

**PARAMUS BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Paramus, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Paramus Board of Education**

**Paramus, New Jersey**

**For The Fiscal Year Ended June 30, 2020**

**Prepared by**

**Paramus Board of Education  
Business Department**

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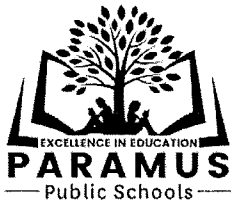
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## **INTRODUCTORY SECTION**



# PARAMUS PUBLIC SCHOOLS

145 SPRING VALLEY ROAD, PARAMUS, NEW JERSEY 07652-5390  
PHONE: 201-261-7800    [www.paramus.k12.nj.us](http://www.paramus.k12.nj.us)    FAX: 201-576-9180

**Alfredo Aguilar**  
Board Secretary/  
Business Administrator  
[aaguilar@paramus.k12.nj.us](mailto:aaguilar@paramus.k12.nj.us)

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January 5, 2021

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

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Paramus Board of Education for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the Paramus Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Paramus Board of Education has established a comprehensive internal control framework that is designed both to protect the school District's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Paramus Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Paramus Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Paramus Board of Education's financial statements have been audited by Lerch, Vinci & Higgins, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Paramus Board of Education for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Paramus Board of Education's

financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Paramus Board of Education was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards and state financial assistance. These reports are available in the Single Audit Section of the Paramus Board of Education's CAFR.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Paramus Board of Education's MD&A can be found immediately following the report of the independent auditors.

**1. REPORTING ENTITY AND ITS SERVICES:** The Paramus School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 14. All funds of the District are included in this report. The Paramus 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, as well as special education for handicapped youngsters. The District's student enrollment of 3,765 students for the 2019-2020 fiscal year represents a decrease of 23 students from the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	3,765	(0.6%)
2018-2019	3,788	0.3%
2017-2018	3,776	(1.2%)
2016-2017	3,823	(1.8%)
2015-2016	3,894	(1.0%)
2014-2015	3,934	(0.2%)
2013-2014	3,941	(2.3%)
2012-2013	4,034	(1.5%)
2011-2012	4,095	(2.0%)
2010-2011	4,177	(1.6%)

**2. ECONOMIC CONDITION AND OUTLOOK:** The Borough of Paramus is primarily suburban residential located in west central Bergen County about 18 miles west of New York City. Surrounding towns include Ridgewood, Washington Township, Fair Lawn, Rochelle Park, Maywood, River Edge, Oradell, Emerson and Hackensack. The Borough was incorporated in 1922. The government for the Borough consists of a mayor and six council members elected for overlapping terms.

Comprising about 10 square miles, the Borough has excellent transportation facilities. The principle route joining Bergen and Passaic Counties to New York City via the George Washington Bridge is NJ Route 4. NJ Route 17 is a major four-lane highway running north-south through Bergen and Hudson Counties, connecting southern New York State with the Lincoln Tunnel to New York City. The limited access Garden State Parkway runs through the Borough into southern New Jersey. Since the completion of Interstate 80, consumers in western New Jersey have access to the Bergen County retail stores. Together with these highways, four bus companies offer transportation to and from the Borough.

Bergen County is the most populated counties in the State of New Jersey. The Borough of Paramus has become a major retail trade center. A significant percentage of the Borough tax revenues are generated by its commercial and industrial complexes which are experiencing continual growth. The population of the Borough has leveled off (2010 U.S. Census 26,974 est.) and the Borough Master Plan indicates that the period of rapidly accelerating demand for municipal service facilities has past.

Paramus is one of the largest shopping areas in the country, generating over \$5 billion in annual retail sales, more than any other ZIP code in the United States. Approximately 85% of the retail trade comes from people living outside the Borough, primarily customers being drawn from Bergen and Passaic Counties and from New York City and Rockland and Orange Counties in New York State. A secondary purchasing market includes Sullivan and Ulster Counties in New York State and Essex, Morris, Sussex and Union Counties in New Jersey. The Garden State Plaza, the Outlets at Bergen Town Center, the Paramus Fashion Center and Paramus Park, and the Paramus Crossroads are the major shopping complexes located in the Borough. The Borough is also home to many retail establishments including Ikea, BJ's Wholesale Club, Home Depot, Barnes & Noble, six multiplex movie theaters, and many other retail businesses, all of which are easily accessible.

Industrial development in Paramus has expanded along with commercial development. The Paramus Industrial park contains 232 acres zoned for business and light industry. A second industrial part occupies 115 acres west of NJ 17; a third, 15 acres east of NJ 17.

Over 90% of all housing units are owner occupied single family residences. New housing in the area is largely single family residences in the \$600,000 to \$1,000,000 range, and older housing continues to show value appreciation. The Borough is developing a master plan to address affordable housing regulations. The impact on the schools is uncertain at this time, but the Board continues to monitor the progress to determine the effect on District enrollment.

**3. MAJOR INITIATIVES:** The Paramus School District has been recognized for educational excellence by several New Jersey Education Commissioners and by the United States Department of Education’s Blue Ribbon Panel. Over the past several years, Paramus has been the recipient of eight Best Practice Awards, a Star School Award from the New Jersey Department of Education, a Service Learning Award from the United States Department of Education, and an award for Outstanding Middle School Technology Program in New Jersey. Paramus has been regularly considered a top community for arts education. For thirteen consecutive years, Paramus has been named as one of the 100 Best Communities for Music Education by The National Association of Music Merchants (NAMM). In addition, Paramus High School has been recognized as a “Model School for the Arts”.

Supporting these awards for excellence, the New Jersey School Performance Report favorably compares our schools to schools throughout the state, including the following statistics and notations:

- Standardized test scores in all grades are significantly higher than state average.
- Scholastic Assessment Test (SAT) scores are also higher than the state average.
- A significant number of students are involved in Advanced Placement courses and score at a level meriting potential college credit.
- Our District boasts a 97% high school graduation rate.
- The District offers a wide range of programs that meet the diverse needs of students before, during and after the school day.

Additionally, a vast majority of our students are involved in extra-curricular, athletic, voluntary and community activities. Staff development focuses on the implementation of the New Jersey Student Learning standards and instructional practices at all levels. We continue to integrate elements of instructional technology (e.g., online resources, learning platforms) into all aspects of the curriculum. Furthermore, all students in the district, PK-12, have been issued a Chromebook for their use during instruction and systems have been implemented to support remote and hybrid learning in addition to in-person instruction. A variety of instructional and productivity software packages, including the Google for Education Enterprise suite with Meet and Classroom, Hapara Teacher Dashboard, LinkIt!, and others, have been provided to teachers along with in depth, ongoing, embedded professional development delivered both during specified professional development times and at the need of the teacher by instructional coaches. The Information Technology Department continues to invest in improvements to district infrastructure including new wireless networks at the schools, a new security appliance for the district, state of the art virtual servers to replace end of life physical servers, upgraded internet bandwidth, and continues to utilize federal e-Rate funding to support upgrades to switches, access points, and other critical network components, ensuring capacity to deliver seamless instruction in a district-wide 1:1 computing environment.

