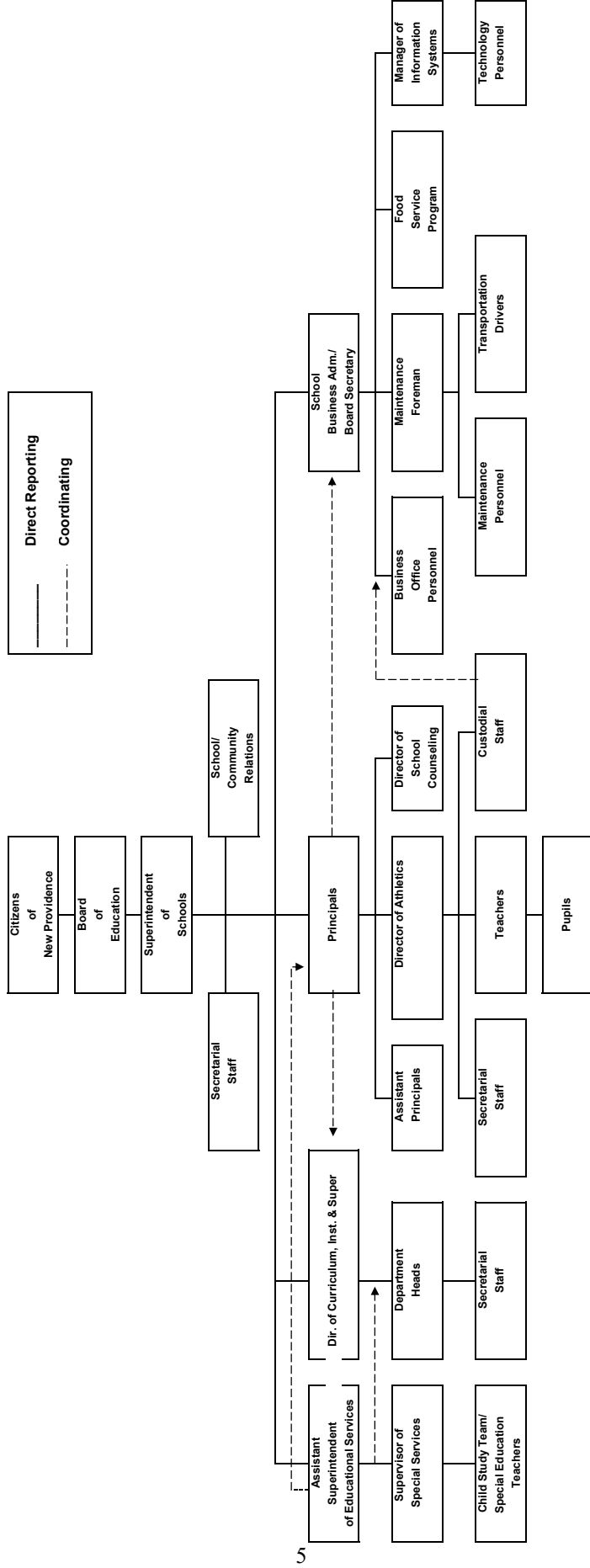


James E. Testa
School Business Administrator/Board Secretary



David M. Miceli, Ed.D.
Superintendent of Schools

New Providence Public Schools Organizational Chart (Unit Control)



NEW PROVIDENCE BOARD OF EDUCATION
NEW PROVIDENCE, NEW JERSEY

ROSTER OF OFFICIALS
June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Bernadette Cuccaro, President	2022
Robert S. Dinerman, Vice President	2021
Rebecca Coniglio	2021
Ira Krauss (Resigned May 28, 2020)	2020
Mary Misiukiewicz	2020
Adam M. Smith	2021
Joseph F. Walsh	2022

Other Officials

David M. Miceli, Ed.D., Superintendent of Schools

James E. Testa, Board Secretary/School Business Administrator

NEW PROVIDENCE BOARD OF EDUCATION
Consultants and Advisors

AUDIT FIRM

Donohue, Gironda, Doria & Tomkins, LLC
310 Broadway
Bayonne, New Jersey 07002

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OFFICIAL DEPOSITORY

Investors Savings Bank
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FINANCIAL SECTION

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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Jason R. Gironda, CPA
Mauricio Canto, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
New Providence School District
County of Union
New Providence, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the New Providence School District, in the County of Union, State of New Jersey (the "Board"), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board'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 *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, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 16 to the financial statements, the United States Department of Health and Human Services Secretary declared a public health emergency for the United States in response to COVID-19. The Governor of the State of New Jersey issued an executive order declaring a State of Emergency and Public Health Emergency across all 21 counties in New Jersey. The Governor's order has been subsequently extended and restrictions are continuously being eased and tightened. A resurgence in COVID-19 cases and resulting restrictions is adversely impacting the Board's programs and functions. Significant uncertainty remains with the ongoing impact of the COVID-19 outbreak that cannot be reasonably estimated. Our opinion is not affected by 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, and pension and post-retirement medical benefits information on pages 11 through 18, pages 61 through 68, and pages 69 through 73 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 Board's basic financial statements. The introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, and schedules of expenditures of federal awards and 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 combining and individual fund financial statements, long-term debt schedules, and 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.

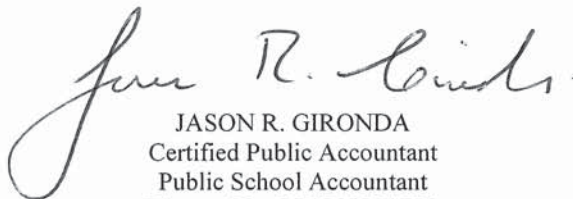
The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Board's internal control over financial reporting and compliance.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



JASON R. GIRONDA
Certified Public Accountant
Public School Accountant
License No. 20CS00264800

Bayonne, New Jersey
January 7, 2021

REQUIRED SUPPLEMENTARY INFORMATION

PART I

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The discussion and analysis of the New Providence School District's financial performance provides an overall review of the New Providence School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the New Providence School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the New Providence School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- Total net position is (\$349,073). Net position for governmental activities is (\$544,507). Net position of the business-type activity, which represents food service, is \$195,434. This reflects an increase in net position in the amount of \$862,711.
- General revenues accounted for \$51,021,259 in revenue or 97.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,375,443 or 2.6 percent of total revenues of \$52,396,702. General revenues including property taxes of \$39,641,961 were used to offset the net expenses after program revenues.
- The School District had \$51,533,991 in expenses; \$1,375,443 of the expenses were offset by program specific charges for service, grants or contributions.
- The General Fund revenues exceeded expenditures and other financing sources of the School District by \$1,227,177. Revenue, in the amount of \$1,600,000 was reserved for tax relief in the 2020/2021 school year and \$2,034,818 will be reserved for tax relief in the 2021/2022 school year, as required by the State of New Jersey.

A review of the fiscal year 2019 financial highlights are as follows:

- Total net position is (\$1,211,784). Net position for governmental activities is (\$1,510,852). Net position of the business-type activity, which represents food service, is \$299,068. This reflects an increase in net position in the amount of \$250,459.
- General revenues accounted for \$51,743,325 in revenue or 97.1 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,569,322 or 2.9 percent of total revenues of \$53,312,647. General revenues including property taxes of \$38,795,614 were used to offset the net expenses after program revenues.
- The School District had \$53,062,188 in expenses; \$1,569,322 of the expenses were offset by program specific charges for service, grants or contributions.
- The General Fund revenues exceeded expenditures and other financing sources of the School District by \$323,982. Revenue, in the amount of \$1,400,000 was reserved for tax relief in the 2019/2020 school year and \$1,530,062 will be reserved for tax relief in the 2020/2021 school year, as required by the State of New Jersey.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Using the Basic Financial Statements

This annual report consists of financial statements and notes to those statements. This report is organized to show the reader the New Providence School District as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole New Providence School District, presenting both an aggregate view of the New Providence School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the New Providence School District's most significant funds. For the New Providence School District, the General Fund is the most significant fund.

Reporting the New Providence School District as a Whole

Statement of Net Position and Statement of Activities

While this report contains the large number of funds used by the New Providence School District to provide programs and activities, the view of the New Providence School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2020?" The statement of net position and the statement of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting which, takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the New Providence School District's net position and changes in those positions. This change in net position is important because it identifies whether the financial position of the New Providence School District has improved or diminished for the New Providence School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the New Providence School District's property tax base, current property tax laws in New Jersey, facility conditions, required educational programs, contractual obligations and other factors.

In the statement of net position and the statement of activities, the New Providence School District is divided into two distinct kinds of activities:

Governmental Activities – Most of the New Providence School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activity – The Food Service enterprise fund is reported as a business activity. This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

Reporting the New Providence School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detail information about the New Providence School District's major funds. The New Providence School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the New Providence School District's most significant funds. The New Providence School District's major governmental funds are the General Fund and Special Revenue Fund.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Governmental Funds

Most of the New Providence School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the New Providence School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net position and the statement of activities and the governmental funds is reconciled in the financial statements.

The New Providence School District

The perspective of the statement of net position is of the New Providence School District as a whole. Table 1 provides a summary of the New Providence School District's net position for 2020.

Total assets equal \$32,917,415. Total assets for Governmental Activities is \$32,721,291. Total assets for Business Type Activities is \$196,124. The totals for 2019 are presented for comparative purposes.

Table 1
Net Position

	Governmental Activities	Business-type Activity	Total	
	2020	2020	2020	2019
ASSETS				
Current and Other Assets	\$ 6,923,791	\$ 62,861	\$ 6,986,652	\$ 6,459,570
Capital Assets, Net	25,797,500	133,263	25,930,763	26,568,782
Total Assets	32,721,291	196,124	32,917,415	33,028,352
DEFERRED OUTFLOWS OF RESOURCES				
Pension Resources	2,312,657	-	2,312,657	3,388,470
LIABILITIES				
Current and Other Liabilities	3,127,971	690	3,128,661	2,713,348
Long-Term Liabilities	18,857,283	-	18,857,283	20,352,525
Net Pension Liability	9,847,684	-	9,847,684	10,791,412
Total Liabilities	31,832,938	690	31,833,628	33,857,285
DEFERRED INFLOWS OF RESOURCES				
Pension Resources	3,745,517	-	3,745,517	3,771,321
NET POSITION				
Net Investment in Capital Assets	5,808,821	133,263	5,942,084	5,327,934
Restricted	2,532,658	-	2,532,658	2,727,467
Unrestricted	(8,885,986)	62,171	(8,823,815)	(9,267,185)
Total Net Position	\$ (544,507)	\$ 195,434	\$ (349,073)	\$ (1,211,784)

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Table 2 reflects the change in net position for fiscal year 2020 and 2019.

**Table 2
Net Position**

	Governmental Activities	Business-type Activity	Total	
	2020	2020	2020	2019
REVENUES				
Program Revenues:				
Charges for Services	\$ 130,865	\$ 553,350	\$ 684,215	\$ 844,726
Operating Grants	689,498	1,730	691,228	724,596
Total Program Revenues	<u>820,363</u>	<u>555,080</u>	<u>1,375,443</u>	<u>1,569,322</u>
General Revenues:				
Property Taxes	39,641,961	-	39,641,961	38,795,614
Grants and Entitlements	11,110,016	-	11,110,016	12,539,696
Interest	93,392	-	93,392	130,231
Special Item Fixed Assets/Disposal	(1,332)	-	(1,332)	(13,660)
Miscellaneous	177,222	-	177,222	291,444
Total General Revenues	<u>51,021,259</u>	<u>-</u>	<u>51,021,259</u>	<u>51,743,325</u>
Total Revenues	<u>51,841,622</u>	<u>555,080</u>	<u>52,396,702</u>	<u>53,312,647</u>
EXPENSES				
Instruction	19,158,436	-	19,158,436	18,883,386
Support Services:				
Tuition, Students and Instructional Staff	6,626,668	-	6,626,668	6,643,616
School Administrative Services	1,561,013	-	1,561,013	1,435,530
General and Business Admin Svcs	17,664,315	-	17,664,315	18,913,850
Operation and Maintenance of Plant	2,228,700	-	2,228,700	2,594,141
Pupil Transportation	1,209,101	-	1,209,101	1,414,324
Unallocated Depreciation	1,728,131	-	1,728,131	1,666,661
Interest on Long-Term Debt	698,913	-	698,913	744,053
Food Service	-	658,714	658,714	766,627
Total Expenses	<u>50,875,277</u>	<u>658,714</u>	<u>51,533,991</u>	<u>53,062,188</u>
Change in Net Position	966,345	(103,634)	862,711	250,459
Net Position, July 1	<u>(1,510,852)</u>	<u>299,068</u>	<u>(1,211,784)</u>	<u>(1,462,243)</u>
Net Position, June 30	<u>\$ (544,507)</u>	<u>\$ 195,434</u>	<u>\$ (349,073)</u>	<u>\$ (1,211,784)</u>

The total increase in Net Position for Governmental Activities is \$966,345. The total decrease in Net Position for Business-Type Activities is \$103,634. The total increase in Net Position is \$862,711.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Governmental Activities

The statement of activities reflects the cost of program services and the charges for services, grants and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3a.
Governmental Activities

	Total Cost of Services 2019-2020	Percent of Total	Total Cost of Services 2018-2019	Percent of Total
Instruction	\$ 19,158,436	37.66%	\$ 18,883,386	36.11%
Support Services:				
Tuition, Students and Instructional Staff	6,626,668	13.03%	6,643,616	12.70%
School Administrative Services	1,561,013	3.07%	1,435,530	2.75%
General and Business Admin Svcs	17,664,315	34.72%	18,913,850	36.17%
Operation and Maintenance of Plant	2,228,700	4.38%	2,594,141	4.96%
Pupil Transportation	1,209,101	2.38%	1,414,324	2.70%
Unallocated Depreciation	1,728,131	3.40%	1,666,661	3.19%
Interest on Long-Term Debt	698,913	1.37%	744,053	1.42%
Total Expenditures	\$ 50,875,277	100%	\$ 52,295,561	100%

The Governmental Activities in the above schedule demonstrate \$19,158,436 are identified as Instruction. Additionally, Tuition, Students and Instructional Staff Activities are \$6,626,668. Combined resources from Instruction, Tuition Students and Instructional Staff total \$25,785,104.

Pupil transportation costs reflect the cost for salaries, overtime, maintenance of fleet and contracted transportation services.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Business-Type Activity

Table 3b.
Business Activity

	<u>Total Cost of Services 2019-2020</u>	<u>Percent of Total</u>	<u>Total Cost of Services 2018-2019</u>	<u>Percent of Total</u>
REVENUE				
Charges for Services	\$ 553,350	99.69%	\$ 773,194	99.63%
Operating - Interest Income	1,730	0.31%	2,882	0.37%
Total Revenue	<u>555,080</u>	<u>100%</u>	<u>776,076</u>	<u>100.00%</u>
EXPENSES				
Food Service	<u>658,714</u>	<u>100%</u>	<u>766,627</u>	<u>100.00%</u>
Total Expense	<u>658,714</u>	<u>100%</u>	<u>766,627</u>	<u>100.00%</u>
Change in Net Position	<u>\$ (103,634)</u>	<u>\$ -</u>	<u>\$ 9,449</u>	<u>\$ -</u>

The business-type activity of the New Providence School District is the food service operation. This program had revenues of \$555,080 and expenses of \$658,714 for fiscal year 2020. For fiscal year 2020, the food service operation realized a decrease in net position of \$103,634.

The Board of Education suggests efforts that continue to increase sales and reduce costs while offering a nutritious, healthy lunch menu. The New Providence Board of Education and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for Free/Reduced lunch submit the proper forms for eligibility in a timely manner.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Sources of Revenue

The local tax revenue has been stable for several years. For all governmental activities, state revenues support approximately 18.15%. The community, as a whole, 80.58% of the support and Federal revenue accounts for 1.27% of the total cost of programs for New Providence School District students.

Table 4
Sources of Revenue

Fiscal Year Ended June 30,	Local Tax Levy	Other Local Revenue	State Revenue	Federal Revenue	Total
2020	\$ 39,641,961	\$ 396,727	\$ 9,016,718	\$ 630,791	\$ 49,686,197
2019	38,795,614	483,294	8,324,147	650,887	48,253,942

The total 2020 revenue from all sources is \$49,686,197.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$49,686,197 and expenditures of \$49,557,335.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2020, the School District amended its General Fund budget as needed. The School District uses a program-based budgeting model and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

A transfer of funds was needed to support tuitions, transportation, related services, legal costs, home instruction and classroom instructional supplies.

For the General Fund, budget basis revenue was \$46,943,287 compared to the final budgeted estimates of \$40,289,472. This difference was primarily due to the State's On-Behalf TPAF Pension Contributions, Post-Retirement Medical Contributions, the State's Reimbursed TPAF Social Security Contributions and additional extraordinary aid. All are non-budgeted income and expense items, except the additional extraordinary aid.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2020, the New Providence School District has \$25,797,500 in Capital Assets, net of depreciation, for governmental activities. This amount represents a net decrease of \$640,282 over last year, which is primarily due to depreciation. More detailed information about the Board's capital assets and depreciation is presented in Note 4 to the financial statements.

**NEW PROVIDENCE SCHOOL DISTRICT
UNION COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Debt

At June 30, 2020, the New Providence School District had no long-term debt payable from proprietary fund resources. Long-term liabilities include debt service, compensated absences and capital lease obligations. More detailed information about the Board's long-term liabilities is presented in Note 5 to the financial statements.

Current Issues

The New Providence School District has been and continues to utilize sound accounting practices. The New Providence School District continues to monitor and address current classroom needs, as well as review enrollment projections.

Fortunately, the New Providence School District has entered this period of time with a strong and prudent budget. The District has carefully monitored its needs in both the short and long term. Per pupil costs remain below the state average and capital costs have addressed the District's needs for at least the next five years. If the economy becomes unstable and support from the State falls, the Administration and Board of Education will address the challenges and make changes in order to continue to meet the needs of the students and community.

Contacting the New Providence School District's Financial Management

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the New Providence School District's finances. Also, to reflect the New Providence School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to James Testa; School Business Administrator/Board Secretary, New Providence School District, 356 Elkwood Avenue, New Providence, New Jersey 07974.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS:			
Cash and cash equivalents	\$ 5,675,655	\$ 42,479	\$ 5,718,134
Receivables, net	650,703	3,470	654,173
Inventory	-	16,912	16,912
Restricted assets:			
Restricted cash and cash equivalents	477,340	-	477,340
Capital reserve account - cash	120,093	-	120,093
Capital assets, net of depreciation	<u>25,797,500</u>	<u>133,263</u>	<u>25,930,763</u>
Total Assets	<u>32,721,291</u>	<u>196,124</u>	<u>32,917,415</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension resources	<u>2,312,657</u>	<u>-</u>	<u>2,312,657</u>
LIABILITIES			
Accounts payable - General	774,849	690	775,539
Accounts payable - related to pension	574,408	-	574,408
Intergovernmental payable:			-
Federal	28,567	-	28,567
State	52,159	-	52,159
Unearned revenue	65,589	-	65,589
Non-current liabilities:			-
Due within one year	1,632,399	-	1,632,399
Due beyond one year	18,857,283	-	18,857,283
Net pension liability	<u>9,847,684</u>	<u>-</u>	<u>9,847,684</u>
Total Liabilities	<u>31,832,938</u>	<u>690</u>	<u>31,833,628</u>
DEFERRED INFLOWS OF RESOURCES			
Pension resources	<u>3,745,517</u>	<u>-</u>	<u>3,745,517</u>
NET POSITION			
Invested in capital assets, net of related debt	5,808,821	133,263	5,942,084
Restricted for:			
Capital projects	377,747	-	377,747
Other Purposes	2,154,911	-	2,154,911
Unrestricted	<u>(8,885,986)</u>	<u>62,171</u>	<u>(8,823,815)</u>
Total net position	<u>\$ (544,507)</u>	<u>\$ 195,434</u>	<u>\$ (349,073)</u>

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

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Activities
for the Fiscal Year ended June 30, 2020

Functions/Programs	Expenses	PROGRAM REVENUES		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$ 14,926,434	\$ 130,865	\$ 593,482	\$
Special Education	2,824,255			
Other special instruction	317,658			
Other instruction	1,090,089			
Support services:				
Tuition	2,656,322			
Student & instruction related services	3,970,346		96,016	
School administrative services	1,561,013			
General and business administrative services	17,664,315			
Plant operation and maintenance	2,228,700			
Pupil transportation	1,209,101			
Unallocated depreciation	1,728,131			
Special schools				
Interest on Long Term Debt	698,913			
Total governmental activities	<u>50,875,277</u>	<u>130,865</u>	<u>689,498</u>	
Business-type activities:				
Food service	658,714	553,350	1,730	
Total business-type activities	<u>658,714</u>	<u>553,350</u>	<u>1,730</u>	
Total primary government	\$ <u>51,533,991</u>	\$ <u>684,215</u>	\$ <u>691,228</u>	\$

General revenues:

Taxes:

Property taxes, levied for general purposes, net

Taxes levied for debt service

Federal and State aid not restricted

Investment earnings

Special item - Loss on disposal of fixed assets

Miscellaneous income

Total general revenues, special items, extraordinary items and transfers

Change in Net Position

Net Position - July 1

Net Position - June 30

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (14,202,087)	\$	\$ (14,202,087)
(2,824,255)		(2,824,255)
(317,658)		(317,658)
(1,090,089)		(1,090,089)
(2,656,322)		(2,656,322)
(3,874,330)		(3,874,330)
(1,561,013)		(1,561,013)
(17,664,315)		(17,664,315)
(2,228,700)		(2,228,700)
(1,209,101)		(1,209,101)
(1,728,131)		(1,728,131)
<u>(698,913)</u>		<u>(698,913)</u>
<u>(50,054,914)</u>		<u>(50,054,914)</u>
	<u>(103,634)</u>	<u>(103,634)</u>
	<u>(103,634)</u>	<u>(103,634)</u>
\$ <u>(50,054,914)</u>	\$ <u>(103,634)</u>	\$ <u>(50,158,548)</u>
38,105,152		38,105,152
1,536,809		1,536,809
11,110,016		11,110,016
93,392		93,392
(1,332)		(1,332)
177,222		177,222
<u>51,021,259</u>		<u>51,021,259</u>
966,345	(103,634)	862,711
<u>(1,510,852)</u>	<u>299,068</u>	<u>(1,211,784)</u>
\$ <u>(544,507)</u>	\$ <u>195,434</u>	\$ <u>(349,073)</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

NEW PROVIDENCE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,675,655	\$ 93,998	\$ 383,342	\$ -	\$ 6,152,995
Accounts receivable:					
Federal	-	67,827	-	-	67,827
State	517,783	6,075	-	-	523,858
Other	59,018	-	-	-	59,018
Capital reserve account - Restricted cash	120,093	-	-	-	120,093
Total assets	<u>\$ 6,372,549</u>	<u>\$ 167,900</u>	<u>\$ 383,342</u>	<u>\$ -</u>	<u>\$ 6,923,791</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	742,974	26,280	5,595	-	774,849
Intergovernmental payable:					
Federal	-	28,567	-	-	28,567
State	-	52,159	-	-	52,159
Unearned revenue	4,695	60,894	-	-	65,589
Total liabilities	<u>747,669</u>	<u>167,900</u>	<u>5,595</u>	<u>-</u>	<u>921,164</u>
Fund balances:					
Restricted for:					
Excess surplus - prior year - designated for subsequent year's expenditures	1,530,062	-	-	-	1,530,062
Excess surplus - current year	2,034,818	-	-	-	2,034,818
Capital reserve	120,093	-	-	-	120,093
Committed fund balance:					
Year-end encumbrances	1,243,045	-	27,758	-	1,270,803
Assigned fund balance:					
Designated for subsequent year's tax relief	69,938	-	-	-	69,938
Unassigned fund balance	626,924	-	349,989	-	976,913
Total fund balances	<u>5,624,880</u>	<u>-</u>	<u>377,747</u>	<u>-</u>	<u>6,002,627</u>
Total liabilities and fund balances	<u>\$ 6,372,549</u>	<u>\$ 167,900</u>	<u>\$ 383,342</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$57,640,078 and the accumulated depreciation is \$31,842,578. (See Note 4) 25,797,500

Deferred outflows of pension resources 2,312,657
Accounts payable for pension (574,408)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5) (20,489,682)

Net pension liability (9,847,684)
Deferred inflows of pension resources (3,745,517)

Net position of governmental activities \$ (544,507)

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
for the Fiscal Year ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources					
Local tax levy	\$ 38,105,152	\$ -	\$ -	\$ 1,536,809	\$ 39,641,961
Tuition	130,865	-	-	-	130,865
Interest earned	87,062	-	6,330	-	93,392
Miscellaneous	177,222	-	-	-	177,222
Grants	-	(4,752)	-	-	(4,752)
Total revenues-local sources	<u>38,500,301</u>	<u>(4,752)</u>	<u>6,330</u>	<u>1,536,809</u>	<u>40,038,688</u>
State sources	8,426,155	63,459	-	527,104	9,016,718
Federal sources	-	630,791	-	-	630,791
Total revenues	<u>46,926,456</u>	<u>689,498</u>	<u>6,330</u>	<u>2,063,913</u>	<u>49,686,197</u>
EXPENDITURES					
Current					
Regular instruction	13,756,045	593,482	-	-	14,349,527
Special education instruction	2,824,255	-	-	-	2,824,255
Other special instruction	317,658	-	-	-	317,658
Other instruction	1,090,089	-	-	-	1,090,089
Support services and undistributed costs:					
Tuition	2,656,322	-	-	-	2,656,322
Student & instruction related services	3,874,330	96,016	-	-	3,970,346
School administrative services	1,561,013	-	-	-	1,561,013
Other administrative services	1,985,417	-	-	-	1,985,417
Operation and maintenance of plant services	2,454,619	-	-	-	2,454,619
Student transportation	1,209,101	-	-	-	1,209,101
Employee benefits	13,408,989	-	-	-	13,408,989
Capital outlay	900,191	-	765,895	-	1,666,086
Debt Service:					
Principal	-	-	-	1,365,000	1,365,000
Interest	-	-	-	698,913	698,913
Total expenditures	<u>46,038,029</u>	<u>689,498</u>	<u>765,895</u>	<u>2,063,913</u>	<u>49,557,335</u>
Excess (deficiency) of revenues over (under) expenditures	<u>888,427</u>	<u>-</u>	<u>(759,565)</u>	<u>-</u>	<u>128,862</u>
OTHER FINANCING SOURCES (USES)					
Capital leases (Nonbudgeted)	338,750	-	-	-	338,750
Total other financing sources (uses)	<u>338,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,750</u>
Net changes in fund balance	<u>1,227,177</u>	<u>-</u>	<u>(759,565)</u>	<u>-</u>	<u>467,612</u>
Fund balances, July 1	<u>4,397,703</u>	<u>-</u>	<u>1,137,312</u>	<u>-</u>	<u>5,535,015</u>
Fund balances, June 30	<u>\$ 5,624,880</u>	<u>\$ -</u>	<u>\$ 377,747</u>	<u>\$ -</u>	<u>\$ 6,002,627</u>

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

NEW PROVIDENCE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
for the Fiscal Year ended June 30, 2020

Total net change in fund balances - governmental funds (from B-2) \$ 467,612

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	\$ (2,305,038)	
Capital Outlays	<u>1,666,086</u>	(638,952)

Repayment of bond principal and capital leases are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Repayment of Bond Principal	1,365,000	
Issuance of Capital Leases	(338,750)	
Payments of Capital Leases Payable	<u>225,919</u>	1,252,169

In the statement of activities, certain operating expenses, such as compensated absences and pension liabilities are measured by the amount earned during the year. In the Governmental Funds, however, expenditures for these items are reported based on the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a decrease on this reconciliation.

When the paid amount exceeds the earned amount, the difference is an addition to this reconciliation.

Compensated Absences	32,218	
Additional PERS pension expense recognized	(145,370)	
Additional on-behalf TPAF pension expense	(2,003,267)	
Additional on-behalf TPAF pension contribution	2,003,267	
Additional on-behalf OPEB expense	(153,490)	
Additional on-behalf OPEB contribution	<u>153,490</u>	(113,152)

Special item - Loss on Disposal of fixed assets (1,332)

Change in net position of governmental activities \$ 966,345

PROPRIETARY FUND

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Net Position
Proprietary Fund
June 30, 2020

	Business-type Activity - Enterprise Fund
	Food Service
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 42,479
Accounts receivable:	
Other	3,470
Inventories	16,912
Total current assets	62,861
 Noncurrent assets:	
Equipment	352,041
Less: Accumulated depreciation	(218,778)
Total noncurrent assets	133,263
 Total assets	196,124
 LIABILITIES	
Current Liabilities:	
Accounts payable	690
Total liabilities	690
 NET POSITION:	
Investment in capital assets	133,263
Unrestricted	62,171
Total net position	\$ 195,434

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
for the Fiscal Year ended June 30, 2020

	Business-type Activities - Enterprise Fund
	Food Service
OPERATING REVENUES:	
Charges for Services	
Daily sales - reimbursable programs	\$ 551,164
Daily sales - non-reimbursable programs	2,186
Total operating revenues	553,350
OPERATING EXPENSES:	
Labor costs	187,633
Costs of sales	324,528
Direct expenses	118,960
Depreciation	27,593
Total operating expenses	658,714
Operating loss	(105,364)
NON-OPERATING REVENUES:	
Interest Income	1,730
Total non-operating revenues	1,730
Change in net position	(103,634)
Net position, July 1	299,068
Net position, June 30	\$ 195,434

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
for the Fiscal Year ended June 30, 2020

	Business-type Activities - Enterprise Fund <hr/> Food Service <hr/>
Cash flows from operating activities:	
Receipts from customers	\$ 556,361
Payments to employees	(187,633)
Payments to suppliers	(500,390)
Net cash (used for) operating activities	<hr/> (131,662) <hr/>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<hr/> (29,856)
Net cash (used for) capital and related financing activities	<hr/> (29,856) <hr/>
Cash flows from investing activities:	
Interest on investments	<hr/> 1,730
Net cash provided by investing activities	<hr/> 1,730 <hr/>
Net decrease in cash and cash equivalents	(159,788)
Cash and cash equivalents, July 1	<hr/> 202,267
Cash and cash equivalents, June 30	<hr/> <u>\$ 42,479</u> <hr/>
Reconciliation of operating loss to net cash (used for) provided by operating activities:	
Operating loss	<hr/> \$ (105,364)
Adjustment to reconcile operating income to net cash (used for) provided by operating activities:	
Decrease in accounts receivable	3,011
Increase in inventories	(11,001)
Decrease in accounts payable	(45,901)
Depreciation	27,593
Total adjustments	<hr/> (26,298) <hr/>
Net cash used for operating activities	<hr/> <u>\$ (131,662)</u> <hr/>

FIDUCIARY FUNDS

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Private Purpose Scholarship Funds	Unemployment Compensation Trust Fund	Agency	
			Student Activity	Payroll
ASSETS:				
Cash and cash equivalents	\$ 150,964	\$ 246,153	\$ 81,884	\$ 271,051
Total assets	<u>150,964</u>	<u>246,153</u>	<u>81,884</u>	<u>271,051</u>
LIABILITIES				
Payroll deductions & withholdings	-	-	-	271,051
Due to student groups	-	-	81,884	-
Total liabilities	<u>-</u>	<u>-</u>	<u>81,884</u>	<u>271,051</u>
NET POSITION				
Held in trust for unemployment claims and other purposes	-	246,153	-	-
Reserved for scholarships	150,964	-	-	-
Total net position	<u>\$ 150,964</u>	<u>\$ 246,153</u>	<u>\$ -</u>	<u>\$ -</u>

NEW PROVIDENCE SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
for the Fiscal Year ended June 30, 2020

	Private Purpose Scholarship Funds	Unemployment Compensation Trust Fund
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Plan Member	\$ -	\$ 12,915
Donations	5,914	-
Total contributions	<u> 5,914</u>	<u> 12,915</u>
Investment earnings:		
Interest	<u> 223</u>	<u> 2,797</u>
Total additions	<u> 6,137</u>	<u> 15,712</u>
DEDUCTIONS:		
Unemployment Claims Paid	-	34,007
Scholarship payments	<u> 7,500</u>	<u> -</u>
Total deductions	<u> 7,500</u>	<u> 34,007</u>
Change in net position	<u> (1,363)</u>	<u> (18,295)</u>
Net position - July 1	<u> 152,327</u>	<u> 264,448</u>
Net position - June 30	<u> \$ 150,964</u>	<u> \$ 246,153</u>

NOTES TO BASIC FINANCIAL STATEMENTS

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of New Providence School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- The financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Board's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the Board's activities.

- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Board has elected to implement the general provisions of the Statement in the current year.

The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The New Providence School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The New Providence School District had an enrollment at June 30, 2020, of 2,445 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's Board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements - District -Wide Statements:

The Board's basic financial statements include both district-wide (reporting the Board as a whole) and fund financial statements (reporting the Board's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type. The Board's general operating services, special revenue, capital projects and debt service are classified as governmental activities. The Board's food service is classified as a business-type activity.

The Statement of Net Position and Statement of Activities display information about the reporting district as a whole. They include all funds of the reporting entity except for fiduciary funds.

In the district-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Board first utilizes restricted resources to finance qualifying activities.

The district-wide Statement of Activities reports both the gross and net cost of each of the Board's functions and business-type activities. The functions are also supported by general government revenues (property and certain intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, taxes, intergovernmental revenues, interest income, etc.)

The district-wide focus is more on the sustainability of the Board as an entity and the change in the Board's net position resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements:

The financial transactions of the Board are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Board:

1. GOVERNMENTAL FUNDS

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Board:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub fund.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements - Fund Financial Statements (Continued):

1. GOVERNMENTAL FUNDS (Continued)

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance Capital Outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

2. PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported net position (net total position) is segregated into invested in capital assets, net of related debt, restricted for capital projects or unrestricted, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements - Fund Financial Statements (Continued):

2. PROPRIETARY FUNDS (Continued)

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Funds balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Food Service Fund:

Equipment	10 Years
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3. FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds and therefore are not available to support district programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

Expendable Trust Funds - An Expendable Trust Fund is accounted for in essentially the same manner as the Governmental Fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds consist of the Unemployment Compensation Insurance Trust Fund.

Private Purpose Scholarship Funds - A Trust Fund is used to account for assets held under the terms of a formal trust agreement. The District maintains nine separate scholarship funds.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Board considers all governmental and business-type activities to be major.

The Board's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, students, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

D. Basis of Measurement and Accounting Focus:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Measurement and Accounting Focus (Continued):

Measurement Focus

On the district-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All fiduciary trust funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use net position as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operation; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the district-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds, fiduciary trust funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item units 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. Line-item transfers from an advertised appropriation account as defined under N.J.A.C. 6A:23A-2.3, which on a cumulative basis exceed ten percent of the amount included in the original budget, require county superintendent approval. Effective December 2004, line-item transfers to an advertised appropriation account identified as either general administration, school administration, central services and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget require county superintendent approval.

Pursuant to N.J.S.A. 18A:22-8 and N.J.A.C. 6A:23A-2.3 appropriation of surplus or other unbudgeted or under budgeted revenue is allowed only between April 1 and June 30 and requires Regional Assistant Commissioner Approval. Six revenue categories identified under N.J.A.C. 6A:23A-2.3(c) are excluded from this requirement.

Prior to April 1, a school board may petition the Commissioner for appropriation of surplus or other unbudgeted or under budgeted revenue (except for those exempted under N.J.A.C. 6A:23A-2.3(c)) an “emergent circumstance.” Such petition must be submitted by a two-thirds affirmative vote of the authorized membership of the Board and include the items listed and demonstrate the need pursuant to N.J.A.C. 6A:23A-2.3(b). During the fiscal year, the Board of Education did not make any supplemental budgetary appropriations.

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted in Exhibit C-3. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	2019 - 2020
Total Revenues (Budgetary Basis)	\$ 685,593
Adjustments:	
Add: Prior Year Encumbrances	64,799
Less: Current Year Encumbrances	(60,894)
Adjust for State Aid Payment	
Recognize for GAAP Statements	
in the Current Year, Previously	
Recognized for Budgetary Purposes	-
Adjust for State Aid Payment	
Not Recognized for GAAP	
Purpose until the Subsequent Year	-
Total Revenues (GAAP) Basis	\$ 689,498

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances:

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 reservations of 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. Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et.seq. establishes the requirements for the security of deposits of governmental units. The Statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

H. Tuition Receivable:

Tuition charges were established by the Board of Education based on budgeted costs. The charges are subject to adjustment when the final costs have been determined.

I. Tuition Payable:

Tuition charges for the fiscal years 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Inventories and Prepaid Expenses: (continued)

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

L. Fixed Assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-Wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2002.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Improvements	20 years
Machinery and Equipment	5 - 20 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. Unearned Revenue:

Unearned revenue in the Special Revenue Fund represents cash that has been received but not yet earned. Unearned revenue in the current year is \$60,894.

N. Long-Term Debt:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources are reported as liabilities in the district-wide statement. The long-term debt consists primarily of accrued compensated absences, serial general obligation bonds and obligations under capital leases.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Long-Term Debt: (continued)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary fund is the same in the fund statements as it is in the district-wide statements.

O. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense of the Public Employees Retirement System (PERS) have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

P. Deferred Outflows of Resources:

Decreases in net position that relate to future periods are reported as deferred outflows of resources in a separate section of the Statement of New Position. The only deferred outflow of resources reported is for pension resources.

Q. Deferred Inflows of Resources:

Increases in net position that relate to future periods are reported as deferred inflows of resources in a separate section of the Statement of Net Position. Related revenues are not recognized until a future event occurs. The only deferred inflow of resources reported is for pension resources.