The 2019-2020 school year included many new and continuing instructional initiatives highlighted by the implementation of new computers and bandwidth to support the growing 1:1 laptop program. Additionally there were various curriculum revisions, and the expansion of Google Classroom and other online instructional tools to support students with remote instruction during the COVID-19 school shutdown.

The district has also made it a goal to focus on supporting the Social Emotional and Mental Health needs of their students and staff. Mental health professionals have been added in both middle schools and in the high school. Further, a partnership was forged with the College of St. Elizabeth to implement programing designed to meet the individual needs of both middle schools and the high school in regards to supporting students' social-emotional learning.

In addition to routine maintenance, the District completed several significant construction projects including replacement of flooring and HVAC at Midland ES, library renovation at Parkway ES, installation of field lights and new bleachers at East Brook MS along with remodeling the music room, upgrade of security vestibule to meet ADA standards at West Brook MS, auditorium lighting upgrade and roof replacements at the High School, and renovations of the Special Program Services offices.

To maintain a high level of school security, the district continued to add and upgrade cameras, continued utilizing armed security staff, and reviewed/sharpened security drill procedures.

During the year, the Board finalized negotiations with the Education Association of Paramus and the Paramus School Association of Custodian and Maintenance Workers, streamlined several procedures to achieve higher levels of paperless automation and began participating in a district-wide energy conservation program.

It is our goal that every student who receives a diploma from Paramus High School will graduate confident in his or her ability to learn and with the knowledge, understanding, skills, and attitudes that will enable each graduate to lead productive and fulfilling lives in a complex and rapidly changing society. Specifically, each graduate will have had appropriate and adequate opportunities to learn and be able to: communicate an idea, opinion or perspective in a variety of ways; solve problems analytically and creatively; contribute as citizens in an ever-shrinking global community with an appreciation for the diversity and interdependence of all people; embrace the concepts of emotional and physical wellness; work independently and cooperatively as a member of a group; and to embrace the ideal of lifelong learning.

Our success is the result of a team effort between the Board of Education, faculty, administration, staff, parents and community. We could not have achieved this high level of results without parent involvement and support.

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

As recipient of federal and state financial assistance, the District also is responsible for ensuring compliance with applicable laws and regulations related to federal and state financial assistance programs, as well as to determine that the District complied with applicable laws and regulations.

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

**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. These funds are explained in "Notes to the Financial Statements".

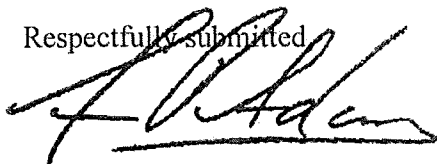
**7. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which is to deposit public funds in public depositories protected from loss under the provisions of 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, where the funds are secured in accordance with the Act.

**8. RISK MANAGEMENT:** The Board carries various forms of insurance including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, school board errors and omissions, boiler and machinery, and worker's compensation.

**9. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci and Higgins, LLP was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements and schedules are included in the financial section of the report. The auditor's reports relating specifically to the Single Audit are included in the Single Audit Section of this report.

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

Respectfully submitted

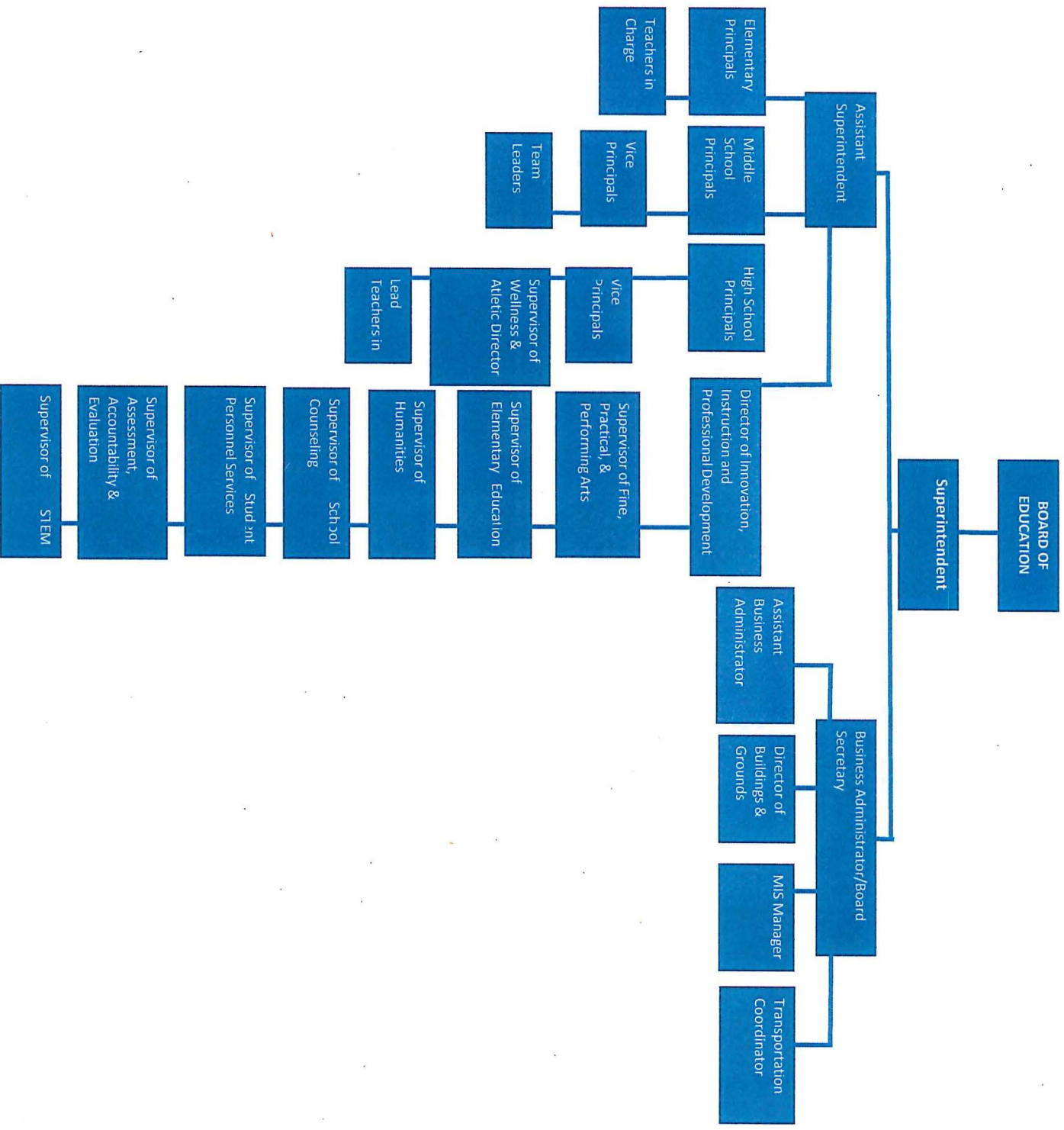


Sean Adams  
Superintendent of Schools



Dr. Alfredo I. Aguilar  
Business Administrator/Board Secretary

PARAMUS BOARD OF EDUCATION ORGANIZATION CHART



**PARAMUS BOARD OF EDUCATION  
PARAMUS, NEW JERSEY**

**ROSTER OF OFFICIALS  
AS OF JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires January,</u>
Bernadette McCausland, President	2022
Melissa Caminiti, Vice President	2021
Joanne Bergmann	2021
Lisa Cassesa	2023
Alison Donoghue	2022
Anthony Feorenzo, Jr.	2022
Keri Greene	2023
William F. Holzmann	2021
Patricia Kim	2023