R. Equity Classifications:

District-Wide Statements

Equity is classified as net position and displayed in three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Government fund equity is classified as fund balance. Under GASB No. 54, fund balance is further categorized as restricted, committed, assigned, or unassigned fund balance. Restrictions are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures. The categories used are detailed below.

Restricted – Excess Surplus – Designated for Subsequent Year’s Tax Relief – This reserve was created to represent the June 30, 2019 audited excess surplus that will be appropriated in the 2020-2021 original budget certified for taxes.

Restricted – Reserve for Excess Surplus – This reserve was created to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021-2022 original budget certified for taxes.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Equity Classifications: (continued)

Restricted – Capital Reserve – This reserve was created by the District to fund future capital expenditures (See Note 3).

Committed - Year-End Encumbrances – This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Assigned - Designated for Subsequent Year's Tax Relief – This reserve was created to reflect management's intended use of fund balance in the subsequent year's budget certified for taxes.

Unassigned – This classification is used for all other fund balance.

Proprietary fund equity is classified the same as in the district-wide statements.

S. Operating and Non-operating Revenue:

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, non-capital financing, or investing activities. Non-operating revenues include reimbursements by the State for school breakfast, lunch and food distribution programs.

T. Expenditures/Expenses:

In the district-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund - By Operating and Non-operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

U. Recently Issued Accounting Pronouncements to be implemented in future years:

GASB Statement 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 establishes 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 component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement were to be effective for the fiscal year ending June 30, 2020, but have been postponed to the succeeding fiscal year.

GASB Statement No. 87. *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were to be effective for the fiscal year ending June 30, 2021, but have been postponed to the succeeding fiscal year.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Recently Issued Accounting Pronouncements to be implemented in future years: (continued)

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement were to be effective for the fiscal year ending June 30, 2021, but have been postponed to the succeeding fiscal year.

GASB Statement No. 92, *Omnibus 2020*. This Statement addresses a variety of topics and includes specific provisions about the following: (1) the effective date of GASB Statement No. 87, *Leases*, and Implementation Guide 2019-3, *Leases*, reinsurance recoveries, and terminology used to refer to derivative instruments (the requirements of this topic are effective upon issuance); (2) the applicability of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (3) the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (4) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; (5) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (6) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments. The requirements related to the application of these topics were to be effective for the fiscal year ending June 30, 2021, unless specifically noted to be effective upon issuance, but have been postponed to the succeeding fiscal year.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal year ending June 30, 2023, but earlier application is encouraged.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements related to the application of these topics are effective for the fiscal year ending June 30, 2021, unless specifically noted to be effective upon issuance.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2. CASH AND CASH EQUIVALENTS AND DEPOSITS

It is the District's policy to only deposit and invest funds with financial institutions located in the State of New Jersey which are insured as a part of the Governmental Unit Deposit Protection Act (GUDPA).

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2020, the District's cash and cash equivalents are summarized as follows:

Insured - FDIC	\$	250,000
Insured - GUDPA		6,815,619
		\$ 7,065,619

Reconciliation to Government-wide Statement of Net Position:		
Unrestricted Cash	\$	5,718,134
Restricted Cash		597,433
Trust and Agency Fund Cash (Not Included in Government-Wide Statement)		750,052
		\$ 7,065,619

NOTE 3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the New Providence Board of Education from the proceeds of a building sale for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). 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. 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follow:

Beginning balance, July 1, 2019	\$	60,093
Deposits:		
Approved by Board Resolution		60,000
Total Deposits		60,000
Ending balance, June 30, 2020		\$ 120,093

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4. CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Board as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; improvements, 20 years; equipment, 3 to 20 years.

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance at June 30, 2019	Additions	Disposals	Balance at June 30, 2020
Governmental Activities:				
Land	\$ 1,306,892	\$ -	\$ -	\$ 1,306,892
Land Improvements	182,601	-	-	182,601
Buildings and Improvements	49,876,664	765,896	-	50,642,560
Machinery, Equipment & Vehicles	4,664,033	900,192	(56,200)	5,508,025
Total at Historical Cost	<u>56,030,190</u>	<u>1,666,088</u>	<u>(56,200)</u>	<u>57,640,078</u>
Less: Accumulated Depreciation:				
Land Improvements	(181,101)	(125)	-	(181,226)
Buildings and Improvements	(25,532,399)	(1,717,443)	-	(27,249,842)
Machinery, Equipment & Vehicles	(3,878,908)	(587,470)	54,868	(4,411,510)
Total Accumulated Depreciation	<u>(29,592,408)</u>	<u>(2,305,038)*</u>	<u>54,868</u>	<u>(31,842,578)</u>
Governmental Activities - Capital Assets, Net	<u>\$ 26,437,782</u>	<u>\$ (638,950)</u>	<u>\$ (1,332)</u>	<u>\$ 25,797,500</u>
Business-type Activity:				
Machinery & Equipment	\$ 322,185	\$ 29,856	\$ -	\$ 352,041
Total at Historical Cost	<u>322,185</u>	<u>29,856</u>	<u>-</u>	<u>352,041</u>
Less: Accumulated Depreciation:				
Machinery & Equipment	(191,185)	(27,593)	-	(218,778)
Total Accumulated Depreciation	<u>(191,185)</u>	<u>(27,593)</u>	<u>-</u>	<u>(218,778)</u>
Business-type Activity - Capital Assets, Net	<u>\$ 131,000</u>	<u>\$ 2,263</u>	<u>\$ -</u>	<u>\$ 133,263</u>

* Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$ 576,907
Total Instruction	<u>576,907</u>
Support Services:	
Unallocated Depreciation	1,728,131
Total Support Services	<u>1,728,131</u>
Total Depreciation Expense	<u>\$ 2,305,038</u>

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5. LONG-TERM DEBT

Changes in Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in governmental activities long-term liabilities.

	Balance June 30, 2019	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-Term Portion
Governmental Activities:						
Compensated Absences Payable	\$ 533,221	\$ 89,055	\$ (121,273)	\$ 501,003	\$ -	\$ 501,003
Bonds Payable	21,110,000	-	(1,365,000)	19,745,000	1,430,000	18,315,000
Capital leases payable	130,848	338,750	(225,919)	243,679	202,399	41,280
Net Pension Liability	10,791,412	-	(943,728)	9,847,684	-	9,847,684
Total Liabilities	<u>\$ 32,565,481</u>	<u>\$ 427,805</u>	<u>\$ (2,655,920)</u>	<u>\$ 30,337,366</u>	<u>\$ 1,632,399</u>	<u>\$ 28,704,967</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On September 17, 2014, the Board issued \$7,615,000 of Refunding School Bonds, Series 2014. The proceeds from the sale of the Bonds were used to advance refund a portion of the outstanding callable principal amount of the originally issued \$3,240,000 School Bonds, Series 2006 2nd, that mature on August 15, 2018 through and including August 15, 2025, in the total amount of \$1,730,000 at a redemption price of 100%.

The Series 2014 Bonds are not subject to redemption prior to maturity. Principal on the 2014 Bonds will be payable annually on August 15th of each year, commencing August 15, 2015. Interest will be payable semi-annually on February 15th and August 15th each year until maturity.

Principal and interest due on serial bonds outstanding is as follows:

Year Ending June 30,	Refunding School Bonds Series 2014	
	Principal	Interest
2021	\$ 855,000	\$ 181,750
2022	870,000	147,250
2023	930,000	111,250
2024	935,000	78,625
2025	920,000	50,800
2026	925,000	18,500
	<u>\$ 5,435,000</u>	<u>\$ 588,175</u>

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5. LONG-TERM DEBT (Continued)

A. Bonds Payable (Continued):

The Series 2017 Bonds maturing on and after August 15, 2028 are redeemable at the option of the Board of Education in whole or in part on any date on or after August 15, 2027 upon notice as required, at par, plus in each case unpaid accrued interest to the date fixed for redemption, if any. Principal on the 2017 Bonds will be payable annually on August 15th of each year, commencing August 15, 2017. Interest will be payable semi-annually on February 15th and August 15th each year until maturity.

Principal and interest due on serial bonds outstanding is as follows:

Year Ending June 30,	Refunding School Bonds Series 2017	
	Principal	Interest
	2021	\$ 575,000
2022	625,000	445,981
2023	650,000	425,263
2024	675,000	403,731
2025	760,000	380,412
2026	800,000	355,062
2027	825,000	328,656
2028	850,000	301,438
2029	875,000	273,407
2030	900,000	244,563
2031	925,000	214,907
2032	975,000	184,032
2033	975,000	151,735
2034	975,000	118,828
2035	975,000	85,313
2036	975,000	51,187
2037	975,000	17,063
	\$ 14,310,000	\$ 4,447,059

B. Capital Leases Payable:

The District is leasing computer and copier equipment with an original cost of \$517,886 under capital leases. All capital leases are for terms of two or four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020.

Year Ending June 30,	
2021	\$ 202,399
2022	33,024
2023	8,256
Total Minimum Lease Payments	243,679
Less: Amount Representing Interest	-
Present Value of Net Minimum Lease Payments	\$ 243,679

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Description of Plans and Benefits Provided

Substantially all required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be accessed via the New Jersey Division of Pension and Benefits website at www.state.nj.us/treasury/pensions.

Public Employees' Retirement System (PERS) - established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, and disability benefits. The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Teachers' Pension and Annuity Fund (TPAF) - established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement, death, and disability benefits. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and N.J.S.A. 18A:66 for TPAF. All benefits vest after ten years of service. For TPAF, members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for PERS and TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each service credit available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. With PERS, 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 10 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.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increase were suspended for all current and future retirees of all retirement systems.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.52 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

Actuarial Methods and Assumptions

In the July 1, 2018 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00% and (b) projected salary increases applied through the year 2026 of 2.00-7.00% based on years of service for the PERS and 1.55-5.65% based on years of service for TPAF.

Employer and Employee Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contribution by the State of New Jersey contingent upon the Annual Appropriations Act. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate for PERS and TPAF increased from 5.5% of annual compensation to 6.5 plus an additional 1% phased-in over 7 years beginning July 2012. The member contribution for PERS and TPAF was 7.50% in fiscal year 2020. The member contribution for DCRP was 5.5% the fiscal year 2020.

Employers' contribution amounts for PERS are based on an actuarially determined rate. The annual employer contributions for PERS include funding for basic retirement allowances, cost-of-living adjustments, and noncontributory death benefits. Under current Statute, the District is a non-contributing employer of the TPAF.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer 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.

During the years ended June 30, 2020, 2019 and 2018 the District paid the required contributions to PERS of \$535,317, \$549,039, and \$492,436, respectively.

During the year ended June 30, 2020 the District paid the required contributions to DCRP of \$6,084.

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 government-wide financial statements (accrual basis) as an expense.

Reimbursed TPAF Social Security Contributions

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,308,174 during the year ended June 30, 2020, 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 government-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.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68* require participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarially 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 actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020 the District reported in the statement of net position (accrual basis) a liability of \$9,847,684 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, District's PERS proportion was .0547%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2018.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2020, the District recognized in the government-wide statement of activities (accrual basis) pension expense of \$676,988 for PERS. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and accrual experience	\$ 176,753	\$ 43,503
Changes in assumptions	983,327	3,418,100
Net differences between projected and actual investment earnings on pension plan investments	-	155,450
Changes in proportion	578,169	128,464
District contributions subsequent to measurement date	574,408	-
Total	\$ 2,312,657	\$ 3,745,517

\$574,408 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$ (107,889)
2022	(793,171)
2023	(713,276)
2024	(351,805)
2025	(41,127)
	\$ (2,007,268)

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

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%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of PERS net pension liability	\$ 12,525,761	\$ 9,847,684	\$ 7,717,259

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2019. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan fiduciary net position

Detailed information about the pension plans' fiduciary net position are available in the separately issued financial reports. These reports may be accessed via the New Jersey Division of Pension and Benefits website at www.state.nj.us/treasury/pensions.

Payable to the pension plan

At June 30, 2020 the District reported accounts payable to the PERS of \$574,408 for the required actuarially determined contribution to PERS for the year ended June 30, 2020.

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

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 employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to, presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. 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, 2019, 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.

At June 30, 2020 the State's net pension liability for TPAF associated with the District was \$96,655,283. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. At June 30, 2019 the State's proportionate share of the TPAF net pension liability associated with the District was 0.1575%, which was a decrease of 0.0039% from its proportion measured as of June 30, 2018.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

For the year ended June 30, 2020 the District recognized in the government-wide statement of activities (accrual basis) pension expense of \$5,700,987 for TPAF. This amount has been included in the government-wide statement of activities (accrual basis) as a revenue an expense in accordance with GASB No. 85.

Actuarial Assumptions

The total TPAF pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55% – 4.45%
	Based on years of service
Thereafter	2.75% – 5.65%
	Based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

Long-Term Expected Rate of Return (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the State's proportionate share of the District's net pension liability to changes in the discount rate.

The following presents the State's proportionate share of the net pension liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed above 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% point lower or 1% point higher than the current rate:

	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
States proportionate share of the TPAF net pension liability attributable to the District	\$ 113,977,972	\$ 96,655,283	\$ 82,282,921

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)

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

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at June 30, 2019. A sensitivity analysis specific to State’s proportionate share of the net pension liability attributable to the District was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

NOTE 7. POST-RETIREMENT MEDICAL BENEFITS

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

State Health Benefit Local Education Retired Employees Plan

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired Plan) is a multiple-employer defined benefit other post-employment benefit (OPEB) plan that is administered by the State on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No 75. The Local Education Retired Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retired from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from one or more of the following plans: TPAF, PERS, PFRS, or ABP. Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment 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.

Employees Covered by Benefit Terms

The following Local Education Retired Plan employees were covered by benefit terms as of the June 30, 2020 (measurement date June 30, 2019):

	2020
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Total	364,943

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

A special funding situation exists for the District as it is a participating employer in the Local Education Retired Plan, where according to N.J.S.A. 52:14-17.32f., the State is required to recognize the total nonemployer OPEB liability. In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. Accordingly, the District's proportionate share percentage determined under GASB 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.

OPEB Liability

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$57,943,587. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 2019, the State's share of the OPEB liability attributable to the District was 0.1389% which was an increase of 0.0019% from its proportion measured as of June 30, 2018 of 0.1370%.

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 measurement date	\$ 63,153,987
Changes reconized for the fiscal year:	
Service cost	2,453,406
Interest on the total OPEB liability	2,505,926
Difference between expected and actual experience	(9,307,706)
Changes in assumptions	863,944
Gross benefit payments	(1,778,695)
Contributions from the member	52,725
Net changes	<u>(5,210,400)</u>
Balance, June 30, 2019 measurement date	<u>\$ 57,943,587</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% to 3.50% in 2019.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Expense

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019, and 2018 were \$1,371,787, \$1,434,440, and \$1,572,390, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the 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.

For the fiscal year ended June 30, 2020, the District recognized in the Government-wide statement of activities (accrual basis) OPEB expense of \$1,525,277. This amount has been included in the District's Government-wide statement of activities (accrual basis) as a revenue and expenditure in accordance with GASB No. 85.

Actuarial Assumptions and Other Inputs

The OPEB liability for the June 30, 2019, measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The OPEB liability for the June 30, 2018, measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate: 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	1.55 – 3.05%	2.00 – 6.00%	3.25 – 15.25%
Through 2026	based on years of service	based on age	based on age
Thereafter	1.55 – 3.05%	3.00 – 7.00%	Applied to all future years
	based on years of service	based on age	

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2014, and July 1, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Sensitivity of OPEB Liability to Changes in the Discount Rate

The following presents the State’s proportionate share of the OPEB liability attributable to the District as of June 30, 2020, calculated using the discount rate 3.50%, as well as the State’s proportionate share of the OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	At 1% Decrease (2.50%)	At Current Discount Rate (3.50%)	At 1% Increase (4.50%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 68,454,274	\$ 57,943,587	\$ 49,594,473

Sensitivity of 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 as of June 30, 2020, calculated using the previously disclosed healthcare trend rate as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

	1 % Decrease	Healthcare Cost Trend Rate	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 47,742,933	\$ 57,943,587	\$ 71,447,158

NOTE 8. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees who are employed for ten months are entitled to a maximum of 15 paid sick leave days per fiscal school year. District employees who are employed for twelve months are entitled to a maximum of 17 paid sick leave days per fiscal school year. A maximum of 15 unused sick leave days may be accumulated and carried forward to the subsequent years. Upon retirement, not including deferred retirement, the District shall pay the employee for unused sick leave in accordance with the Districts’ agreements with the various employee unions. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8. COMPENSATED ABSENCES (Continued)

In the District-Wide Statement of Net Position, the liability for vested compensated absences of the governmental fund types is recorded in long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and Section 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning
AIG Retirement
The Legend Group
Fidelity Investments
MetLife

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

A. Property and Liability Insurance:

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

B. New Jersey Unemployment Compensation Insurance:

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 Expendable Trust Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -	\$ 12,915	\$ 2,797	\$ 34,007	\$ 246,153
2018-2019	-	33,360	3,780	69,889	264,448

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund balances remaining on the balance sheet at June 30, 2020. There were no significant interfund transfers during the year ended June 30, 2020.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12. INVENTORY

Inventory in the Food Service Fund at June 30, 2020, consisted of the following:

Food	\$ 14,074
Supplies	<u>2,838</u>
	<u><u>\$ 16,912</u></u>

NOTE 13. FUND BALANCE APPROPRIATED

General Fund - Of the \$5,624,880 General Fund fund balance at June 30, 2020, \$3,564,880 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$1,530,062 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2021); \$120,093 has been restricted in the Capital Reserve Account; \$1,243,045 is committed for year-end encumbrances; \$69,938 is assigned and designated for subsequent year's tax relief; and \$626,924 is unassigned.

Capital Projects Fund – Of the \$377,747 Capital Projects Fund fund balance at June 30, 2020, \$27,758 is committed for year-end encumbrances and \$349,989 is unassigned.

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Restricted Fund Balance – Reserve for excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The Reserve for excess surplus for the year ended June 30, 2020 is \$2,034,818. This amount will be reserved for tax relief in the 2022 school year.

NOTE 15. CONTINGENT LIABILITIES

In the opinion of the administration and legal counsel, there are no matters which will have a material adverse effect on the financial position of the District.

NOTE 16. SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred June 30, 2020 through January 7th, 2021, the date the financials statements were issued for possible disclosure and recognition in the financial statements, and the following item is disclosed.

COVID-19 State of Emergency

On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency for the United States in response to COVID-19. On March 9, 2020, the Governor of the State of New Jersey issued Executive Order No. 103 (the "Order") declaring a State of Emergency and Public Health Emergency across all 21 counties in New Jersey. The Governor's Order has been subsequently extended and restrictions are continuously being eased and tightened. A resurgence in COVID-19 cases and resulting restrictions is adversely impacting the District's programs and functions. Significant uncertainty remains with the ongoing impact of the COVID-19 outbreak that cannot be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

BUDGETARY COMPARISON SCHEDULES

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	<u>Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 38,105,152	\$ -	\$ 38,105,152	\$ 38,105,152	\$ -
Tuition	74,700	-	74,700	130,865	56,165
Interest earned	90,000	-	90,000	87,062	(2,938)
Miscellaneous	160,000	-	160,000	177,222	17,222
Total - local sources	<u>38,429,852</u>	<u>-</u>	<u>38,429,852</u>	<u>38,500,301</u>	<u>70,449</u>
State sources:					
Equalization aid					
Transportation aid	250,347	-	250,347	250,347	-
Special education aid	1,172,332	-	1,172,332	1,172,332	-
Security categorical aid	186,941	-	186,941	186,941	-
Extraordinary aid	250,000	-	250,000	452,380	202,380
On-behalf TPAF contributions (Non-budgeted)					
Pension contribution	-	-	-	3,697,720	3,697,720
Post-retirement medical contributions	-	-	-	1,371,787	1,371,787
Long term disability insurance premium	-	-	-	3,305	3,305
Reimbursed TPAF Social Security contributions (Non-budgeted)	-	-	-	1,308,174	1,308,174
Total - State sources	<u>1,859,620</u>	<u>-</u>	<u>1,859,620</u>	<u>8,442,986</u>	<u>6,583,366</u>
Total revenues	<u>40,289,472</u>	<u>-</u>	<u>40,289,472</u>	<u>46,943,287</u>	<u>6,653,815</u>
EXPENDITURES -					
CURRENT EXPENSE					
Regular programs - instruction:					
Salaries of teachers:					
Preschool	80,042	-	80,042	80,042	-
Kindergarten	375,082	-	375,082	319,259	55,823
Grades 1-5	4,969,469	-	4,969,469	4,870,066	99,403
Grades 6-8	3,086,922	(26,741)	3,060,181	3,052,609	7,572
Grades 9-12	4,521,479	-	4,521,479	4,362,721	158,758
Total regular programs - instruction	<u>13,032,994</u>	<u>(26,741)</u>	<u>13,006,253</u>	<u>12,684,697</u>	<u>321,556</u>
Regular programs - home instruction:					
Salaries of teachers	12,848	3,000	15,848	15,110	738
Purchased professional - educational services	35,264	32,612	67,876	54,664	13,212
General supplies	485	-	485	135	350
Textbooks	200	-	200	-	200
Total regular programs - home instruction	<u>48,797</u>	<u>35,612</u>	<u>84,409</u>	<u>69,909</u>	<u>14,500</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	4,030	-	4,030	-	4,030
Other purchased services (400-500 series)	105,927	129,975	235,902	213,082	22,820
General supplies	996,235	(129,975)	866,260	728,721	137,539
Textbooks	88,650	-	88,650	58,760	29,890
Other objects	4,880	-	4,880	876	4,004
Total regular programs - undistributed instruction	<u>1,199,722</u>	<u>-</u>	<u>1,199,722</u>	<u>1,001,439</u>	<u>198,283</u>
Total regular programs	<u>14,281,513</u>	<u>8,871</u>	<u>14,290,384</u>	<u>13,756,045</u>	<u>534,339</u>

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Special education:					
Learning/language disabilities:					
Salaries of teachers	\$ 413,781	\$ -	\$ 413,781	\$ 413,243	\$ 538
Other salaries for instruction	163,680	54,300	217,980	217,980	-
General supplies	14,000	-	14,000	1,286	12,714
Textbooks	3,000	-	3,000	1,451	1,549
Total learning/language disabilities	<u>594,461</u>	<u>54,300</u>	<u>648,761</u>	<u>633,960</u>	<u>14,801</u>
Resource room/resource center:					
Salaries of teachers	1,896,164	(18,600)	1,877,564	1,756,767	120,797
Other salaries for instruction	229,187	(65,000)	164,187	158,636	5,551
General supplies	6,599	-	6,599	2,783	3,816
Textbooks	5,581	-	5,581	3,778	1,803
Total resource room/resource center	<u>2,137,531</u>	<u>(83,600)</u>	<u>2,053,931</u>	<u>1,921,964</u>	<u>131,967</u>
Preschool disabilities - part - time:					
Salaries of teachers	63,886	-	63,886	62,550	1,336
Other salaries for instruction	27,145	-	27,145	24,466	2,679
General supplies	1,100	-	1,100	1,091	9
Total preschool disabilities - part - time	<u>92,131</u>	<u>-</u>	<u>92,131</u>	<u>88,107</u>	<u>4,024</u>
Preschool disabilities - full - time:					
Salaries of teachers	82,667	-	82,667	74,781	7,886
Other salaries for instruction	76,262	29,300	105,562	105,041	521
General supplies	1,100	-	1,100	402	698
Total preschool disabilities - full - time	<u>160,029</u>	<u>29,300</u>	<u>189,329</u>	<u>180,224</u>	<u>9,105</u>
Total special education - instruction	<u>2,984,152</u>	<u>-</u>	<u>2,984,152</u>	<u>2,824,255</u>	<u>159,897</u>
Basic skills/remedial:					
Salaries of teachers	225,580	-	225,580	219,343	6,237
General supplies	800	-	800	684	116
Textbooks	900	-	900	-	900
Total basic skills/remedial	<u>227,280</u>	<u>-</u>	<u>227,280</u>	<u>220,027</u>	<u>7,253</u>
Bilingual education:					
Salaries of teachers	97,631	-	97,631	97,631	-
General supplies	900	-	900	-	900
Textbooks	300	-	300	-	300
Total bilingual education	<u>98,831</u>	<u>-</u>	<u>98,831</u>	<u>97,631</u>	<u>1,200</u>
Other instructional:					
School-sponsored cocurricular activities:					
Salaries	279,405	-	279,405	249,448	29,957
Supplies and materials	23,997	-	23,997	13,947	10,050
Other Objects	5,040	-	5,040	159	4,881
School-sponsored athletics:					
Salaries	547,342	-	547,342	532,291	15,051
Purchased services (300-500 series)	175,760	-	175,760	163,237	12,523
Supplies and materials	110,540	-	110,540	96,878	13,662
Other objects	36,600	-	36,600	34,129	2,471
Supplementary instruction:					
Salaries of teachers	6,000	-	6,000	-	6,000
Supplies and materials	320	-	320	-	320
Textbooks	200	-	200	-	200
Total other instructional	<u>1,185,204</u>	<u>-</u>	<u>1,185,204</u>	<u>1,090,089</u>	<u>95,115</u>
Total - instruction	<u>18,776,980</u>	<u>8,871</u>	<u>18,785,851</u>	<u>17,988,047</u>	<u>797,804</u>

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - special	\$ 505,684	\$ -	\$ 505,684	\$ 505,644	\$ 40
Tuition to county vocational school district - regular	603,600	-	603,600	495,400	108,200
Tuition to county vocational school district - special	41,113	-	41,113	19,738	21,375
Tuition to private schools for the handicapped-within state	2,088,469	(72,517)	2,015,952	1,635,540	380,412
Total undistributed expenditures - instruction	3,238,866	(72,517)	3,166,349	2,656,322	510,027
Attendance and social work services:					
Salaries	36,396	-	36,396	33,983	2,413
Total attendance and social work services	36,396	-	36,396	33,983	2,413
Health services:					
Salaries	235,616	26,741	262,357	242,956	19,401
Purchased professional and technical services	9,648	-	9,648	9,613	35
General supplies	2,939	-	2,939	2,880	59
Other objects	2,212	-	2,212	1,746	466
Total health services	250,415	26,741	277,156	257,195	19,961
Other support services - students-related services:					
Salaries	604,368	-	604,368	565,073	39,295
Purchased professional - educational services	264,721	(8,000)	256,721	173,269	83,452
Supplies and materials	5,256	-	5,256	4,227	1,029
Other objects	3,894	-	3,894	2,426	1,468
Total other support services - students-related services	878,239	(8,000)	870,239	744,995	125,244
Other support services - students-extra services:					
Purchased professional - educational services	76,350	61,305	137,655	82,065	55,590
Total other support services - students-extra services	76,350	61,305	137,655	82,065	55,590
Other support services - students-regular:					
Salaries of other professional staff	688,592	(5,082)	683,510	644,009	39,501
Salaries of secretarial and clerical assistants	136,285	-	136,285	129,417	6,868
Other salaries	51,466	-	51,466	51,183	283
Unused vacation payment to retired staff	-	5,082	5,082	5,082	-
Other purchased services (400-500 series)	5,239	-	5,239	3,704	1,535
Supplies and materials	2,240	-	2,240	1,713	527
Total other support services - students-regular	883,822	-	883,822	835,108	48,714
Other support services - students - special services:					
Salaries of other professional staff	924,659	-	924,659	900,376	24,283
Salaries of secretarial and clerical assistants	57,679	-	57,679	52,197	5,482
Purchased professional - educational services	61,102	(13,000)	48,102	21,260	26,842
Supplies and materials	3,400	-	3,400	1,985	1,415
Other objects	3,780	-	3,780	3,780	-
Total other support services - students-special services	1,050,620	(13,000)	1,037,620	979,598	58,022
Improvement of instructional services:					
Salaries of supervisors of instructions	201,336	-	201,336	195,776	5,560
Salaries of other professional staff	52,302	-	52,302	47,487	4,815
Salaries of secretarial and clerical assistants	114,291	-	114,291	101,744	12,547
Other salaries	182,687	-	182,687	150,589	32,098
Other purchased services (400-500 series)	4,000	-	4,000	4,000	-
General Supplies	2,344	-	2,344	427	1,917
Miscellaneous expenditures	3,000	-	3,000	1,684	1,316
Total improvement of instructional services	559,960	-	559,960	501,707	58,253

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Educational media services/school library:					
Salaries	\$ 323,233	\$ -	\$ 323,233	\$ 323,233	\$ -
Other purchased services (400-500 series)	67,599	-	67,599	49,247	18,352
Supplies and materials	33,978	-	33,978	27,712	6,266
Total educational media services/school library	424,810	-	424,810	400,192	24,618
Instruction staff training services:					
Salaries of supervisors of instruction	15,203	-	15,203	15,097	106
Salaries of other professional staff	5,344	-	5,344	5,277	67
Salaries of secretarial and clerical assistants	6,211	-	6,211	4,309	1,902
Other purchased professional services - educational	14,500	-	14,500	11,500	3,000
Other purchased services (400-500 series)	5,000	-	5,000	3,304	1,696
Other objects	320	-	320	-	320
Total instruction staff training services	46,578	-	46,578	39,487	7,091
Support services - general administration:					
Salaries	470,112	-	470,112	470,111	1
Legal services	180,128	(47,551)	132,577	60,922	71,655
Audit Fees	33,875	4,000	37,875	37,875	-
Architectural/engineering services	6,800	-	6,800	20	6,780
Other purchased professional services	1,000	-	1,000	-	1,000
Communications/telephone	98,957	-	98,957	58,691	40,266
Board of education other purchased services	4,100	-	4,100	4,095	5
Miscellaneous purchased services	140,320	-	140,320	135,195	5,125
General Supplies	6,787	-	6,787	6,508	279
Miscellaneous expenditures	7,725	-	7,725	6,960	765
Board of education membership dues and fees	15,560	-	15,560	15,559	1
Total support services - general administration	965,364	(43,551)	921,813	795,936	125,877
Support services - school administration:					
Salaries of principals/assistant principals	1,102,539	(18,819)	1,083,720	1,070,159	13,561
Salaries of secretarial and clerical assistants	429,636	(3,099)	426,537	416,708	9,829
Unused vacation payment to retired staff	-	55,208	55,208	20,404	34,804
Other purchased services (400-500 series)	6,363	1,514	7,877	6,715	1,162
Supplies and materials	46,590	-	46,590	31,246	15,344
Miscellaneous expenditures	19,840	-	19,840	15,781	4,059
Total support services - school administration	1,604,968	34,804	1,639,772	1,561,013	78,759
Central services:					
Salaries	452,154	(4,469)	447,685	423,338	24,347
Unused vacation payment to retired staff	-	11,645	11,645	11,644	1
Purchased professional services - public relations costs	800	-	800	-	800
Purchased technical services	14,195	-	14,195	13,195	1,000
Miscellaneous purchased services (300-500 series)	10,345	-	10,345	9,465	880
Supplies and materials	4,925	-	4,925	4,248	677
Miscellaneous expenditures	2,600	-	2,600	2,569	31
Total central services:	485,019	7,176	492,195	464,459	27,736
Administrative Information Technology:					
Salaries	357,003	-	357,003	350,379	6,624
Unused vacation payment to retired staff	-	1,571	1,571	1,571	-
Purchased technical services	213,407	-	213,407	207,157	6,250
Other purchased services (400-500 series)	3,724	-	3,724	3,202	522
Supplies and materials	179,621	-	179,621	162,713	16,908
Total administrative information technology:	753,755	1,571	755,326	725,022	30,304

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
Required maintenance for school facilities:					
Salaries	\$ 478,115	\$ -	\$ 478,115	\$ 440,995	\$ 37,120
Cleaning, repair and maintenance services	105,165	(2,000)	103,165	76,259	26,906
General supplies	47,956	21,000	68,956	64,974	3,982
Other objects	8,970	-	8,970	7,526	1,444
Total required maintenance for school facilities	640,206	19,000	659,206	589,754	69,452
Other operating and maintenance of plant services:					
Salaries	937,477	(9,373)	928,104	915,140	12,964
Salaries of non-instructional aides	137,747	-	137,747	124,014	13,733
Unused vacation payment to retired staff	-	9,373	9,373	9,372	1
Purchased professional and technical services	44,612	-	44,612	32,688	11,924
Cleaning, repair and maintenance services	144,832	(25,000)	119,832	87,215	32,617
Other purchased property	42,628	-	42,628	41,898	730
Insurance	73,740	-	73,740	72,656	1,084
General supplies	56,724	6,000	62,724	55,441	7,283
Natural gas	129,497	-	129,497	107,521	21,976
Electricity	261,362	-	261,362	230,621	30,741
Other objects	7,850	-	7,850	7,596	254
Total other operating and maintenance of plant services:	1,836,469	(19,000)	1,817,469	1,684,162	133,307
Care and upkeep of grounds:					
Salaries	51,993	-	51,993	51,229	764
Cleaning, repair and maintenance services	28,980	-	28,980	27,545	1,435
General supplies	12,274	-	12,274	5,470	6,804
Total care and upkeep of grounds	93,247	-	93,247	84,244	9,003
Security:					
Purchased professional and technical services	119,920	-	119,920	86,323	33,597
General supplies	22,161	-	22,161	10,136	12,025
Total security	142,081	-	142,081	96,459	45,622
Student transportation services:					
Salaries for pupil transportation - (between home and school) - special	156,169	-	156,169	144,116	12,053
Salaries for pupil transportation - (other than bet. home & school)	96,238	-	96,238	79,248	16,990
Cleaning, repair and maintenance services	18,472	-	18,472	10,063	8,409
Contracted services - (other than between home and school) - vendors	55,998	(1,796)	54,202	28,285	25,917
Contracted services - (Special education students) - joint agreement	1,083,332	-	1,083,332	909,445	173,887
Miscellaneous purchased services - transportation	13,264	1,796	15,060	14,459	601
Transportation supplies	37,373	-	37,373	21,994	15,379
Miscellaneous purchased services	1,500	-	1,500	1,491	9
Total student transportation services	1,462,346	-	1,462,346	1,209,101	253,245
Unallocated employee benefits:					
Social Security contribution	447,261	12,000	459,261	453,820	5,441
Other retirement contributions - regular	618,408	(67,000)	551,408	545,468	5,940
Workers' compensation	185,000	251	185,251	185,251	-
Health benefits	6,250,123	(100,166)	6,149,957	5,558,181	591,776
Tuition reimbursement	126,775	74,515	201,290	163,318	37,972
Unused sick payment to retired staff	45,000	77,000	122,000	121,225	775
Other employee benefits	800	-	800	740	60
Total unallocated employee benefits	7,673,367	(3,400)	7,669,967	7,028,003	641,964

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
for the Fiscal Year ended June 30, 2020

	Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
On-behalf TPAF contributions (Non-budgeted)					
Pension contribution	\$ -	\$ -	\$ -	\$ 3,697,720	\$ (3,697,720)
Post-retirement medical contributions	-	-	-	1,371,787	(1,371,787)
Long term disability insurance premium	-	-	-	3,305	(3,305)
Reimbursed TPAF Social Security contributions (Non-budgeted)	-	-	-	1,308,174	(1,308,174)
Total on-behalf contributions	-	-	-	6,380,986	(6,380,986)
Total undistributed expenditures	23,102,878	(8,871)	23,094,007	27,149,791	(4,055,784)
Total expenditures - current expense	41,879,858	-	41,879,858	45,137,838	(3,257,980)
CAPITAL OUTLAY					
Equipment:					
Grades 1 - 5	10,190	-	10,190	10,190	-
Grades 6 - 8	5,595	(2,320)	3,275	3,214	61
Grades 9 - 12	44,949	(580)	44,369	44,369	-
School-sponsored athletic	4,800	2,900	7,700	7,700	-
Undistributed expenditures:					
Administrative information technology	34,232	(924)	33,308	33,307	1
Required maintenance for school facilities	230,905	-	230,905	219,770	11,135
Operation and maintenance of plant services	12,730	-	12,730	10,652	2,078
Student transportation - school bus special	231,315	924	232,239	232,239	-
Total equipment	574,716	-	574,716	561,441	13,275
Assets acquired under capital leases (Non-budgeted)	-	-	-	338,750	(338,750)
Total capital outlay	574,716	-	574,716	900,191	(325,475)
Total expenditures	42,454,574	-	42,454,574	46,038,029	(3,583,455)
OTHER FINANCING SOURCES (USES)					
Capital leases (Non-budgeted)	-	-	-	338,750	-
Total other financing sources (uses)	-	-	-	338,750	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,165,102)	-	(2,165,102)	1,244,008	10,237,270
Fund balances, July 1	4,540,314	-	4,540,314	4,540,314	-
Fund balances, June 30	\$ 2,375,212	\$ -	\$ 2,375,212	\$ 5,784,322	\$ 10,237,270
Restricted for:					
Excess Surplus - prior year - designated for subsequent year's expenditures				\$ 1,530,062	
Excess Surplus - current year				2,034,818	
Capital reserve				120,093	
Committed Fund Balance:					
Year-end encumbrances				1,243,045	
Assigned to:					
Designated for subsequent year's tax relief				69,938	
Unassigned				786,366	
				5,784,322	
Reconciliation to Government Funds (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				(159,442)	
Fund Balance per Government Funds (GAAP)				\$ 5,624,880	

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
for the Fiscal Year ended June 30, 2020

	<u>Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES					
State sources	\$ 56,057	\$ 58,505	\$ 114,562	\$ 60,624	\$ (53,938)
Federal sources	516,063	193,519	709,582	624,969	(84,613)
Total revenues	<u>\$ 572,120</u>	<u>\$ 252,024</u>	<u>\$ 824,144</u>	<u>\$ 685,593</u>	<u>\$ (138,551)</u>
EXPENDITURES					
Instruction:					
Salaries of teachers	\$ 85,276	\$ 21,110	\$ 106,386	\$ 93,834	\$ 12,552
Purchased prof. & tech. services	12,017	18,908	30,925	-	30,925
Other purchased services (400-500 series)	327,213	140,765	467,978	464,148	3,830
General supplies	40,364	4,069	44,433	24,424	20,009
Textbooks	5,968	2,466	8,434	7,171	1,263
Total instruction	<u>470,838</u>	<u>187,318</u>	<u>658,156</u>	<u>589,577</u>	<u>68,579</u>
Support services:					
Personal services-employee benefits	12,347	2,686	15,033	8,138	6,895
Purchased professional - educational services	49,491	34,943	84,434	55,706	28,728
Other purchased professional services	10,840	4,874	15,714	10,905	4,809
Other purchased services (400-500 series)	16,342	1,686	18,028	9,801	8,227
Supplies and materials	-	1,352	1,352	1,352	-
Other objects	12,262	19,165	31,427	10,114	21,313
Total support services	<u>101,282</u>	<u>64,706</u>	<u>165,988</u>	<u>96,016</u>	<u>69,972</u>
Total expenditures	<u>572,120</u>	<u>252,024</u>	<u>824,144</u>	<u>685,593</u>	<u>138,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NEW PROVIDENCE SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
for the Fiscal Year ended June 30, 2020

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources /Inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 46,943,287	[C-2] \$ 685,593
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized	-	3,905
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	142,611	-
State Aid Payment recognized for budgetary purposes, not recognized for GAAP statements	<u>(159,442)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2] \$ <u>46,926,456</u>	[B-2] \$ <u>689,498</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 46,038,029	[C-2] \$ 685,593
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>3,905</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>46,038,029</u>	[B-2] \$ <u>689,498</u>

REQUIRED SUPPLEMENTARY INFORMATION

PART III

NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SIX FISCAL YEARS

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.0546532363%	0.0548079471%	0.0531562623%	0.050487079%	0.052275837%	0.049894129%
District's proportionate share of the net pension liability	\$ 9,847,684	\$ 10,791,412	\$ 12,373,928	\$ 14,952,825	\$ 11,734,878	\$ 9,341,545
District's covered-employee payroll	\$ 3,602,107	\$ 3,754,995	\$ 3,830,708	\$ 3,743,132	\$ 3,525,748	\$ 3,450,671
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.58%	34.80%	30.96%	25.03%	30.05%	36.94%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

Note: 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 10-year trend is compiled, the District will only present information for those years for which information is available.

**NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST SIX FISCAL YEARS**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 531,615	\$ 545,162	\$ 492,436	\$ 448,520	\$ 449,432	\$ 411,320
Contributions in relation to the contractually required contribution	<u>531,615</u>	<u>545,162</u>	<u>492,436</u>	<u>448,520</u>	<u>449,432</u>	<u>411,320</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,602,107	\$ 3,754,995	\$ 3,830,708	\$ 3,742,132	\$ 3,525,748	\$ 3,450,671
Contributions as a percentage of covered-employee payroll	14.76%	14.52%	12.85%	11.98%	12.75%	11.92%

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

**NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION ANNUITY FUND (TPAF)
LAST SIX FISCAL YEARS**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
State's proportion of the net pension liability associated with the District	0.1574935577%	0.1613976830%	0.1587421913%	0.162199991%	0.1585036970%	0.1604503759%
District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	<u>96,655,283</u>	<u>102,677,739</u>	<u>107,029,709</u>	<u>127,596,840</u>	<u>100,181,105</u>	<u>85,755,504</u>
Total proportionate share of the net pension liability associated with the District	<u>\$ 96,655,283</u>	<u>\$ 102,677,739</u>	<u>\$ 107,029,709</u>	<u>\$ 127,596,840</u>	<u>\$ 100,181,105</u>	<u>\$ 85,755,504</u>
District proportion share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Note: 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 10-year trend is compiled, the District will only present information for those years for which information is available.

NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE STATE PROPORTIONATE SHARE ATTRIBUTABLE TO THE DISTRICT
OF OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN
LAST THREE FISCAL YEARS*

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
OPEB liability, July 1	\$ 63,153,987	\$ 73,862,523	\$ 79,718,689
Changes reconized for the fiscal year:			
Service cost	2,453,406	2,763,119	3,337,071
Interest on the total OPEB liability	2,505,926	2,714,271	2,343,773
Difference between expected and actual experience	(9,307,706)	(7,308,340)	
Changes in assumptions	863,944	(7,247,236)	(9,889,193)
Gross benefit payments	(1,778,695)	(1,688,715)	(1,710,813)
Contributions from the member	52,725	58,365	62,996
Net changes	<u>(5,210,400)</u>	<u>(10,708,536)</u>	<u>(5,856,166)</u>
OPEB liability, June 30	<u>\$ 57,943,587</u>	<u>\$ 63,153,987</u>	<u>\$ 73,862,523</u>
District's proportionate share of OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of OPEB liability	<u>57,943,587</u>	<u>63,153,987</u>	<u>73,862,523</u>
Total OPEB liability	<u>\$ 57,943,587</u>	<u>\$ 63,153,987</u>	<u>\$ 73,862,523</u>
District's covered employee payroll	\$ 22,317,394	\$ 21,637,770	\$ 20,238,200
District proportionate share of the OPEB Liability as a percentage of its covered employee payroll	0.000%	0.000%	0.000%

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.

The District proportionate share is zero as the State assumes full liability.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NEW PROVIDENCE SCHOOL DISTRICT
Notes to the Required Supplementary Information
for the Fiscal Year ended June 30, 2020

	Public Employees' Retirement System (PERS)	Teachers Pension and Annuity Fund (TPAF)	State Health Benefit Local Education Retired Employees OPEB Plan
Change in benefits	None	None	None
Changes in assumptions:			
Discount rate:			
As of June 30, 2019	6.28%	5.60%	3.50%
As of June 30, 2018	5.66%	4.86%	3.87%
Municipal bond rate:			
As of June 30, 2019	3.50%	3.50%	3.50%
As of June 30, 2018	3.87%	3.87%	3.87%
Inflation rate:			
As of June 30, 2019			2.50%
Price	2.75%	2.75%	
Wage	3.25%	3.25%	
As of June 30, 2018	2.25%	2.25%	2.50%
Long-term expected rate of return on pension plan investments:			
As of June 30, 2019	7.00%	7.00%	Not Applicable
As of June 30, 2018	7.00%	7.00%	Not Applicable

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL EXPENDITURES

Not Applicable

SPECIAL REVENUE FUND

NEW PROVIDENCE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
for the Fiscal Year ended June 30, 2020

	N.J. Nonpublic Handicapped Aid Ch. 193			N.J. Nonpublic Auxiliary Services Aid Ch. 192		N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Services Aid
	Exam & Classification	Speech Instruction	Supplemental Instruction	Compensatory Education	Transportation		
REVENUES							
State sources	\$ 7,805	\$ 7,676	\$ 5,829	\$ 12,006	\$ 3,673	\$ 7,171	\$ 10,905
Federal sources	-	-	-	-	-	-	-
Total revenues	<u>\$ 7,805</u>	<u>\$ 7,676</u>	<u>\$ 5,829</u>	<u>\$ 12,006</u>	<u>\$ 3,673</u>	<u>\$ 7,171</u>	<u>\$ 10,905</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purchased services (400-500 series)	-	-	-	-	-	-	-
General supplies	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	7,171	-
Total instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,171</u>	<u>-</u>
Support services:							
Personal services-employee benefits	-	-	-	-	-	-	-
Purchased professional - educational services	7,805	7,676	5,829	12,006	3,673	-	-
Other purchased professional services	-	-	-	-	-	-	10,905
Other purchased services (400-500 series)	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-
Total support services	<u>7,805</u>	<u>7,676</u>	<u>5,829</u>	<u>12,006</u>	<u>3,673</u>	<u>-</u>	<u>10,905</u>
Total expenditures	<u>\$ 7,805</u>	<u>\$ 7,676</u>	<u>\$ 5,829</u>	<u>\$ 12,006</u>	<u>\$ 3,673</u>	<u>\$ 7,171</u>	<u>\$ 10,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

N.J. Nonpublic Security Aid	N.J. Nonpublic Technology Initiative	Elementary and Secondary Education Act				IDEA Basic	IDEA Pre- School	Totals 2020
		Title I Part A	Title II Part A	Title III	Title IV			
\$ 102	\$ 5,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,624
-	-	123,479	17,131	3,292	5,960	456,051	19,056	624,969
<u>\$ 102</u>	<u>\$ 5,457</u>	<u>\$ 123,479</u>	<u>\$ 17,131</u>	<u>\$ 3,292</u>	<u>\$ 5,960</u>	<u>\$ 456,051</u>	<u>\$ 19,056</u>	<u>\$ 685,593</u>
\$ -	\$ -	\$ 93,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,834
-	-	-	-	-	873	444,219	19,056	464,148
102	-	21,507	-	-	1,895	920	-	24,424
-	-	-	-	-	-	-	-	7,171
<u>102</u>	<u>-</u>	<u>115,341</u>	<u>-</u>	<u>-</u>	<u>2,768</u>	<u>445,139</u>	<u>19,056</u>	<u>589,577</u>
-	-	8,138	-	-	-	-	-	8,138
-	-	-	5,965	-	3,192	9,560	-	55,706
-	-	-	-	-	-	-	-	10,905
-	-	-	9,801	-	-	-	-	9,801
-	-	-	-	-	-	1,352	-	1,352
-	5,457	-	1,365	3,292	-	-	-	10,114
-	<u>5,457</u>	<u>8,138</u>	<u>17,131</u>	<u>3,292</u>	<u>3,192</u>	<u>10,912</u>	<u>-</u>	<u>96,016</u>
<u>\$ 102</u>	<u>\$ 5,457</u>	<u>\$ 123,479</u>	<u>\$ 17,131</u>	<u>\$ 3,292</u>	<u>\$ 5,960</u>	<u>\$ 456,051</u>	<u>\$ 19,056</u>	<u>\$ 685,593</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAPITAL PROJECTS FUND

NEW PROVIDENCE SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
for the Fiscal Year ended June 30, 2020

<u>Issue/Project Title</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Improvements, Renovations and Additions to the School District Facilities and the Acquisition of Equipment	1/11/2017	\$ 16,018,969	\$ 15,375,327	\$ 265,895	\$ 377,747
Improvements, Renovations and Additions to the School District Facilities and the Acquisition of Equipment	06/30/2019	500,000	-	500,000	-
		<u>\$ 16,518,969</u>	<u>\$ 15,375,327</u>	<u>\$ 765,895</u>	<u>\$ 377,747</u>

NEW PROVIDENCE SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis
for the Fiscal Year ended June 30, 2020

Revenues and Other Financing Sources	
Interest income	\$ 6,330
Total Revenues and Other Financing Sources	<u>6,330</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	8,668
Construction Services	254,727
Other Purchases	502,500
Total Expenditures and Other Financing Uses	<u>765,895</u>
Excess (deficiency) of revenues over (under) expenditures	(759,565)
Fund Balance - July 1	<u>1,137,312</u>
Fund Balance - June 30	<u>\$ 377,747</u>

NEW PROVIDENCE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Improvements, Renovations and Additions to the School District Facilities
from inception and for the Fiscal Year ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and transfers	\$ 15,885,000	\$ -	\$ 15,885,000	\$ 15,885,000
Interest income	127,574	6,330	133,904	133,904
Miscellaneous	<u>65</u>	<u>-</u>	<u>65</u>	<u>65</u>
Total Revenues and Other Financing Sources	<u>16,012,639</u>	<u>6,330</u>	<u>16,018,969</u>	<u>16,018,969</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	1,282,060	8,668	1,290,728	1,290,728
Construction Services	14,028,187	254,727	14,282,914	14,282,914
Other - Miscellaneous	<u>65,080</u>	<u>2,500</u>	<u>67,580</u>	<u>67,580</u>
Total Expenditures and Other Financing Uses	<u>15,375,327</u>	<u>265,895</u>	<u>15,641,222</u>	<u>15,641,222</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 637,312</u>	<u>\$ (259,565)</u>	<u>\$ 377,747</u>	<u>\$ 377,747</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	01/11/2017			
Bonds Authorized	\$ 15,885,000			
Bonds Issued	\$ 15,885,000			
Original Authorized Cost	\$ 15,885,000			
Additional Authorized Cost	\$ 133,969			
Revised Authorized Cost	\$ 16,018,969			
Percentage Increase over Original				
Authorized Cost	0.84%			
Percentage Completion	97.64%			
Original target completion date	12/01/2017			
Revised target completion date	06/30/2020			

NEW PROVIDENCE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis
Improvements, Renovations and Additions to the School District Facilities
from inception and for the Fiscal Year ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from capital reserve	\$ 500,000	\$ -	\$ 500,000	\$ 500,000
Total Revenues and Other Financing Sources	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Expenditures and Other Financing Uses:				
Other - Replace Turf	-	500,000	500,000	500,000
Total Expenditures and Other Financing Uses	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 500,000</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 500,000			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 500,000			
Percentage Increase over Original Authorized Cost				
Percentage Completion				
Original target completion date	06/30/2020			
Revised target completion date	06/30/2020			

PROPRIETARY FUND

ENTERPRISE FUNDS

NEW PROVIDENCE SCHOOL DISTRICT
Enterprise Fund
Statement of Net Position
June 30, 2020

	Food Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 42,479
Accounts receivable:	
Other	3,470
Inventory	16,912
Total current assets	62,861
 Noncurrent assets:	
Equipment	352,041
Less: Accumulated depreciation	(218,778)
Total noncurrent assets	133,263
 Total assets	196,124
 LIABILITIES	
Current liabilities:	
Accounts payable	690
Total liabilities	690
 NET POSITION	
Investment in capital assets	133,263
Unrestricted	62,171
Total net position	\$ 195,434

NEW PROVIDENCE SCHOOL DISTRICT
Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
for the Fiscal Year ended June 30, 2020

	Food Service Fund
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program and adult sales	\$ 551,164
Total-daily sales-reimbursable programs	551,164
Daily sales non-reimbursable programs:	
Special functions	2,186
Total operating revenue	553,350
OPERATING EXPENSES:	
Labor costs	187,633
Cost of sales	324,528
Direct expenses	118,960
Depreciation	27,593
Total operating expenses	658,714
Operating loss	(105,364)
Non-operating revenues:	
Interest Income	1,730
Total non-operating revenues	1,730
Change in net position	(103,634)
Net position - July 1	299,068
Net position - June 30	\$ 195,434

NEW PROVIDENCE SCHOOL DISTRICT
Enterprise Fund
Statement of Cash Flows
for the Fiscal Year ended June 30, 2020

	<u>Food Service Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 556,361
Payments to employees	(187,633)
Payments to suppliers	<u>(500,390)</u>
Net cash (used for) operating activities	<u>(131,662)</u>
 Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>(29,856)</u>
Net cash (used for) capital and related financing activities	<u>(29,856)</u>
 Cash flows from investing activities:	
Interest on investments	<u>1,730</u>
Net cash provided by investing activities	<u>1,730</u>
 Net decrease in cash and cash equivalents	(159,788)
 Balance - July 1	<u>202,267</u>
 Balance - June 30	<u>\$ 42,479</u>
 Reconciliation of operating loss to net cash (used for) provided by operating activities:	
Operating loss	<u>(105,364)</u>
Adjustment to reconcile operating income to net cash (used for) provided by operating activities:	
Decrease in accounts receivable	3,011
Increase in inventories	(11,001)
Decrease in accounts payable	(45,901)
Depreciation	<u>27,593</u>
Total adjustments	<u>(26,298)</u>
 Net cash used for operating activities	<u>\$ (131,662)</u>

FIDUCIARY FUNDS

NEW PROVIDENCE SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Fiduciary Net Position
June 30, 2020

	Private Purpose Scholarship Funds	Unemployment Compensation Trust Fund	Agency		Total
			Student Activity	Payroll	2020
ASSETS:					
Cash and cash equivalents	\$ 150,964	\$ 246,153	\$ 81,884	\$ 271,051	\$ 750,052
Total assets	<u>150,964</u>	<u>246,153</u>	<u>81,884</u>	<u>271,051</u>	<u>750,052</u>
LIABILITIES:					
Payroll deductions & withholdings	-	-	-	271,051	271,051
Due to student groups	-	-	81,884	-	81,884
Total liabilities	<u>-</u>	<u>-</u>	<u>81,884</u>	<u>271,051</u>	<u>352,935</u>
NET POSITION					
Held in trust for unemployment claims and other purposes	-	246,153	-	-	246,153
Reserved for scholarships	150,964	-	-	-	150,964
Total net position	<u>\$ 150,964</u>	<u>\$ 246,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,117</u>

NEW PROVIDENCE SCHOOL DISTRICT
Fiduciary Fund
Combining Statement of Changes in Fiduciary Net Position
for the Fiscal Year ended June 30, 2020

	Private Purpose Scholarship Funds					Class of 1960 Scholarship Fund
	Edward H. Lieder Memorial Scholarship Fund	Badgley Memorial Scholarship Fund	Milton Anderson Family Scholarship Fund	E.W. Kilpatrick Scholarship Fund	A.W. Roberts Scholarship Fund	
ADDITIONS:						
Local sources:						
Interest on investments	\$ 8	\$ 6	\$ 19	\$ 10	\$ 13	\$ 76
Contributions	-	-	-	-	-	3,754
Total operating revenues	<u>8</u>	<u>6</u>	<u>19</u>	<u>10</u>	<u>13</u>	<u>3,830</u>
DEDUCTIONS:						
Unemployment Claims Paid	-	-	-	-	-	-
Scholarship payments	500	500	1,000	500	500	1,000
Total operating expenses	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>500</u>	<u>500</u>	<u>1,000</u>
Transfers in (out)						
Operating income (loss)	<u>(492)</u>	<u>(494)</u>	<u>(981)</u>	<u>(490)</u>	<u>(487)</u>	<u>2,830</u>
Net income (loss)	(492)	(494)	(981)	(490)	(487)	2,830
Net position, July 1	<u>7,354</u>	<u>5,871</u>	<u>19,519</u>	<u>10,102</u>	<u>13,953</u>	<u>72,321</u>
Net position, June 30	<u>\$ 6,862</u>	<u>\$ 5,377</u>	<u>\$ 18,538</u>	<u>\$ 9,612</u>	<u>\$ 13,466</u>	<u>\$ 75,151</u>