Other Officials

Dr. Michele Robinson, Superintendent of Schools

Sean Adams, Assistant Superintendent

Dr. Alfredo Aguilar, Business Administrator/Board Secretary

Mattea Field, Assistant Business Administrator

**PARAMUS BOARD OF EDUCATION  
PARAMUS, NEW JERSEY**

CONSULTANTS AND ADVISORS  
AS OF JUNE 30, 2020

Architect

Environetics  
180 Sylvan Avenue  
Englewood Cliffs, NJ 07632

Audit Firm

Lerch, Vinci & Higgins, LLP  
17-17 Route 208N  
Fair Lawn, New Jersey 07410

Attorneys

Board Attorney

Fogarty & Hara, Esqs.  
21-00 Route 208 South  
Fair Lawn, NJ

Labor Negotiating Attorney

Fogarty & Hara, Esqs.  
21-00 Route 208 South  
Fair Lawn, NJ

Bond Counsel

McManimon, Scotland & Baumann, LLC  
75 Livingston Avenue  
Roseland, New Jersey 07068

Official Depository

Capital One  
464 Route 17 N.  
Paramus, New Jersey 07652

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

## INDEPENDENT AUDITOR'S REPORT

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

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

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 Paramus Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Paramus Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Paramus Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

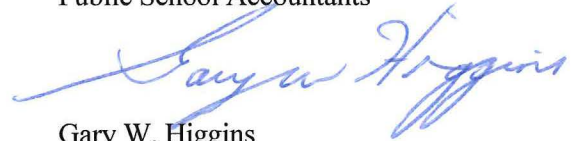


**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2021 on our consideration of the Paramus Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Paramus Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Paramus Board of Education's internal control over financial reporting and compliance.



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 5, 2021



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

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

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

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

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$54,827,669 (net position).
- General revenues accounted for \$81,994,243 or 75 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$27,057,329 or 25 percent of total revenues of \$109,051,572.
- Total net position of governmental activities amounted to \$54,530,800 as of June 30, 2020.
- The District had \$101,966,049 in expenses related to governmental activities; only \$26,163,435 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$81,994,243 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$97,797,142 in revenues and \$93,477,026 in expenditures and transfers. The General Fund's fund balance (GAAP Basis) increased \$4,320,116 over the fiscal year ended June 30, 2019.

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Using the Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Paramus School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 district's most significant funds. In the case of the Paramus Board of Education, the General Fund is by far the most significant fund.

**Reporting the District as a Whole**

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2020?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, if the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Reporting the District as a Whole (Continued)**

- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue and Debt Service Funds. The District's Business-type Activities Fund is the Food Service Fund.

**Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end available for spending in the future years. These funds are reported using the *modified accrual accounting method*, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer 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 governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

**Notes to the Financial Statements**

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements.

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**The District as a Whole**

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets/deferred outflows, liabilities/deferred inflows and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

Table 1 provides a summary of the District's net position as of June 30, 2020 and 2019.

**Table 1**  
**Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current Assets	\$ 32,200,737	\$ 26,724,502	\$ 111,406	\$ 213,787	\$ 32,312,143	\$ 26,938,289
Capital Assets	<u>59,805,687</u>	<u>59,880,064</u>	<u>185,463</u>	<u>163,885</u>	<u>59,991,150</u>	<u>60,043,949</u>
<b>Total Assets</b>	<u>92,006,424</u>	<u>86,604,566</u>	<u>296,869</u>	<u>377,672</u>	<u>92,303,293</u>	<u>86,982,238</u>
Deferred Amount on Refunding of Debt	601,942	712,132	-	-	601,942	712,132
Deferred Amount on Net Pension Liability	<u>2,744,062</u>	<u>4,683,278</u>	<u>-</u>	<u>-</u>	<u>2,744,062</u>	<u>4,683,278</u>
<b>Total Deferred Outflows of Resources</b>	<u>3,346,004</u>	<u>5,395,410</u>	<u>-</u>	<u>-</u>	<u>3,346,004</u>	<u>5,395,410</u>
Long-Term Liabilities	29,742,461	33,117,139			29,742,461	33,117,139
Other Liabilities	<u>2,483,756</u>	<u>1,341,136</u>	<u>-</u>	<u>78,088</u>	<u>2,483,756</u>	<u>1,419,224</u>
<b>Total Liabilities</b>	<u>32,226,217</u>	<u>34,458,275</u>	<u>-</u>	<u>78,088</u>	<u>32,226,217</u>	<u>34,536,363</u>
Deferred Amount on Net Pension Liability	<u>8,595,411</u>	<u>9,202,530</u>	<u>-</u>	<u>-</u>	<u>8,595,411</u>	<u>9,202,530</u>
<b>Total Deferred Inflows of Resources</b>	<u>8,595,411</u>	<u>9,202,530</u>	<u>-</u>	<u>-</u>	<u>8,595,411</u>	<u>9,202,530</u>
Net Position						
Net Investment in Capital Assets	49,755,257	48,743,148	185,463	163,885	49,940,720	48,907,033
Restricted	25,608,644	20,848,890			25,608,644	20,848,890
Unrestricted	<u>(20,833,101)</u>	<u>(21,252,867)</u>	<u>111,406</u>	<u>135,699</u>	<u>(20,721,695)</u>	<u>(21,117,168)</u>
<b>Total Net Position</b>	<u>\$ 54,530,800</u>	<u>\$ 48,339,171</u>	<u>\$ 296,869</u>	<u>\$ 299,584</u>	<u>\$ 54,827,669</u>	<u>\$ 48,638,755</u>

The District's combined net position was \$54,827,669 and \$48,638,755 at June 30, 2020 and 2019, respectively. This was an increase of \$6,188,914 or 13 percent from the prior year. This is primarily due to an increase in invested in capital assets as a result of the payment of debt and an increase in restricted assets for future capital projects.

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

Table 2 shows changes in net position for fiscal years ended June 30, 2020 and 2019.