<u>John O'Neill Memorial Scholarship Fund</u>	<u>Class of 1962 Louis DiParisi, Jr. Memorial Scholarship Fund</u>	<u>Anna Delmore Memorial Scholarship Fund</u>	<u>Private Purpose Scholarship Funds Total</u>	<u>Unemployment Compensation Trust Fund</u>	<u>2020</u>
\$ 82	\$ 9	\$ -	\$ 223	\$ 2,797	\$ 3,020
<u>550</u>	<u>1,300</u>	<u>310</u>	<u>5,914</u>	<u>12,915</u>	<u>18,829</u>
<u>632</u>	<u>1,309</u>	<u>310</u>	<u>6,137</u>	<u>15,712</u>	<u>21,849</u>
-	-	-	-	34,007	34,007
<u>500</u>	<u>2,000</u>	<u>1,000</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
<u>500</u>	<u>2,000</u>	<u>1,000</u>	<u>7,500</u>	<u>34,007</u>	<u>41,507</u>
<u>132</u>	<u>(691)</u>	<u>(690)</u>	<u>(1,363)</u>	<u>(18,295)</u>	<u>(19,658)</u>
132	(691)	(690)	(1,363)	(18,295)	(19,658)
<u>13,678</u>	<u>8,839</u>	<u>690</u>	<u>152,327</u>	<u>264,448</u>	<u>416,775</u>
<u>\$ 13,810</u>	<u>\$ 8,148</u>	<u>\$ -</u>	<u>\$ 150,964</u>	<u>\$ 246,153</u>	<u>\$ 397,117</u>

NEW PROVIDENCE SCHOOL DISTRICT
Fiduciary Fund
Student Activity Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2020

	<u>Balance,</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2020</u>
ELEMENTARY SCHOOLS:				
A.W. Roberts	\$ 15,061	\$ 11,410	\$ (11,817)	\$ 14,654
Salt Brook	<u>20,131</u>	<u>20,832</u>	<u>(29,924)</u>	<u>11,039</u>
Total elementary schools	<u><u>35,192</u></u>	<u><u>32,242</u></u>	<u><u>(41,741)</u></u>	<u><u>25,693</u></u>
MIDDLE SCHOOL:				
Middle School	<u>8,577</u>	<u>21,839</u>	<u>(29,007)</u>	<u>1,409</u>
Total middle school	<u><u>8,577</u></u>	<u><u>21,839</u></u>	<u><u>(29,007)</u></u>	<u><u>1,409</u></u>
HIGH SCHOOL:				
New Providence	<u>107,788</u>	<u>252,657</u>	<u>(305,663)</u>	<u>54,782</u>
Total high school	<u><u>107,788</u></u>	<u><u>252,657</u></u>	<u><u>(305,663)</u></u>	<u><u>54,782</u></u>
Total all schools	<u><u>\$ 151,557</u></u>	<u><u>\$ 306,738</u></u>	<u><u>\$ (376,411)</u></u>	<u><u>\$ 81,884</u></u>

NEW PROVIDENCE SCHOOL DISTRICT
Fiduciary Fund
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2020

	<u>Balance,</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2020</u>
PAYROLL AGENCY FUND:				
Gross payroll, deductions and withholdings (Payroll Agency Account)	\$ 268,285	\$ 27,241,231	\$ (27,238,465)	\$ 271,051
Accrued salaries and wages (Net Payroll Account)	<u>-</u>	<u>14,743,018</u>	<u>(14,743,018)</u>	<u>-</u>
Total payroll agency fund	<u>\$ 268,285</u>	<u>\$ 41,984,249</u>	<u>\$ (41,981,483)</u>	<u>\$ 271,051</u>

LONG-TERM DEBT

NEW PROVIDENCE SCHOOL DISTRICT
Long Term Debt
Schedule of Serial Bonds
June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate (%)
			Date	Amount	
Refunding School Bonds, Series 2014	9/17/14	\$ 7,615,000	8/15/19	\$ 815,000	4.000
			8/15/20	855,000	4.000
			8/15/21	870,000	4.000
			8/15/22	930,000	4.000
			8/15/23	935,000	3.000
			8/15/24	920,000	3.000
			8/15/25	925,000	4.000
School Bonds, Series 2017	1/11/17	15,885,000	8/15/19	550,000	3.250
			8/15/20	575,000	3.250
			8/15/21	625,000	3.250
			8/15/22	650,000	3.250
			8/15/23	675,000	3.250
			8/15/24	760,000	3.250
			8/15/25	800,000	3.250
			8/15/26	825,000	3.250
			8/15/27	850,000	3.250
			8/15/28	875,000	3.250
			8/15/29	900,000	3.250
			8/15/30	925,000	3.250
			8/15/31	975,000	3.250
			8/15/32	975,000	3.375
			8/15/33	975,000	3.375
			8/15/34	975,000	3.375
			8/15/35	975,000	3.375
			8/15/36	975,000	3.375

Exhibit I-1

Balance, July 1, 2019	Issued	Retired	Balance, June 30, 2020
\$ 815,000	\$ -	\$ (815,000)	\$ -
855,000	-	-	855,000
870,000	-	-	870,000
930,000	-	-	930,000
935,000	-	-	935,000
920,000	-	-	920,000
925,000	-	-	925,000
<u>6,250,000</u>	<u>-</u>	<u>(815,000)</u>	<u>5,435,000</u>
550,000	-	(550,000)	-
575,000	-	-	575,000
625,000	-	-	625,000
650,000	-	-	650,000
675,000	-	-	675,000
760,000	-	-	760,000
800,000	-	-	800,000
825,000	-	-	825,000
850,000	-	-	850,000
875,000	-	-	875,000
900,000	-	-	900,000
925,000	-	-	925,000
975,000	-	-	975,000
975,000	-	-	975,000
975,000	-	-	975,000
975,000	-	-	975,000
975,000	-	-	975,000
975,000	-	-	975,000
<u>14,860,000</u>	<u>-</u>	<u>(550,000)</u>	<u>14,310,000</u>
<u>\$ 21,110,000</u>	<u>\$ -</u>	<u>\$ (1,365,000)</u>	<u>\$ 19,745,000</u>

NEW PROVIDENCE SCHOOL DISTRICT
Long Term Debt
Schedule of Obligations Under Capital Leases
for the Fiscal Year ended June 30, 2020

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance	Issued	Retired	Balance
			Principal	Interest		June 30, 2019			June 30, 2020
Apple Computer Equipment	07/01/18	2 years	\$ 47,040	-	0.000%	\$ 23,520	\$ -	\$ 23,520	\$ -
Leaf Copy Machine Equipment	07/01/18	4 years	132,096	-	0.000%	107,328	-	33,024	74,304
Apple Computer Equipment	07/01/19	2 years	78,800	-	0.000%	-	78,800	39,400	39,400
Apple Computer Equipment	04/25/20	2 years	71,370	-	0.000%	-	71,370	35,685	35,685
Apple Computer Equipment	05/25/20	2 years	188,580	-	0.000%	-	188,580	94,290	94,290
						<u>\$ 130,848</u>	<u>\$ 338,750</u>	<u>\$ 225,919</u>	<u>\$ 243,679</u>

NEW PROVIDENCE SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
for the Fiscal Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES:					
Local sources:					
Local tax levy	\$ 1,536,809	\$ -	\$ 1,536,809	\$ 1,536,809	\$ -
State sources:					
Debt Service Type II Aid	527,104	-	527,104	527,104	-
Total revenues	<u>2,063,913</u>	<u>-</u>	<u>2,063,913</u>	<u>2,063,913</u>	<u>-</u>
EXPENDITURES:					
Regular debt service:					
Interest	698,913	-	698,913	698,913	-
Redemption of principal	<u>1,365,000</u>	<u>-</u>	<u>1,365,000</u>	<u>1,365,000</u>	<u>-</u>
Total regular debt service	<u>2,063,913</u>	<u>-</u>	<u>2,063,913</u>	<u>2,063,913</u>	<u>-</u>
Total expenditures	<u>2,063,913</u>	<u>-</u>	<u>2,063,913</u>	<u>2,063,913</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balances, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION
(Unaudited)

FINANCIAL TRENDS

NEW PROVIDENCE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

	2011	2012	2013 (1)	2014	2015 (2)	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,916,612	\$ 6,605,963	\$ 6,544,399	\$ 6,493,378	\$ 6,585,446	\$ 6,501,130	\$ (6,858,943)	\$ 4,040,654	\$ 5,196,934	\$ 5,808,821
Restricted	721,134	1,305,425	1,477,069	938,156	451,947	640,863	15,606,408	4,618,825	2,727,475	2,532,658
Unrestricted	624,419	569,315	388,548	1,057,581	(8,399,198)	(8,528,831)	(10,068,983)	(10,411,341)	(9,435,261)	(8,885,986)
Total governmental activities net position	\$ 8,262,165	\$ 8,480,703	\$ 8,410,016	\$ 8,489,115	\$ (1,361,805)	\$ (1,386,838)	\$ (1,321,518)	\$ (1,751,862)	\$ (1,510,852)	\$ (544,507)
Business-type activities										
Invested in capital assets, net of related debt	\$ 67,004.00	\$ 86,074.00	\$ 118,998.00	\$ 146,883.00	\$ 151,844	\$ 135,059	\$ 120,362	\$ 123,512	\$ 131,000	\$ 133,263.00
Unrestricted	199,880	204,336	199,103	171,378	137,929	138,100	151,441	166,107	168,068	62,171
Total business-type activities net position	\$ 266,884	\$ 290,410	\$ 318,101	\$ 318,261	\$ 289,773	\$ 273,159	\$ 271,803	\$ 289,619	\$ 299,068	\$ 195,434
District-wide										
Invested in capital assets, net of related debt	\$ 6,983,616	\$ 6,692,037	\$ 6,663,397	\$ 6,640,261	\$ 6,737,290	\$ 6,636,189	\$ (6,738,581)	\$ 4,164,166	\$ 5,327,934	\$ 5,942,084
Restricted	721,134	1,305,425	1,477,069	938,156	451,947	640,863	15,606,408	4,618,825	2,727,475	2,532,658
Unrestricted	824,299	773,651	587,651	1,228,959	(8,261,269)	(8,390,731)	(9,917,542)	(10,245,234)	(9,267,193)	(8,823,815)
Total district net position	\$ 8,529,049	\$ 8,771,113	\$ 8,728,117	\$ 8,807,376	\$ (1,072,032)	\$ (1,113,679)	\$ (1,049,715)	\$ (1,462,243)	\$ (1,211,784)	\$ (349,073)

Source: District Records

Note: (1) GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

(2) GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$9,288,272. The amount is not reflected in the June 30, 2014 net position, above.

**NEW PROVIDENCE SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED**

	2011	2012	2013 (2)	2014	2015 (3)	2016	2017	2018 (4)	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 12,341,659	\$ 12,335,790	\$ 12,756,402	\$ 12,859,042	\$ 13,122,201	\$ 13,232,521	\$ 13,732,314	\$ 14,236,542	\$ 14,710,003	\$ 14,935,994
Special education	2,039,597	2,057,283	2,147,308	2,254,729	2,327,478	2,481,345	2,585,876	2,636,119	2,764,946	2,824,255
Other special education	352,879	364,337	319,472	331,131	293,590	292,636	339,473	297,663	347,426	317,658
Other instruction	785,800	820,004	854,463	845,087	973,365	861,353	932,935	983,825	1,061,011	1,090,089
Support Services:										
Tuition	2,126,122	2,222,754	2,400,456	2,505,200	2,466,291	2,638,139	2,566,033	2,477,479	2,612,032	2,656,322
Student & instruction related services	3,316,325	3,307,821	3,487,202	3,517,719	3,536,076	3,570,885	3,661,895	3,721,839	4,031,584	3,960,786
School administrative services	1,305,770	1,357,608	1,348,559	1,397,300	1,411,511	1,377,108	1,398,769	1,442,372	1,435,530	1,561,013
General & business administrative services	9,173,661	9,604,871	10,356,077	9,650,286	11,557,805	11,851,219	13,643,633	21,752,416	18,913,850	17,664,315
Plant operations and maintenance	2,222,863	2,204,773	2,081,424	2,139,359	2,189,103	2,223,541	2,195,207	2,350,526	2,594,141	2,228,700
Pupil transportation	891,425	862,271	1,011,679	999,670	910,256	1,058,768	1,335,666	1,301,539	1,414,324	1,209,101
Unallocated depreciation	-	-	-	-	-	-	-	974,257	1,642,856	1,666,661
Interest on long-term debt	592,100	556,430	520,178	481,537	395,516	353,610	304,240	833,031	744,053	698,913
Unallocated depreciation	1,217,715	1,183,034	1,175,798	1,145,407	1,118,929	1,064,016	-	-	-	-
Total governmental activities expenses	<u>36,365,916</u>	<u>36,876,976</u>	<u>38,459,018</u>	<u>38,126,467</u>	<u>40,302,121</u>	<u>41,005,141</u>	<u>43,670,298</u>	<u>53,676,207</u>	<u>52,295,561</u>	<u>50,875,277</u>
Business-type activities:										
Food service	626,272	695,518	735,942	796,956	761,197	772,120	779,985	808,649	766,627	658,714
Total business-type activities expense	<u>626,272</u>	<u>695,518</u>	<u>735,942</u>	<u>796,956</u>	<u>761,197</u>	<u>772,120</u>	<u>779,985</u>	<u>808,649</u>	<u>766,627</u>	<u>658,714</u>
Total district expenses	<u>\$ 36,992,188</u>	<u>\$ 37,572,494</u>	<u>\$ 39,194,960</u>	<u>\$ 38,923,423</u>	<u>\$ 41,063,318</u>	<u>\$ 41,777,261</u>	<u>\$ 44,450,283</u>	<u>\$ 54,484,856</u>	<u>\$ 53,062,188</u>	<u>\$ 51,533,991</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 81,658	\$ 170,110	\$ 167,212	\$ 239,857	\$ 143,328	\$ 104,632	\$ 86,506	\$ 78,982	\$ 71,532	\$ 130,865
Operating grants and contributions	846,121	738,769	721,711	629,969	616,777	721,265	764,226	714,170	721,714	689,498
Total governmental activities program revenues	<u>927,779</u>	<u>908,879</u>	<u>888,923</u>	<u>869,826</u>	<u>760,105</u>	<u>825,897</u>	<u>850,732</u>	<u>793,152</u>	<u>793,246</u>	<u>820,363</u>
Business-type activities:										
Charges for services:										
Food service	560,691	611,679	642,108	688,532	732,136	754,858	777,529	823,782	773,194	553,350
Operating grants and contributions	87,036	107,365	121,525	108,584	573	648	1,100	2,683	2,882	1,730
Total business-type activities program revenues	<u>647,727</u>	<u>719,044</u>	<u>763,633</u>	<u>797,116</u>	<u>732,709</u>	<u>755,506</u>	<u>778,629</u>	<u>826,465</u>	<u>776,076</u>	<u>555,080</u>
Total district program revenues	<u>\$ 1,575,506</u>	<u>\$ 1,627,923</u>	<u>\$ 1,652,556</u>	<u>\$ 1,666,942</u>	<u>\$ 1,492,814</u>	<u>\$ 1,581,403</u>	<u>\$ 1,629,361</u>	<u>\$ 1,619,617</u>	<u>\$ 1,569,322</u>	<u>\$ 1,375,443</u>
Net (Expense)/Revenue										
Governmental activities	\$ (35,438,137)	\$ (35,968,097)	\$ (37,570,095)	\$ (37,256,641)	\$ (39,542,016)	\$ (40,179,244)	\$ (42,819,566)	\$ (52,883,055)	\$ (51,502,315)	\$ (50,054,914)
Business-type activities	21,455	23,526	27,691	160	(28,488)	(16,614)	(1,356)	17,816	9,449	(103,634)
Total district-wide net expense	<u>\$ (35,416,682)</u>	<u>\$ (35,944,571)</u>	<u>\$ (37,542,404)</u>	<u>\$ (37,256,481)</u>	<u>\$ (39,570,504)</u>	<u>\$ (40,195,858)</u>	<u>\$ (42,820,922)</u>	<u>\$ (52,865,239)</u>	<u>\$ (51,492,866)</u>	<u>\$ (50,158,548)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 30,728,925	\$ 30,722,298	\$ 31,198,662	\$ 31,441,208	\$ 32,479,298	\$ 33,241,004	\$ 34,643,702	\$ 35,448,844	\$ 37,269,826	\$ 38,105,152
Taxes levied for debt service	1,198,603	1,194,061	1,201,069	1,194,140	1,197,638	1,324,897	1,012,409	1,498,204	1,525,788	1,536,809
Federal and State aid not restricted	3,020,858	3,908,619	4,839,827	4,484,398	4,910,899	5,430,312	6,217,067	15,227,360	12,539,696	11,110,016
Investment earnings	61,166	63,568	66,418	17,086	15,558	18,867	86,028	137,915	130,231	93,392
Special item - Appraisal of capital asset adjustment	54,418	195,002	94,878	40,742	107,272	15,602	144,039	-	-	-
Miscellaneous income	162,051	105,295	98,965	178,071	190,350	126,424	783,808	147,241	291,444	177,222
Special item - Loss on disposal of fixed assets	(20,643)	(2,208)	(411)	(19,905)	(1,647)	(2,895)	(2,167)	(6,853)	(13,660)	(1,332)
Special item - Series 2008 refunding bond cost	-	-	-	-	80,000	-	-	-	-	-
Total governmental activities	<u>35,205,378</u>	<u>36,186,635</u>	<u>37,499,408</u>	<u>37,335,740</u>	<u>38,979,368</u>	<u>40,154,211</u>	<u>42,884,886</u>	<u>52,452,711</u>	<u>51,743,325</u>	<u>51,021,259</u>
Total district-wide	<u>\$ 35,205,378</u>	<u>\$ 36,186,635</u>	<u>\$ 37,499,408</u>	<u>\$ 37,335,740</u>	<u>\$ 38,979,368</u>	<u>\$ 40,154,211</u>	<u>\$ 42,884,886</u>	<u>\$ 52,452,711</u>	<u>\$ 51,743,325</u>	<u>\$ 51,021,259</u>
Change in Net Position										
Governmental activities	\$ (232,759)	\$ 218,538	\$ (70,687)	\$ 79,099	\$ (562,648)	\$ (25,033)	\$ 65,320	\$ (430,344)	\$ 241,010	\$ 966,345
Business-type activities	21,455	23,526	27,691	160	(28,488)	(16,614)	(1,356)	17,816	9,449	(103,634)
Total district	<u>\$ (211,304)</u>	<u>\$ 242,064</u>	<u>\$ (42,996)</u>	<u>\$ 79,259</u>	<u>\$ (591,136)</u>	<u>\$ (41,647)</u>	<u>\$ 63,964</u>	<u>\$ (412,528)</u>	<u>\$ 250,459</u>	<u>\$ 862,711</u>

Source: District Records

- Note: (1) As recommended by the NJ Department of Education, beginning with year ended June 30, 2010:
 - Tuition, Special Schols and Charter Schools expenses are no longer allocated amongst other District expenses.
 - Central services and administrative information technology expenses were not combined as business and central services expenses.
- (2) GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.
- (3) GASB 68 was implemented in the 2015 fiscal year where additional on-behalf TPAF pension expense and offsetting contribution is reported.
- (4) GASB 75 was implemented in the 2018 fiscal year, where additional on-behalf OPEB expenses and offsetting contribution is reported.

**NEW PROVIDENCE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED**

	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 695,923	\$ 1,305,425	\$ 1,477,069	\$ 938,156	\$ 406,525	\$ 595,441	\$ 1,899,037	\$ 2,430,557	\$ 2,548,086	\$ 3,684,973
Committed	575,540	709,083	922,470	1,039,022	382,128	915,022	632,675	689,040	765,102	1,243,045
Assigned	423,102	383,678	200,000	276,424	562,513	481,055	288,597	327,459	442,077	69,938
Unassigned	779,771	589,541	566,283	581,535	607,799	591,702	629,375	626,665	642,438	626,924
Total general fund	\$ 2,474,336	\$ 2,987,727	\$ 3,165,822	\$ 2,835,137	\$ 1,958,965	\$ 2,583,220	\$ 3,449,684	\$ 4,073,721	\$ 4,397,703	\$ 5,624,880
All Other Governmental Funds										
Committed, Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,911,451	\$ 1,353,649	\$ 508,856	\$ 27,758
Unassigned, reported in:										
Capital projects fund	25,211	-	-	-	-	-	2,750,497	834,618	628,456	349,989
Debt service fund	-	-	-	-	-	-	45,423	1	-	-
Total all other governmental funds	\$ 25,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,707,371	\$ 2,188,268	\$ 1,137,312	\$ 377,747

Source: District Records

Note: (1) In 2011 the District implemented GASB Statement 54 which requires fund balance to be reported as restricted, committed, assigned and unassigned.

NEW PROVIDENCE SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	2011	2012	2013	2014
Revenues				
Tax levy	\$ 31,927,528	\$ 31,916,359	\$ 32,399,731	\$ 32,635,348
Tuition charges	81,658	170,110	167,212	239,857
Interest earnings	61,166	63,568	66,418	17,086
Miscellaneous	162,051	105,295	98,965	178,071
Grants	60,331	62,291	79,681	3,864
State sources	3,123,778	3,957,892	4,936,075	4,578,724
Federal sources	682,870	627,205	545,782	531,779
Total revenue	<u>36,099,382</u>	<u>36,902,720</u>	<u>38,293,864</u>	<u>38,184,729</u>
Expenditures				
Current expense:				
Instruction	15,165,894	15,199,968	15,623,276	15,843,198
Undistributed expenditures	19,093,423	19,660,151	20,671,486	20,877,601
Capital outlay	279,118	67,991	666,209	411,149
Debt service	1,492,100	1,486,430	1,495,178	1,486,537
Total expenditures	<u>36,030,535</u>	<u>36,414,540</u>	<u>38,456,149</u>	<u>38,618,485</u>
Excess (Deficiency) of revenues over (under) expenditures	68,847	488,180	(162,285)	(433,756)
Other Financing sources (uses)				
Capital leases (non-budgeted)	236,186	-	340,380	103,071
Bond proceeds	-	-	-	-
Total other financing sources (uses)	<u>236,186</u>	<u>-</u>	<u>340,380</u>	<u>103,071</u>
Net change in fund balances	<u>\$ 305,033</u>	<u>\$ 488,180</u>	<u>\$ 178,095</u>	<u>\$ (330,685)</u>
Debt service as a percentage of noncapital expenditures	4.2%	4.1%	4.0%	3.9%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

- (1) As recommended by the NJ Department of Education, beginning with year ended June 30, 2010:
- Tuition, Special Schools and Charter Schools expenses are no longer allocated amongst other District expenses.
 - Central services and administrative information technology expenses were not combined as business and central services expenses.
 - Under the modified accrual basis, debt service for capital leases directly funded by the District are not segregated from their original expense classifications.

Exhibit J-4

	2015	2016	2017	2018	2019	2020
\$	33,676,936	\$ 34,565,901	\$ 35,656,111	\$ 36,947,048	\$ 38,795,614	\$ 39,641,961
	143,328	104,632	86,506	78,982	71,532	130,865
	15,558	18,867	86,028	137,915	130,231	93,392
	190,350	126,424	783,808	147,241	291,444	177,222
	(4,598)	(7,394)	(12,821)	(11,090)	(9,913)	(4,752)
	4,988,395	5,507,598	6,292,618	7,252,409	8,324,147	9,016,718
	543,879	651,373	701,496	646,045	650,887	630,791
	<u>39,553,848</u>	<u>40,967,401</u>	<u>43,593,746</u>	<u>45,198,550</u>	<u>48,253,942</u>	<u>49,686,197</u>
	16,197,180	16,445,109	17,164,055	17,699,174	18,413,397	18,591,089
	22,469,848	22,303,251	23,829,077	24,664,216	26,589,282	27,236,247
	542,346	219,110	2,593,281	11,700,431	2,108,320	1,666,086
	1,445,516	1,448,610	1,449,240	2,078,031	2,049,053	2,063,913
	<u>40,654,890</u>	<u>40,416,080</u>	<u>45,035,653</u>	<u>56,141,852</u>	<u>49,160,052</u>	<u>49,557,335</u>
	(1,101,042)	551,321	(1,441,907)	(10,943,302)	(906,110)	128,862
	270,292	72,934	85,320	48,236	179,136	338,750
	-	-	15,885,000	-	-	-
	<u>270,292</u>	<u>72,934</u>	<u>15,970,320</u>	<u>48,236</u>	<u>179,136</u>	<u>338,750</u>
\$	<u>(830,750)</u>	<u>\$ 624,255</u>	<u>\$ 14,528,413</u>	<u>\$ (10,895,066)</u>	<u>\$ (726,974)</u>	<u>\$ 467,612</u>
	3.6%	3.6%	3.4%	4.7%	4.4%	4.3%

NEW PROVIDENCE SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 UNAUDITED

Description	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Interest on Investment	\$ 61,166	\$ 63,568	\$ 66,418	\$ 17,086	\$ 15,558	\$ 19,757	\$ 28,375	\$ 83,777	\$ 114,448	\$ 87,062
Tuition Revenue	81,658	170,110	167,212	239,857	143,328	104,632	86,506	78,982	71,532	130,865
Rentals	57,154	42,682	42,625	41,411	30,430	30,439	29,656	39,955	43,612	34,589
Miscellaneous	104,897	62,613	56,340	136,660	159,920	95,985	754,087	107,286	247,832	142,554
Total	\$ 304,875	\$ 338,973	\$ 332,595	\$ 435,014	\$ 349,236	\$ 250,813	\$ 898,624	\$ 310,000	\$ 477,424	\$ 395,070

Source: District Records

REVENUE CAPACITY

**NEW PROVIDENCE SCHOOL DISTRICT
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Business Personal Property	Net Valuation Taxable	Total Direct School Tax Rate ^b
2011	12,654,100	1,051,812,000	-	-	132,378,685	64,632,580	35,969,200	1,297,446,565	-	3,072,636	1,300,519,201	2.46
2012	13,434,100	1,053,509,800	-	-	131,942,885	64,632,580	35,711,600	1,299,230,965	-	3,173,583	1,302,404,548	2.47
2013	12,628,100	1,054,894,600	-	-	126,216,485	59,403,400	35,058,600	1,288,201,185	-	2,611,227	1,290,812,412	2.52
2014	11,987,300	1,057,175,800	-	-	122,738,085	59,432,300	35,058,600	1,286,392,085	-	2,238,010	1,288,630,095	2.58
2015	11,011,900	1,066,460,900	-	-	120,491,592	57,157,500	35,058,600	1,290,180,492	-	2,345,779	1,292,526,271	2.64
2016	10,671,200	1,072,696,100	-	-	120,542,792	57,710,000	50,807,100	1,312,427,192	-	2,347,370	1,314,774,562	2.67
2017	10,003,600	1,083,203,100	-	-	140,168,392	57,382,400	59,769,800	1,350,527,292	-	2,311,203	1,352,838,495	2.70
2018	9,928,600	1,096,855,000	-	-	160,680,292	50,212,900	59,769,800	1,377,446,592	-	2,292,589	1,379,739,181	2.75
2019	10,030,700	1,107,685,000	-	-	177,422,292	51,783,300	61,790,500	1,408,711,792	-	2,280,514	1,410,992,306	2.78
2020	9,801,600	1,115,402,500	-	-	202,667,592	49,830,400	63,190,500	1,440,892,592	-	2,251,458	1,443,144,050	2.78

Source: Certification Schedule of the General Tax Rate, Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

NEW PROVIDENCE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
UNAUDITED

Fiscal Year Ended June 30,	New Providence Board of Education			Overlapping Rate					Total Direct and Overlapping Tax Rate
	General		Total Direct	Borough of New Providence	Union County	Union County Open Space	Municipal Open Space	Municipal Library	
	Basic Rate ^a	Obligation Debt Service ^b							
2011	2.363	0.093	2.456	0.851	0.805	0.030	0.002	0.065	4.209
2012	2.377	0.094	2.471	0.872	0.867	0.029	0.002	0.065	4.306
2013	2.427	0.094	2.521	0.892	0.933	0.029	0.002	0.065	4.442
2014	2.480	0.095	2.575	0.910	0.984	0.029	0.002	0.064	4.564
2015	2.542	0.099	2.642	0.926	0.973	0.028	0.003	0.062	4.634
2016	2.582	0.085	2.667	0.938	0.998	0.028	0.005	0.063	4.699
2017	2.591	0.104	2.695	0.950	1.023	0.029	0.006	0.063	4.766
2018	2.635	0.111	2.746	0.967	1.031	0.029	0.007	0.065	4.845
2019	2.671	0.111	2.782	0.971	1.013	0.030	0.008	0.066	4.870
2020	2.669	0.110	2.779	0.990	1.023	0.031	0.009	0.068	4.900

Source: Certification Schedule of the General Tax Rate, Tax Assessor

Note: NJSIA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

b Rates for debt service are based on each year's requirements.

**NEW PROVIDENCE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Redwood - ERC NP LLC / Altus Group	\$ 62,377,800	1	4.32%			
Redwood - ERC NP LLC / Altus Group	28,970,300	2	2.01%			
Tower Spring Gardens	15,795,700	3	1.09%	10,775,800	7	0.83%
UB New Providence	14,272,800	4	0.99%			
Shelbourne Spring LLC	10,032,000	5	0.70%	11,500,000	5	0.89%
Redwood - ERC NP LLC / Altus Group	9,675,100	6	0.67%	21,085,800	1	1.63%
121 Chanlon LLC	8,032,000	7	0.56%			
Murray Hill Gardens LLC	7,978,400	8	0.55%			
GH NP Central LLC	7,649,600	9	0.53%			
Murray Hill Gardens LLC	7,615,700	10	0.53%			
New Providence Gardens Company, LLC	-			6,542,000	10	0.51%
41 Spring Street, LLC	-			17,143,400	2	1.32%
Martindale-Hubbell, Inc.	-			14,678,385	3	1.13%
N Providence, LLC	-			14,272,800	4	1.10%
HT Mountain Avenue Associates, LLC	-			11,352,600	6	0.88%
Murray Hill Apartments Company, LLC	-			8,700,000	8	0.67%
Lucent Technologies, Inc.	-			8,178,300	9	0.63%
Total	\$ 172,399,400		0.00%	\$ 124,229,085		9.59%

Source: Tax Assessor

**NEW PROVIDENCE SCHOOL DISTRICT
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	
2011	\$ 31,927,528	31,927,528	100.00%	-
2012	31,916,359	31,916,359	100.00%	-
2013	32,399,731	32,399,731	100.00%	-
2014	32,635,348	32,635,348	100.00%	-
2015	33,676,936	33,676,936	100.00%	-
2016	34,565,901	34,565,901	100.00%	-
2017	35,656,111	35,656,111	100.00%	-
2018	36,947,048	36,947,048	100.00%	-
2019	38,795,614	38,795,614	100.00%	-
2020	39,641,961	39,641,961	100.00%	-

Source: District records including the Certificate Schedule of the General Tax Rate

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

DEBT CAPACITY

**NEW PROVIDENCE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 14,055,000	\$ -	\$ 177,140	\$ -	\$ -	\$ 14,232,140	0.37%	52,297	
2012	13,125,000	-	118,094	-	-	13,243,094	0.41%	53,638	
2013	12,150,000	-	285,167	-	-	12,435,167	0.44%	54,382	
2014	11,145,000	-	180,976	-	-	11,325,976	0.51%	57,306	
2015	10,015,000	-	228,496	-	-	10,243,496	0.59%	60,089	
2016	8,920,000	-	152,867	-	-	9,072,867	0.68%	61,808	
2017	23,660,000	-	82,968	-	-	23,742,968	0.27%	65,130	
2018	22,415,000	-	24,118	-	-	22,439,118	0.30%	68,313	
2019	21,110,000	-	130,848	-	-	21,240,848	0.33%	70,865	
2020	19,745,000	-	243,679	-	-	19,988,679	N/A	N/A	

Source: Debt outstanding data can be found in the notes to the financial statements. Personal income and population data was provided by the U.S. Bureau of the Census, Population Division.

Note: ^a Information is based on Union County figures not Municipality figures.
N/A Not available at time of audit

**NEW PROVIDENCE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	14,055,000	-	14,055,000	1.08%	52,297
2012	13,125,000	-	13,125,000	1.01%	53,638
2013	12,150,000	-	12,150,000	0.94%	54,382
2014	11,145,000	-	11,145,000	0.86%	57,306
2015	10,095,000	-	10,095,000	0.78%	60,089
2016	8,920,000	-	8,920,000	0.68%	61,808
2017	23,660,000	-	23,660,000	1.80%	65,130
2018	22,415,000	-	22,415,000	1.62%	68,313
2019	21,110,000	-	21,110,000	1.50%	70,865
2020	19,745,000	-	19,745,000	1.37%	N/A

Source: Debt outstanding data can be found in the notes to the financial statements. Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation. School District population data was estimated by the U.S. Bureau of the Census, Population Division.

Note: **a** Net Assessed Valuation Taxable.
 b Information based on Union County figures not Municipality figures.
 N/A Not available at time of audit

**NEW PROVIDENCE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
UNAUDITED**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
New Providence Borough	\$ 23,953,924	100%	\$ 23,953,924
Other debt			
Union County	577,364,704	4.02%	<u>23,211,216</u>
Subtotal, overlapping debt			47,165,140
New Providence School District Direct Debt	19,745,000	100%	<u>19,745,000</u>
Total direct and overlapping debt			<u><u>\$ 66,910,140</u></u>

Sources: Finance Officer, Union County Finance Office and Utility Authorities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of New Providence. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

NEW PROVIDENCE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Calendar Year

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 103,442,096	\$ 102,030,310	\$ 100,849,042	\$ 100,185,750	\$ 98,608,797	\$ 98,248,486	\$ 99,233,578	\$ 103,094,609	\$ 107,382,843	\$ 112,551,416
Total net debt applicable to limit	14,055,000	13,125,000	12,150,000	11,145,000	10,095,000	8,920,000	23,660,000	22,415,000	21,110,000	19,745,000
Legal debt margin	\$ 89,387,096	\$ 88,905,310	\$ 88,699,042	\$ 89,040,750	\$ 88,513,797	\$ 89,328,486	\$ 75,573,578	\$ 80,679,609	\$ 86,272,843	\$ 92,806,416
Total net debt applicable to the limit as a percentage of debt limit	13.59%	12.86%	12.05%	11.12%	10.24%	9.08%	23.84%	21.74%	19.66%	17.54%

	2019	2020
Equalized valuation basis	\$ 2,946,479,381	\$ 2,813,785,393
2018	\$ 2,800,826,743	\$ 112,551,416 ^a
2017	\$ 2,694,050,054	\$ 19,745,000
[A]	\$ 8,441,356,178	\$ 92,806,416
[A3]	\$ 2,813,785,393	
[B]		112,551,416 ^a
[C]		19,745,000
[B-C]		92,806,416

Average equalized valuation of taxable property
Debt limit (4 % of average)
Net bonded school debt
Legal debt margin

Source: Abstract of Rates, District Records, Borough of New Providence - Finance Officer. (Annual Debt Statement).

Note: ^a Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

DEMOGRAPHIC AND ECONOMIC INFORMATION

**NEW PROVIDENCE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	12,236	-	53,506	6.9%
2012	12,293	-	54,649	6.9%
2013	12,357	-	54,889	4.7%
2014	12,421	-	57,306	4.2%
2015	12,469	-	60,089	3.7%
2016	12,758	-	60,808	3.4%
2017	13,308	-	64,413	3.1%
2018	13,486	-	68,262	2.70%
2019	13,595	-	70,865	2.30%
2020	N/A	-	N/A	N/A

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development
*Estimates supplied by U. S. Census Bureau

^b Personal income could not be compiled based on available data.

^c Per Capita income based on Union County figures.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
N/A Not available at time of audit

NEW PROVIDENCE SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
*	-	-	-	-	-	-
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

*Data not available from Borough of New Providence

OPERATING INFORMATION

**NEW PROVIDENCE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Function/Program</u>	<u>2011</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>
Instruction										
Regular	150	148.5	149.5	150.5	153.5	152	153.7	159	160	163
Supplemental (Special Education)	17.6	16.9	19	20	23	24	25	25	26	28
Vocational	1	1	1	1	1	1	1	1	1	1
Support Services										
Certificated:										
Educational Support (Includes Special Ed)	29.5	30.3	30.3	31.3	28.3	30.3	30.5	30.9	31.3	32.3
General administrative services	2	1.8	2	2	2	2	2	2	2	2
Business administrative services	1	1	1	1	1	1	1	1	1	1
School administrative services	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
Non-Certificated:										
Teacher Aides	15	14.5	16	18.5	20	21	23	23	24	20
Technicians	2	2	2	2	2	2	2	2	2	2
Clerical/Secretarial	22.2	21.8	21.8	21.8	22	21	21	21	21	21
Service Workers (Includes Playground/Lunch/Aides)	22.8	24.3	24.3	24.3	23	22	20.5	20.5	20.8	20.8
Skilled Crafts (Includes Maintenance)	8	7	7	7	7	7	7	7	7	7
Total	281.6	279.6	284.4	289.9	293.3	293.8	297.2	302.9	306.6	308.6

Source: CSI Personnel System

NEW PROVIDENCE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	2,241	\$ 33,413,196	\$ 14,910	-0.86%	198.1	1:11	1:12	1:11	2,207	2,118	0.59%	96.00%
2012	2,258	34,121,350	15,111	1.35%	199.3	1:11	1:16	1:9	2,229	2,141	1.00%	96.10%
2013	2,305	35,573,051	15,433	2.13%	199.8	1:12	1:12	1:10	2,269	2,160	1.79%	95.20%
2014	2,369	36,090,830	15,235	-1.29%	202.8	1:12	1:12	1:11	2,335	2,247	2.89%	96.25%
2015	2,378	38,050,251	16,001	5.03%	205.8	1:12	1:12	1:11	2,342	2,254	0.32%	96.25%
2016	2,410	38,027,095	15,779	-1.39%	207.3	1:12	1:12	1:11	2,383	2,297	1.75%	96.38%
2017	2,403	40,228,906	16,741	6.10%	209.2	1:14	1:12	1:11	2,388	2,292	0.20%	96.00%
2018	2,421	41,649,220	17,203	2.76%	214.9	1:14	1:10	1:10	2,359	2,269	-1.20%	96.00%
2019	2,444	44,413,339	18,172	5.63%	218.7	1:13	1:10	1:10	2,384	2,302	1.05%	96.00%
2020	2,387	45,224,294	18,946	4.26%	223.7	1:13	1:10	1:10	2,385	2,327	0.05%	97.55%

Sources: District records

Note: Enrollment based on annual October district count and includes Special Education placements.