**Table 2**  
**Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,057,391	\$ 1,177,634	\$ 778,094	\$ 1,105,686	\$ 1,835,485	\$ 2,283,320
Operating Grants and Contributions	25,106,044	27,572,398	115,800	162,759	25,221,844	27,735,157
General Revenues						
Property Taxes	80,909,091	79,394,555			80,909,091	79,394,555
Federal and State Aid		8,094			-	8,094
Other	1,085,152	1,997,388	-	-	1,085,152	1,997,388
<b>Total Revenues</b>	<u>108,157,678</u>	<u>110,150,069</u>	<u>893,894</u>	<u>1,268,445</u>	<u>109,051,572</u>	<u>111,418,514</u>
<b>Expenses</b>						
Instruction						
Regular	39,336,658	39,759,002			39,336,658	39,759,002
Special Education	17,830,513	19,037,559			17,830,513	19,037,559
Other Instruction	2,685,417	2,794,724			2,685,417	2,794,724
School Sponsored Activities and Athletics	2,189,465	2,318,185			2,189,465	2,318,185
Support Services						
Student and Instruction Related Services	15,399,675	15,576,419			15,399,675	15,576,419
General Administration Services	1,285,274	1,196,287			1,285,274	1,196,287
School Administration Services	6,039,070	6,238,192			6,039,070	6,238,192
Plant Operations and Maintenance	10,591,090	12,150,036			10,591,090	12,150,036
Pupil Transportation	3,666,992	4,127,509			3,666,992	4,127,509
Central Services	2,507,800	2,627,995			2,507,800	2,627,995
Interest on Debt	434,095	479,631			434,095	479,631
Food Services	-	-	896,609	1,261,418	896,609	1,261,418
<b>Total Expenses</b>	<u>101,966,049</u>	<u>106,305,539</u>	<u>896,609</u>	<u>1,261,418</u>	<u>102,862,658</u>	<u>107,566,957</u>
<b>Change in Net Position</b>	6,191,629	3,844,530	(2,715)	7,027	6,188,914	3,851,557
<b>Net Position, Beginning of Year</b>	<u>48,339,171</u>	<u>44,494,641</u>	<u>299,584</u>	<u>292,557</u>	<u>48,638,755</u>	<u>44,787,198</u>
<b>Net Position, End of Year</b>	<u>\$ 54,530,800</u>	<u>\$ 48,339,171</u>	<u>\$ 296,869</u>	<u>\$ 299,584</u>	<u>\$ 54,827,669</u>	<u>\$ 48,638,755</u>

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Governmental Activities**

The District's total revenues were \$108,157,678 and \$110,150,069 for the years ended June 30, 2020 and 2019, respectively. Property taxes made up 75 and 72 percent of revenues for governmental activities for the Paramus School District for the fiscal years ended June 30, 2020 and 2019, respectively. Federal, state and local grants and aid accounted for another 23 and 25 percent of revenues for the years ended June 30, 2020 and 2019, respectively.

The total cost of all programs and services was \$101,966,049 and \$106,305,539 for the fiscal years ended June 30, 2020 and 2019, respectively. Instruction comprises 61 and 60 percent of governmental program expenses for the fiscal years ended June 30, 2020 and 2019, respectively. Support services expenses make up 39 percent of governmental expenses for the fiscal years ended June 30, 2020 and 2019. Interest on debt comprises less than 1 percent of governmental expenses for fiscal years ended June 30, 2020 and 2019. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**  
**Total and Net Cost of Services**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	\$ 39,336,658	\$ 39,759,002	\$ 29,290,824	\$ 28,620,042
Special Education	17,830,513	19,037,559	8,953,120	9,992,555
Other Instruction	2,685,417	2,794,724	2,221,614	2,240,630
School Sponsored Activities and Athletics	2,189,465	2,318,185	1,490,146	1,544,832
Support Services				
Student and Instruction Related Services	15,399,675	15,576,419	11,679,766	11,419,732
General Administration Services	1,285,274	1,196,287	1,196,522	1,087,260
School Administration Services	6,039,070	6,238,192	4,788,107	4,737,343
Plant Operations and Maintenance	10,591,090	12,150,036	10,474,623	11,733,636
Pupil Transportation	3,666,992	4,127,509	2,920,130	3,320,251
Central Services	2,507,800	2,627,995	2,353,667	2,379,595
Interest on Debt	434,095	479,631	434,095	479,631
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>\$ 101,966,049</b>	<b>\$ 106,305,539</b>	<b>\$ 75,802,614</b>	<b>\$ 77,555,507</b>

The dependence of tax revenues and state subsidies for governmental activities is apparent.



**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Business-Type Activities**

The only business-type activity is the food service operation. The program had revenues of \$893,894 and \$1,268,445 and expenses of \$896,609 and \$1,261,418 in fiscal years ended June 30, 2020 and 2019, respectively. Of the revenues, \$778,094 and \$1,105,686 was charges for services paid by patrons for daily food service, \$115,800 and \$162,759 was from State and Federal reimbursements for the fiscal years ended June 30, 2020 and 2019, respectively.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$103,553,582 and \$101,817,486 and expenditures were \$99,233,466 and \$100,718,763 for the fiscal years ended June 30, 2020 and 2019, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2020 and 2019.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Change
	<u>2020</u>	<u>2019</u>		
Local Sources	\$ 83,096,114	\$ 82,659,895	\$ 436,219	0.53%
State Sources	18,553,309	17,087,294	1,466,015	8.58%
Federal Sources	<u>1,904,159</u>	<u>2,070,297</u>	<u>(166,138)</u>	-8.02%
<b>Total Revenues</b>	<b><u>\$ 103,553,582</u></b>	<b><u>\$ 101,817,486</u></b>	<b><u>\$ 1,736,096</u></b>	<b>1.71%</b>

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ended June 30, 2020 and 2019.

	<u>Year Ended June 30,</u>		Amount of Increase (Decrease)	Percent Change
	<u>2020</u>	<u>2019</u>		
Current:				
Instruction	\$ 56,180,172	\$ 55,596,151	\$ 584,021	1.05%
Support Services	38,185,797	39,188,330	(1,002,533)	-2.56%
Capital Outlay	3,333,416	4,346,601	(1,013,185)	-23.31%
Debt Service:				
Principal	1,080,000	1,090,000	(10,000)	-0.92%
Interest on Other Charges	<u>454,081</u>	<u>497,681</u>	<u>(43,600)</u>	-8.76%
<b>Total Expenditures</b>	<b><u>\$ 99,233,466</u></b>	<b><u>\$ 100,718,763</u></b>	<b><u>\$ (1,485,297)</u></b>	<b>-1.47%</b>

**PARAMUS BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**General Fund Budgeting Highlights**

The 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 budget fund is the General Fund.

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of fiscal years 2020 and 2019, the District had \$59,991,150 and \$60,043,949 invested in land, construction in progress, buildings, site improvements, furniture and equipment and vehicles net of depreciation. Overall capital assets net of accumulated depreciation decreased by \$52,799 from fiscal year 2019 to fiscal year 2020 as a result of depreciation and loss on disposal of capital assets exceeding capital additions. Table 4 shows capital assets net of depreciation at June 30, 2020 and 2019.

**Table 4**  
**Capital Assets**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 400,645	\$ 400,645			\$ 400,645	\$ 400,645
Construction in Progress		906,201			-	906,201
Buildings and Building Improvements	94,920,124	92,157,570	\$ 145,725	\$ 145,725	95,065,849	92,303,295
Machinery and Equipment	8,770,578	8,651,552	416,432	376,850	9,187,010	9,028,402
Site Improvements	<u>4,276,511</u>	<u>3,765,536</u>	<u>-</u>	<u>-</u>	<u>4,276,511</u>	<u>3,765,536</u>
	108,367,858	105,881,504	562,157	522,575	108,930,015	106,404,079
Less Accumulated Depreciation	<u>48,562,171</u>	<u>46,001,440</u>	<u>376,694</u>	<u>358,690</u>	<u>48,938,865</u>	<u>46,360,130</u>
Total	<u>\$ 59,805,687</u>	<u>\$ 59,880,064</u>	<u>\$ 185,463</u>	<u>\$ 163,885</u>	<u>\$ 59,991,150</u>	<u>\$ 60,043,949</u>

Additional information on Paramus Board of Education's capital assets can be found in Note 4 of this report.

**Long-Term Liabilities**

At June 30, 2020 and 2019, the District had \$29,742,462 and \$33,117,139 of long-term liabilities, respectively. Of this amount, \$420,234 and \$524,194 is for compensated absences, \$10,652,372 and \$11,849,048 of bonds payable plus the unamortized premium for school construction, \$18,669,856 and \$20,743,897 net pension liability for the fiscal years ended June 30, 2020 and 2019, respectively.

Additional information on Paramus Board of Education's long-term liabilities can be found in Note 4 of this report.

***PARAMUS BOARD OF EDUCATION  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

**For the Future**

As with all public school districts in New Jersey, the Paramus School District is facing difficult financial issues due to state budget caps, essentially stagnant state aid, lower return on investments, increased costs for energy, health benefits, supplies, equipment and personnel. There are higher expectations for educational needs as well as non-educational needs such as security, infrastructure, and maintenance yet fewer dollars available to meet these expectations. State changes in rules, law and process have made the administration of the District more difficult and restricted the District's ability to acquire the resources to achieve these new or revised standards.

The most difficult matter which lies ahead is the limited financial resources available to the District to meet the needs of the District. The hard cap on the tax levy imposed by the State of New Jersey has very much had and continues to have a negative impact on our ability to provide the tools needed to continue to provide a superior educational program. Of concern over time is the ability to attract and retain quality staff members due to these issues. Nonetheless, the District is committed to continuing and improving its tradition of fiscal vigilance, planning, budgeting and internal controls to address the dynamic challenges ahead.

**Contacting the District's Financial Management**

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the revenues it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at Paramus Board of Education, 145 Spring Valley Road, Paramus, NJ 07652.

## **FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**PARAMUS BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 31,192,645	\$ 83,431	\$ 31,276,076
Receivables, net			
Receivables from Other Governments	1,008,092	1,707	1,009,799
Other		404	404
Inventory		25,864	25,864
Capital Assets			
Not Being Depreciated	400,645		400,645
Being Depreciated, Net	59,405,042	185,463	59,590,505
Total Assets	92,006,424	296,869	92,303,293
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	601,942		601,942
Deferred Amount on Net Pension Liability	2,744,062	-	2,744,062
Total Deferred Outflows of Resources	3,346,004	-	3,346,004
<b>LIABILITIES</b>			
Accounts Payable	1,887,954	-	1,887,954
Payable to State Government	223,441		223,441
Accrued Interest Payable	100,020		100,020
Unearned Revenue	272,340		272,340
Noncurrent Liabilities			
Due within one year	1,147,023		1,147,023
Due beyond one year	28,595,439	-	28,595,439
Total Liabilities	32,226,217	-	32,226,217
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Net Pension Liability	8,595,411	-	8,595,411
Total Deferred Inflows of Resources	8,595,411	-	8,595,411
<b>NET POSITION</b>			
Net Investment in Capital Assets	49,755,257	185,463	49,940,720
Restricted for			
Capital Projects	22,673,691		22,673,691
Other Purposes	2,934,953		2,934,953
Unrestricted	(20,833,101)	111,406	(20,721,695)
Total Net Position	\$ 54,530,800	\$ 296,869	\$ 54,827,669

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

**PARAMUS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 39,336,658	\$ 530,613	\$ 9,515,221		\$ (29,290,824)		\$ (29,290,824)
Special Education	17,830,513	526,778	8,350,615		(8,953,120)		(8,953,120)
Other Instruction	2,685,417		463,803		(2,221,614)		(2,221,614)
School Sponsored Activities and Athletics	2,189,465		699,319		(1,490,146)		(1,490,146)
Support Services							
Student and Instruction Related Services	15,399,675		3,719,909		(11,679,766)		(11,679,766)
School Administration Services	6,039,070		1,250,963		(4,788,107)		(4,788,107)
General Administration Services	1,285,274		88,752		(1,196,522)		(1,196,522)
Plant Operations and Maintenance	10,591,090		116,467		(10,474,623)		(10,474,623)
Pupil Transportation	3,666,992		746,862		(2,920,130)		(2,920,130)
Central Services	2,507,800		154,133		(2,353,667)		(2,353,667)
Interest on Long-Term Debt	434,095	-	-	-	(434,095)	-	(434,095)
Total Governmental Activities	<u>101,966,049</u>	<u>1,057,391</u>	<u>25,106,044</u>	<u>-</u>	<u>(75,802,614)</u>	<u>-</u>	<u>(75,802,614)</u>
<b>Business-Type Activities</b>							
Food Service	896,609	778,094	115,800	-	-	\$ (2,715)	(2,715)
Total Business-Type Activities	<u>896,609</u>	<u>778,094</u>	<u>115,800</u>	<u>-</u>	<u>-</u>	<u>(2,715)</u>	<u>(2,715)</u>
Total Primary Government	<u>\$ 102,862,658</u>	<u>\$ 1,835,485</u>	<u>\$ 25,221,844</u>	<u>\$ -</u>	<u>(75,802,614)</u>	<u>(2,715)</u>	<u>(75,805,329)</u>