- a) Operating expenditures equal total expenditures less special revenue, debt service and capital outlay; Exhibit B-2.
- b) Teaching staff includes full-time and part-time equivalents of certificated staff.
- c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

NEW PROVIDENCE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
Allen W. Roberts (1962)										
Square Feet	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114	72,114
Functional Capacity (students)	575	575	575	575	562	562	562	562	562	562
Enrollment	630	617	652	649	663	637	657	671	671	632
Salt Brook (1968)										
Square Feet	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920	92,920
Functional Capacity (students)	579	579	579	579	570	570	570	570	570	570
Enrollment	615	649	643	662	638	669	649	650	654	643
<u>High School/Middle School</u>										
New Providence HS/MS (1957)										
Square Feet	180,892	180,892	180,892	180,892	180,892	180,892	180,892	185,752	185,752	185,752
Functional Capacity (students)	1,041	1,041	1,041	1,041	1,039	1,039	1,039	1,052	1,052	1,052
Enrollment	961	948	971	1,021	1,040	1,025	1,019	1,034	1,037	1,040
<u>Other</u>										
Maintenance Garage										
Square Feet	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467	5,467
Number of Buildings at June 30, 2020										
Elementary = 2										
High School/Middle School = 1										
Other = 1										

Source: District records, October Enrollment Reports not including Special Education Placements. Functional Capacity based on LRRFP.

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

**NEW PROVIDENCE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

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

School Facilities	Project # (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Allen W. Roberts School	N/A	\$ 108,954	\$ 111,997	\$ 118,981	\$ 120,387	\$ 124,507	\$ 120,520	\$ 129,474	\$ 120,594	\$ 140,366	\$ 129,925
Salt Brook School	N/A	140,386	144,309	153,307	155,118	158,967	176,026	152,981	162,624	334,423	142,011
Middle/High School	N/A	273,339	280,976	298,495	302,023	301,017	314,727	303,332	323,310	172,174	310,424
Total School Facilities		522,679	537,282	570,783	577,528	584,491	611,274	585,786	606,528	646,962	582,360
Other Facilities		8,283	8,514	9,045	9,152	7,643	8,006	7,946	7,630	7,897	7,395
Grand Total		\$ 530,962	\$ 545,796	\$ 579,828	\$ 586,680	\$ 592,134	\$ 619,280	\$ 593,732	\$ 614,158	\$ 654,859	\$ 589,755

Source: School District Annual Maintenance Budget Amount Worksheet (Form M-1)

Note: * School Facilities are defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**NEW PROVIDENCE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Multi-Peril Policy - Utica National Insurance Group		
Property, Blanket Building & Contents, replacement costs Boiler & Machinery (Actual values 96,199,281)	86,579,355	1,000
Comprehensive General Liability (includes B.O.E. liability)	1,000,000	7,500 *
Automobile Liability - Graphic Arts Mutual	1,000,000	500/1000
Umbrella Liability Policy - Utica National Ins. Group.	10,000,000	10,000
Public Employee Blanket Bond - Selective Insurance Co.	250,000	2,500
Public Official Bond - Selective Insurance Co.	275,000	0
Workers Compensation - New Jersey School Insurance Group	In Accordance with statutory requirements.	
Athletic Accident - Zurich American Insurance Company	5,000,000	Full Excess
Foreign Liability - Chubb & Son	1,000,000	0
Foreign Worker's Compensation - Chubb & Son	Statutory	0
Cap Excess Umbrella Liability - Fireman's Fund	50,000,000	0
Cyber Liability - Hiscox Insurance Co.	1,000,000	5,000

Source: District Records

SINGLE AUDIT SECTION

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

Certified Public Accountants

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EXHIBIT K-1

INDEPENDENT AUDITOR'S 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*

The Honorable President and
Members of the Board of Education
New Providence School District
County of Union
New Providence, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education on the New Providence School District, in the County of Union, State of New Jersey (the "Board"), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise of the Board's basic financial statements, and have issued our report thereon dated January 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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

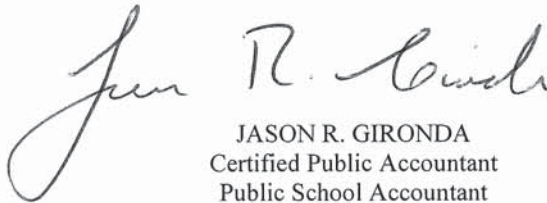
As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



JASON R. GIRONDA
Certified Public Accountant
Public School Accountant
License No. 20CS00264800

Bayonne, New Jersey
January 7, 2021

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08

The Honorable President and
Members of the Board of Education
New Providence School District
County of Union
New Providence, New Jersey

Report on Compliance for Each Major State Program

We have audited the Board of Education of the New Providence School District, in the County of Union, State of New Jersey's (the "Board") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board's major state programs for the year ended June 30, 2020. The Board'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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board'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; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and New Jersey OMB's Circular 15-08, 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 Board'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 Board's compliance.

Opinion on Each Major State Program

In our opinion, the Board 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 year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Board 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 Board'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 New Jersey OMB's 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 Board's internal control over compliance.

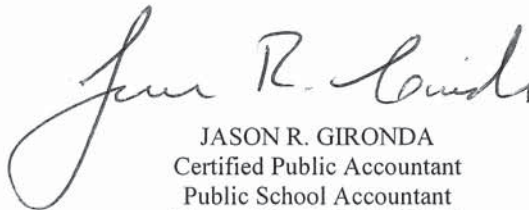
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants



JASON R. GIRONDA
Certified Public Accountant
Public School Accountant
License No. 20CS00264800

Bayonne, New Jersey
January 7, 2021

NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2019
					FROM	TO	
U.S. DEPARTMENT OF EDUCATION							
PASSED-THROUGH STATE							
DEPARTMENT OF EDUCATION:							
Special Revenue Fund:							
Title I-A, Grants to Local Ed. Agencies							
Title I-A, Grants to Local Ed. Agencies	84.010A	S010A180030	N/A	\$ 142,973	07/01/18	06/30/19	\$ (31,826)
Title I-A, Grants to Local Ed. Agencies	84.010A	S010A190030	N/A	133,903	07/01/19	06/30/20	-
Total Title I-A, Grants to Local Ed. Agencies							(31,826)
Title II-A, Improv. Teacher Quality							
Title II-A, Improv. Teacher Quality	84.367A	S367A180029	N/A	27,705	07/01/18	06/30/19	(8,930)
Title II-A, Improv. Teacher Quality	84.367A	S367A190029	N/A	25,295	07/01/19	06/30/20	-
Total Title II-A, Improv. Teacher Quality							(8,930)
Title III, English Language Acquisition							
Title III, English Language Acquisition	84.365A	S365A180030	N/A	6,636	07/01/18	06/30/19	(5,651)
Title III, English Language Acquisition	84.365A	S365A190030	N/A	4,688	07/01/19	06/30/20	-
Total Title III, English Language Acquisition							(5,651)
Title IV, Student Support and Academic Enrichment							
Title IV, Student Support and Academic Enrichment	84.424	S424A180031	N/A	8,403	07/01/18	06/30/19	(3,974)
Title IV, Student Support and Academic Enrichment	84.424	S424A190031	N/A	10,000	07/01/19	06/30/20	-
Total Title IV, Student Support and Academic Enrichment							(3,974)
Special Education Cluster (IDEA)							
IDEA Pre-School	84.173	H173A180114	N/A	18,676	07/01/18	06/30/19	(3,016)
IDEA Pre-School	84.173	H173A190114	N/A	19,056	07/01/19	06/30/20	-
IDEA B Flow-Through Entitlements	84.027	H027A180100	N/A	460,689	07/01/18	06/30/19	(91,099)
IDEA B Flow-Through Entitlements	84.027	H027A190100	N/A	471,179	07/01/19	06/30/20	-
Total Special Education Cluster (IDEA)							(94,115)
Total Special Revenue Fund							(144,496)
TOTAL FEDERAL FINANCIAL AWARDS							\$ (144,496)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

EXHIBIT K-3
SCHEDULE A

CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPEN- TURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2020		
					ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR
\$ -	\$ 31,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	84,940	123,479	-	-	(38,539)	-	-
-	116,766	123,479	-	-	(38,539)	-	-
-	8,930	-	-	-	-	-	-
-	19,040	17,131	-	-	(1,834)	-	3,743
-	27,970	17,131	-	-	(1,834)	-	3,743
-	5,651	-	-	-	-	-	-
-	1,759	3,292	-	-	(1,533)	-	-
-	7,410	3,292	-	-	(1,533)	-	-
-	3,974	-	-	-	-	-	-
-	9,366	5,960	-	-	(53)	-	3,459
-	13,340	5,960	-	-	(53)	-	3,459
-	3,016	-	-	-	-	-	-
-	19,056	19,056	-	-	-	-	-
-	88,113	-	-	-	(2,986)	-	-
-	454,534	456,051	-	-	(22,882)	-	21,365
-	564,719	475,107	-	-	(25,868)	-	21,365
-	730,205	624,969	-	-	(67,827)	-	28,567
\$ -	\$ 730,205	\$ 624,969	\$ -	\$ -	\$ (67,827)	\$ -	\$ 28,567

NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2019		
			FROM	TO	BUDGETARY RECEIVABLE	DEFERRED REVENUE (ACCTS. REC.)	DUE TO GRANTOR
STATE DEPARTMENT OF EDUCATION							
General Fund:							
Extraordinary Aid	19-495-034-5120-044	\$ 423,292	7/01/18	6/30/19	\$ -	\$ (423,292)	\$ -
Extraordinary Aid	20-495-034-5120-044	452,380	7/01/19	6/30/20	-	-	-
Total Extraordinary Aid					-	(423,292)	-
Special Education Categorical Aid	19-495-034-5120-089	1,007,827	7/01/18	6/30/19	(100,783)	-	-
Special Education Categorical Aid	20-495-034-5120-090	1,172,332	7/01/19	6/30/20	-	-	-
Transportation Aid	19-495-034-5120-014	250,347	7/01/18	6/30/19	(25,035)	-	-
Transportation Aid	20-495-034-5120-014	250,347	7/01/19	6/30/20	-	-	-
Security Aid	19-495-034-5120-084	186,941	7/01/18	6/30/19	(16,793)	-	-
Security Aid	20-495-034-5120-084	186,941	7/01/19	6/30/20	-	-	-
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	1,308,174	7/01/19	6/30/20	-	-	-
On-behalf TPAF Pension Contribution	20-495-034-5094-002	3,697,720	7/01/19	6/30/20	-	-	-
On-behalf TPAF Post Retirement Medical Contributions	20-495-034-5094-001	1,371,787	7/01/19	6/30/20	-	-	-
On-behalf TPAF Long Term Disability Insurance	20-495-034-5094-004	3,305	7/01/19	6/30/20	-	-	-
Total General Fund					(142,611)	(423,292)	-
Special Revenue Fund:							
New Jersey Non-public Aid:							
Textbook Aid	19-100-034-5120-064	7,957	7/01/18	6/30/19	-	-	173
Textbook Aid	20-100-034-5120-064	8,434	7/01/19	6/30/20	-	-	-
Total Textbook Aid					-	-	173
Nursing Services Aid	19-100-034-5120-070	14,453	7/01/18	6/30/19	-	-	3,786
Nursing Services Aid	20-100-034-5120-070	15,714	7/01/19	6/30/20	-	-	-
Total Nursing Services Aid					-	-	3,786
Auxiliary Services (Chapter 192):							
Compensatory Education	19-100-034-5120-067	16,075	7/01/18	6/30/19	-	-	1,268
Compensatory Education	20-100-034-5120-067	21,091	7/01/19	6/30/20	-	-	-
English as a Second Language	20-100-034-5120-067	827	7/01/19	6/30/20	-	-	-
Transportation	20-100-034-5120-067	3,673	7/01/18	6/30/19	-	-	-
Total Auxiliary Services (Chapter 192)					-	-	1,268
Handicapped Services (Chapter 193):							
Corrective Speech	19-100-034-5120-066	6,786	7/01/18	6/30/19	-	-	90
Corrective Speech	20-100-034-5120-066	7,838	7/01/19	6/30/20	-	-	-
Examination and Classification	20-100-034-5120-066	13,004	7/01/19	6/30/20	-	-	-
Supplementary Instruction	20-100-034-5120-066	12,142	7/01/19	6/30/20	-	-	-
Total Handicapped Services (Chapter 193)					-	-	90
Technology Initiative	19-100-034-5120-373	5,364	7/01/18	6/30/19	-	-	597
Technology Initiative	20-100-034-5120-373	5,760	7/01/19	6/30/20	-	-	-
Total Technology Initiative					-	-	597
Security Aid	19-100-034-5120-509	22,350	7/01/18	6/30/19	-	-	4,381
Security Aid	20-100-034-5120-509	24,300	7/01/19	6/30/20	-	-	-
Total Security Aid					-	-	4,381
Total Special Revenue Fund					-	-	10,295
Debt Service Fund:							
Debt Service Aid	20-100-034-5120-017	527,104	7/01/19	6/30/20	-	-	-
TOTAL STATE FINANCIAL ASSISTANCE					\$ (142,611)	\$ (423,292)	\$ 10,295
Less:							
On-behalf TPAF Pension Contribution							
On-behalf TPAF Long Term Disability Insurance							
On Behalf TPAF Post Retirement Medical Contributions							
TOTAL STATE FINANCIAL ASSISTANCE SUBJECT TO SINGLE AUDIT							

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

EXHIBIT K-4
SCHEDULE B

CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2020			MEMO	
				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
\$ 423,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	452,380	-	-	(452,380)	-	-	-	452,380
423,292	452,380	-	-	(452,380)	-	-	-	452,380
100,783	-	-	-	-	-	-	-	-
1,055,099	1,172,332	-	-	-	-	-	(117,233)	1,172,332
25,035	-	-	-	-	-	-	-	-
225,312	250,347	-	-	-	-	-	(25,035)	250,347
16,793	-	-	-	-	-	-	-	-
169,767	186,941	-	-	-	-	-	(17,174)	186,941
1,242,771	1,308,174	-	-	(65,403)	-	-	-	1,308,174
3,697,720	3,697,720	-	-	-	-	-	-	3,697,720
1,371,787	1,371,787	-	-	-	-	-	-	1,371,787
3,305	3,305	-	-	-	-	-	-	3,305
8,331,664	8,442,986	-	-	(517,783)	-	-	(159,442)	8,442,986
-	-	-	173	-	-	-	-	-
8,434	7,171	-	-	-	-	1,263	-	7,171
8,434	7,171	-	173	-	-	1,263	-	7,171
-	-	-	3,786	-	-	-	-	-
15,714	10,905	-	-	-	-	4,809	-	10,905
15,714	10,905	-	3,786	-	-	4,809	-	10,905
-	-	-	1,268	-	-	-	-	-
18,900	12,006	-	-	(2,191)	-	9,085	-	12,006
827	-	-	-	-	-	827	-	-
3,306	3,673	-	-	(367)	-	-	-	3,673
23,033	15,679	-	1,268	(2,558)	-	9,912	-	15,679
-	-	-	90	-	-	-	-	-
7,002	7,676	-	-	(836)	-	162	-	7,676
11,618	7,805	-	-	(1,386)	-	5,199	-	7,805
10,847	5,829	-	-	(1,295)	-	6,313	-	5,829
29,467	21,310	-	90	(3,517)	-	11,674	-	21,310
-	-	-	597	-	-	-	-	-
5,760	5,457	-	-	-	-	303	-	5,457
5,760	5,457	-	597	-	-	303	-	5,457
-	-	-	4,381	-	-	-	-	-
24,300	102	-	-	-	-	24,198	-	102
24,300	102	-	4,381	-	-	24,198	-	102
106,708	60,624	-	10,295	(6,075)	-	52,159	-	60,624
527,104	527,104	-	-	-	-	-	-	527,104
\$ 8,965,476	\$ 9,030,714	\$ -	\$ 10,295	\$ (523,858)	\$ -	\$ 52,159	\$ (159,442)	\$ 9,030,714
	(3,697,720)							
	(3,305)							
	(1,371,787)							
	\$ 3,957,902							

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
AWARDS AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 - GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education of the New Providence School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June 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, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**NEW PROVIDENCE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
AWARDS AND FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$16,831) for the general fund and \$3,905 for the special revenue fund. See Exhibit C-3 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 basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund	\$ -	\$ 8,426,155	\$ 8,426,155
Special Revenue Fund	630,791	63,459	694,250
Capital Projects	-	-	-
Debt Service Fund	-	527,104	527,104
	<u> </u>	<u> </u>	<u> </u>
Total Awards and Financial Assistance	<u>\$ 630,791</u>	<u>\$ 9,016,718</u>	<u>\$ 9,647,509</u>

NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5 - OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2020. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2020.

NEW PROVIDENCE SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section 1 - Summary of Auditors' Results

Financial Statement Section

A) Type of Auditors Report Issued:	_____	Unmodified
B) Internal Control over Financial Reporting:		
1) Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
2) Significant deficiency(ies) identified?	_____ Yes	_____ <u>X</u> None reported
C) Noncompliance material to basic financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards Section

NOT APPLICABLE

**NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section 1 - Summary of Auditors' Results

State Awards Section

- J) Dollar threshold used to distinguish between Type A and Type B Programs. \$750,000
-
- K) Auditee qualified as low-risk auditee? X Yes No
- L) Internal Control over major programs:
- 1) Material weakness(es) identified? Yes X No
- 2) Significant deficiency(ies) identified? Yes X None reported
- M) Type of auditor's report on compliance for major programs: Unmodified
-
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08 as applicable? Yes X No
- O) Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
20-495-034-5120-089	General State Aid Cluster:
20-495-034-5120-084	Special Education Categorical Aid
20-495-034-5120-014	Security Aid
	Transportation Aid

**NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

(This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting.)

No matters were reported.

**NEW PROVIDENCE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section III – State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable.

STATE FINANCIAL ASSISTANCE

Not Applicable

**NEW PROVIDENCE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (§.511 (a)(b)) and NJOMB's Circular 15-08, as applicable.

STATUS OF PRIOR YEAR FINDINGS

BASIC FINANCIAL STATEMENTS

No matters were reported in prior year

FEDERAL AWARDS

No matters were reported in prior year

STATE FINANCIAL ASSISTANCE

No matters were reported in prior year