**PARAMUS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b><u>Governmental Activities</u></b>	<b><u>Business-type Activities</u></b>	<b><u>Total</u></b>
<b>General Revenues</b>			
Property Taxes Levied for General Purposes	\$ 79,975,010		\$ 79,975,010
Property Taxes Levied for Debt Service	934,081		934,081
Miscellaneous Income	<u>1,085,152</u>	<u>-</u>	<u>1,085,152</u>
 Total General Revenues	 <u>81,994,243</u>	 <u>-</u>	 <u>81,994,243</u>
 Change in Net Position	 6,191,629	 \$ (2,715)	 6,188,914
 Net Position, Beginning of Year	 <u>48,339,171</u>	 <u>299,584</u>	 <u>48,638,755</u>
 Net Position, End of Year	 <u>\$ 54,530,800</u>	 <u>\$ 296,869</u>	 <u>\$ 54,827,669</u>



**FUND FINANCIAL STATEMENTS**

**PARAMUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 31,119,972	\$ 72,672	\$ 1	\$ 31,192,645
Receivables from Other Governments	<u>377,182</u>	<u>630,910</u>	<u>-</u>	<u>1,008,092</u>
Total Assets	<u>\$ 31,497,154</u>	<u>\$ 703,582</u>	<u>\$ 1</u>	<u>\$ 32,200,737</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 1,655,414	\$ 232,540		\$ 1,887,954
Payable to State Government		223,441		223,441
Unearned Revenue	<u>24,739</u>	<u>247,601</u>	<u>-</u>	<u>272,340</u>
Total Liabilities	<u>1,680,153</u>	<u>703,582</u>	<u>-</u>	<u>2,383,735</u>
Fund Balances				
Restricted				
Debt Service			\$ 1	1
Excess Surplus	600,000			600,000
Excess Surplus - Designated for Subsequent Year's Expenditures	600,000			600,000
Capital Reserve	19,073,691			19,073,691
Capital Reserve - Designated for Subsequent Year's Expenditures	3,600,000			3,600,000
Maintenance Reserve	2,934,953			2,934,953
Emergency Reserve	855,750			855,750
Committed				
Year End Encumbrances	283,889			283,889
Assigned				
Year End Encumbrances	437,611			437,611
Unassigned	<u>1,431,107</u>	<u>-</u>	<u>-</u>	<u>1,431,107</u>
Total Fund Balances	<u>29,817,001</u>	<u>-</u>	<u>1</u>	<u>29,817,002</u>
Total Liabilities and Fund Balances	<u>\$ 31,497,154</u>	<u>\$ 703,582</u>	<u>\$ 1</u>	<u>\$ 32,200,737</u>

PARAMUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020

**Total Fund Balance - Governmental Funds (Exhibit B-1)** \$ 29,817,002

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 \$108,367,858 and the accumulated depreciation is \$48,562,171. 59,805,687

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (100,020)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 601,942

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

Deferred Outflows of Resources	\$	2,744,062	
Deferred Inflows of Resources		(8,595,411)	(5,851,349)

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. These items are as follows:

Bonds Payable, Including Unamortized Premium		(10,652,372)	
Net Pension Liability		(18,669,856)	
Compensated Absences Payable		(420,234)	(29,742,462)

**Net Position of Governmental Activities (Exhibit A-1)** \$ 54,530,800

**PARAMUS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Tax Levy	\$ 79,975,010		\$ 934,081	\$ 80,909,091
Tuition	1,057,391			1,057,391
Interest Earned on Capital Reserve	52,553			52,553
Miscellaneous	<u>1,032,599</u>	<u>\$ 44,480</u>	<u>-</u>	<u>1,077,079</u>
Total - Local Sources	82,117,553	44,480	934,081	83,096,114
State Sources	15,635,632	2,917,677	-	18,553,309
Federal Sources	<u>43,957</u>	<u>1,860,202</u>	<u>-</u>	<u>1,904,159</u>
Total Revenues	<u>97,797,142</u>	<u>4,822,359</u>	<u>934,081</u>	<u>103,553,582</u>
<b>EXPENDITURES</b>				
Current				
Regular Instruction	33,491,202	770,997		34,262,199
Special Education Instruction	14,411,357	2,951,253		17,362,610
Other Instruction	2,558,782			2,558,782
School-Sponsored Activities and Athletics	1,996,581			1,996,581
Support Services				
Student and Instruction Related Services	13,502,091	1,041,786		14,543,877
School Administration Services	5,759,463			5,759,463
General Administration Services	1,273,493			1,273,493
Plant Operations and Maintenance	10,552,677			10,552,677
Pupil Transportation	3,516,745			3,516,745
Central Services	2,539,542			2,539,542
Debt Service				
Principal			1,080,000	1,080,000
Interest and Other Charges			454,081	454,081
Capital Outlay	<u>3,275,093</u>	<u>58,323</u>	<u>-</u>	<u>3,333,416</u>
Total Expenditures	<u>92,877,026</u>	<u>4,822,359</u>	<u>1,534,081</u>	<u>99,233,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,920,116</u>	<u>-</u>	<u>(600,000)</u>	<u>4,320,116</u>
Other Financing Sources (Uses)				
Transfers In			600,000	600,000
Transfers Out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
Net Change in Fund Balances	4,320,116	-	-	4,320,116
Fund Balance, Beginning of Year	<u>25,496,885</u>	<u>-</u>	<u>1</u>	<u>25,496,886</u>
Fund Balance, End of Year	<u>\$ 29,817,001</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 29,817,002</u>

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

**PARAMUS BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 4,320,116

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

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

Capital Outlay	\$ 3,333,416	
Depreciation Expense	<u>(3,388,245)</u>	(54,829)

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

Loss on Disposal of Capital Assets		(19,548)
------------------------------------	--	----------

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

Principal Repayments		
Bonds Payable		1,080,000

Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (Note 2)

		<u>865,890</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 6,191,629**

**PARAMUS BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

		<b>Business- Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$	83,431
Intergovernmental Receivable		
State		26
Federal		1,681
Other Accounts Receivable		404
Inventory		<u>25,864</u>
Total Current Assets		<u>111,406</u>
Capital Assets		
Equipment		562,157
Less: Accumulated Depreciation		<u>(376,694)</u>
Total Capital Assets, Net of Accumulated Depreciation		<u>185,463</u>
Total Assets		<u>296,869</u>
<b>NET POSITION</b>		
Investment in Capital Assets		185,463
Unrestricted		<u>111,406</u>
Total Net Position	\$	<u><u>296,869</u></u>

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

**PARAMUS BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business- Type            Activities            Enterprise Fund  <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 240,591
Daily Sales - Non-Reimbursable Programs	<u>537,503</u>
 Total Operating Revenues	 <u>778,094</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales - Reimbursable Programs	178,472
Cost of Sales - Non-Reimbursable Programs	155,183
Salaries and Employee Benefits	375,597
Supplies and Materials	45,818
Management Fee	59,043
Other Purchased Services	20,896
Depreciation	18,004
Purchased Professional and Technical Services	<u>43,596</u>
 Total Operating Expenses	 <u>896,609</u>
 Operating Loss	 <u>(118,515)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
School Lunch Program	4,198
Federal Sources	
National School Lunch Program	75,997
Food Distribution Program	27,640
School Milk Program	<u>7,965</u>
 Total Nonoperating Revenues	 <u>115,800</u>
 Changes in Net Position	 <u>(2,715)</u>
 Total Net Position, Beginning of Year	 <u>299,584</u>
 Total Net Position, End of Year	 <u>\$ 296,869</u>

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

**PARAMUS BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Business- Type Activities Enterprise Fund <u>Food Service</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 777,690
Cash Payments for Employees' Salaries and Benefits	(375,597)
Cash Payments to Suppliers for Goods and Services	<u>(568,425)</u>
Net Cash Used by Operating Activities	<u>(166,332)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from State and Federal Subsidy Reimbursements	<u>109,303</u>
Net Cash Provided by Noncapital Financing Activities	<u>109,303</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition of Capital Assets	<u>(39,582)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(39,582)</u>
Net Decrease in Cash and Cash Equivalents	(96,611)
Cash and Cash Equivalents, Beginning of Year	<u>180,042</u>
Cash and Cash Equivalents, End of Year	<u>\$ 83,431</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(118,515)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	18,004
Non-Cash Federal Assistance	
Food Distribution Program- National School Lunch Program	27,640
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(78,088)
(Increase)/Decrease in Other Accounts Receivable	(404)
(Increase)/Decrease in Inventory	<u>(14,969)</u>
Total Adjustments	<u>(47,817)</u>
Net Cash Used by Operating Activities	<u>\$ (166,332)</u>
Non-Cash Financing Activities	
National School Lunch (Food Distribution)	\$ 27,640

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



**PARAMUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 376,482	\$ 422,048
Total Assets	<u>376,482</u>	<u>\$ 422,048</u>
<b>LIABILITIES</b>		
Intergovernmental Payable	109,891	
Payroll Deductions and Withholdings		\$ 35,569
Due to Student Groups	<u>-</u>	<u>386,479</u>
Total Liabilities	<u>109,891</u>	<u>\$ 422,048</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims	<u>\$ 266,591</u>	

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

**PARAMUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Unemployment Compensation <u>Trust Fund</u></b>
<b>ADDITIONS</b>	
Employee Contributions	\$ <u>158,575</u>
Total Additions	<u>158,575</u>
<b>DEDUCTIONS</b>	
Unemployment Claims and Contributions	<u>201,162</u>
Total Deductions	<u>201,162</u>
Change in Net Position	(42,587)
Net Position, Beginning of the Year	<u>309,178</u>
Net Position, End of the Year	<u><u>\$ 266,591</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

**B. New Accounting Standards**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

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

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Additionally, the District reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

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

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

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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



**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**4. Capital Assets**

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Site Improvements	20
Buildings and Building Improvements	40
Machinery Equipment and Vehicles	10-20
Office Equipment and Furniture	10-20
Computer Equipment	5

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

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

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

PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements

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

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

*Debt Service* – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3).

*Capital Reserve - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3).

*Emergency Reserve* – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3).

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

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

PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

10. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**2. *Property Taxes***

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

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

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities**

An element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$865,890 difference are as follows:

Compensated Absences	\$ 103,960
Accrued Interest	13,500
Amortization of Deferred Amount on Refunding of Debt	(110,190)
Amortization of Premium	116,676
PERS Pension Expense Adjustment	<u>741,944</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 865,890</u>

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 14, 2012, the Mayor and Council of the Borough of Paramus adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$4,004,027. The increase was funded by additional grant and aid awards, the appropriation of the capital reserve fund balance and the reappropriation of prior year general fund encumbrances.

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

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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 18,513,937
Increased by:		
Interest earnings	\$ 52,553	
Deposits Approved by Board Resolution	7,061,719	
Return of Unexpended Budget Appropriations		
Funded from Reserve	<u>545,482</u>	
Total Increases		<u>7,659,754</u>
		26,173,691
Decreased by:		
Approved in District Budget - Debt Service Fund	600,000	
Approved by Board Resolution - General Fund	420,000	
Approved in District Budget - Capital Projects	<u>2,480,000</u>	
Total Decreases		<u>3,500,000</u>
Balance, June 30, 2020		<u>\$ 22,673,691</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. The District has appropriated \$3,600,000 of the capital reserve as a withdrawal in the 2020/21 budget of that amount \$3,000,000 will be utilized for capital projects and \$600,000 will be transferred to the Debt Service Fund.

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 2,334,953
Increased by:		
Deposits Approved by Board Resolution	\$ 600,000	
Total Increases		<u>600,000</u>
Balance, June 30, 2020		<u>\$ 2,934,953</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$4,349,202.

**D. Emergency Reserve**

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

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

The activity of the emergency reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	<u>\$ 855,750</u>
Balance, June 30, 2020	<u>\$ 855,750</u>



**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E Transfers to Capital Outlay**

During the 2019/2020 school year, the district transferred \$420,000 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$1,200,000. Of this amount, \$600,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$600,000 will be appropriated in the 2021/2022 original budget certified for taxes.

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$32,074,606 and bank and brokerage firm balances of the Board's deposits amounted to \$34,912,597. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured:	
Cash and Cash Equivalents	\$ <u>34,912,597</u>

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board's bank balances were exposed to custodial credit risk.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Investments**

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

As of June 30, 2020, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

**B. Receivables**

Receivables as of June 30, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
Federal	\$ 6,062	\$ 435,606	\$ 1,681	\$ 443,349
State	125,568	195,304	26	320,898
Other	245,552	-	404	245,956
	<hr/>	<hr/>	<hr/>	<hr/>
Gross Receivables	377,182	630,910	2,111	1,010,203
Less: Allowance for Uncollectibles	-	-	-	-
Net Total Receivables	<u>\$ 377,182</u>	<u>\$ 630,910</u>	<u>\$ 2,111</u>	<u>\$ 1,010,203</u>

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Unearned Revenue**

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

General Fund	
Tuition Charges	\$ 24,739
Special Revenue Fund	
Unencumbered Grant Draw Downs	34,272
Grant Draw Downs Reserved for Encumbrances	<u>213,329</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 272,340</u>

**D. Capital Assets**

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

	Balance, July 1, 2019	Increases	Decreases	Transfers	Balance, June 30, 2020
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 400,645				\$ 400,645
Construction in Progress	906,201	-	-	\$ (906,201)	-
Total capital assets, not being depreciated	<u>1,306,846</u>	<u>-</u>	<u>-</u>	<u>(906,201)</u>	<u>400,645</u>
Capital assets, being depreciated:					
Buildings and Building Improvements	92,157,570	\$ 1,856,353		906,201	94,920,124
Site Improvements	3,765,536	510,975			4,276,511
Machinery and Equipment	8,651,552	966,088	\$ 847,062	-	8,770,578
Total capital assets being depreciated	<u>104,574,658</u>	<u>3,333,416</u>	<u>847,062</u>	<u>906,201</u>	<u>107,967,213</u>
Less accumulated depreciation for:					
Buildings and Building Improvements	(38,460,829)	(2,589,001)			(41,049,830)
Site Improvements	(1,323,310)	(204,838)			(1,528,148)
Machinery and Equipment	(6,217,301)	(594,406)	827,514	-	(5,984,193)
Total accumulated depreciation	<u>(46,001,440)</u>	<u>(3,388,245)</u>	<u>827,514</u>	<u>-</u>	<u>(48,562,171)</u>
Total capital assets, being depreciated, net	<u>58,573,218</u>	<u>(54,829)</u>	<u>19,548</u>	<u>906,201</u>	<u>59,405,042</u>
Government activities capital assets, net	<u>\$ 59,880,064</u>	<u>\$ (54,829)</u>	<u>\$ 19,548</u>	<u>\$ -</u>	<u>\$ 59,805,687</u>

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
<b>Business-Type activities:</b>				
Capital assets, being depreciated:				
Buildings and Building Improvements	\$ 145,725			\$ 145,725
Machinery and Equipment	<u>376,850</u>	\$ 39,582	-	<u>416,432</u>
Total capital assets being depreciated	<u>522,575</u>	<u>39,582</u>	-	<u>562,157</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(45,876)	(3,583)		(49,459)
Machinery and Equipment	<u>(312,814)</u>	<u>(14,421)</u>	-	<u>(327,235)</u>
Total accumulated depreciation	<u>(358,690)</u>	<u>(18,004)</u>	-	<u>(376,694)</u>
Total capital assets, being depreciated, net	<u>163,885</u>	<u>21,578</u>	-	<u>185,463</u>
Business-type activities capital assets, net	<u>\$ 163,885</u>	<u>\$ 21,578</u>	<u>\$ -</u>	<u>\$ 185,463</u>

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

<b>Governmental activities:</b>	
Instruction	
Regular	<u>\$ 2,722,709</u>
Total Instruction	<u>2,722,709</u>
Support Services	
Student and Instruction Related Services	181,701
General Administrative Services	1,955
School Administrative Services	5,481
Plant Operations and Maintenance	307,862
Pupil Transportation	<u>168,537</u>
Total Support Services	<u>665,536</u>
Total Government Funds	<u>\$ 3,388,245</u>
<b>Business-Type Activities:</b>	
Food Service Fund	\$ 18,004
Total Depreciation Expense-Business-Type Activities	<u>\$ 18,004</u>

PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

Interfund transfers

	<u>Transfer In:</u> <u>Debt</u> <u>Service</u>	<u>Total</u>
<u>Transfer Out:</u> General Fund	\$ 600,000	\$ 600,000
Total transfers out	<u>\$ 600,000</u>	<u>\$ 600,000</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 is comprised of the following issue:

\$16,460,000, 2012 Refunding Bonds, due in annual installments of \$1,065,000 to \$1,140,000 through April 1, 2029, interest at 2.75% to 5.00% \$10,015,000

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

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,105,000	\$ 400,081	\$ 1,505,081
2022	1,130,000	344,831	1,474,831
2023	1,135,000	288,331	1,423,331
2024	1,140,000	231,581	1,371,581
2025	1,130,000	185,981	1,315,981
2026-2029	<u>4,375,000</u>	<u>350,024</u>	<u>4,725,024</u>
Total	<u>\$ 10,015,000</u>	<u>\$ 1,800,829</u>	<u>\$ 11,815,829</u>

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 410,037,120
Less: Net Debt	<u>10,015,000</u>
Remaining Borrowing Power	<u>\$ 400,022,120</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2020</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 11,095,000		\$ 1,080,000	\$ 10,015,000	\$ 1,105,000
Add:					
Unamortized Premium	<u>754,048</u>	<u>-</u>	<u>116,676</u>	<u>637,372</u>	<u>-</u>
	11,849,048	-	1,196,676	10,652,372	1,105,000
Net Pension Liability	20,743,897		2,074,041	18,669,856	
Compensated Absences	<u>524,194</u>	<u>-</u>	<u>103,960</u>	<u>420,234</u>	<u>42,023</u>
Government Activity Long-Term Liabilities	<u>\$ 33,117,139</u>	<u>\$ -</u>	<u>\$ 3,374,677</u>	<u>\$ 29,742,462</u>	<u>\$ 1,147,023</u>

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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG) and the South Bergen Workers Compensation Fund (SBWC). The Funds are a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

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

The District provided traditional health coverage with the State Employees Health Benefits Program.

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2020	\$ 158,575	\$ 201,162	\$ 266,591
2019	130,829	132,834	309,178
2018	127,304	90,261	311,183

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation except for the following:

May 17, 2018 Paramus School Bus Accident

As of June 30, 2019 to present, there are forty one (41) tort claims and/or complaints that have been filed by parents on behalf of their children, employees, and employee of the company that owns the truck that collided with the bus. These pending claims are being defended by the Board's general liability insurance carrier. The outcome of these tort claims and/or complaints is presently uncertain.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

**Plan Descriptions and Benefits Provided**

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

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

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



**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

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

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

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

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

The following represent the membership tiers for TPAF:

<b>Tier</b>	<b>Definition</b>
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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

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

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

**Other Pension Funds**

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

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

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

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

**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.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**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 \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2020.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 1,007,873	\$ 6,843,993	\$ 141,337
2019	1,047,943	6,081,792	137,041
2018	1,025,203	4,454,565	119,822

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$3,725, \$3,849 and \$8,723, respectively for PERS and the State contributed \$4,201, \$4,835 and \$4,178, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$ 2,398,637 during the fiscal 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 district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 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 \$18,669,856 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District’s proportionate share of the net pension liability was based on the ratio of the District’s share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District’s proportionate share was 0.10362 percent, which was a decrease of 0.00174 percent from its proportionate share measured as of June 30, 2018 of 0.10536 percent.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$265,925 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

Difference Between Expected and Actual Experience	\$ 335,099	\$ 82,475
Changes of Assumptions	1,864,254	6,480,248
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		294,711
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>544,709</u>	<u>1,737,977</u>
Total	<u>\$ 2,744,062</u>	<u>\$ 8,595,411</u>

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2021	\$ (1,393,544)
2022	(1,393,544)
2023	(1,393,544)
2024	(1,393,543)
2025	(277,174)
Thereafter	<u>-</u>
	<u>\$ (5,851,349)</u>

***Actuarial Assumptions***

The District's 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, applied to all periods in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-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, 2014 to June 30, 2018.

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

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

***Discount Rate***

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

*Discount Rate (Continued)*

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 23,583,062</u>	<u>\$ 18,669,856</u>	<u>\$ 14,529,784</u>

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

***Pension Plan Fiduciary Net Position***

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



**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 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.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,964,045 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$185,885,867. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .30289 percent, which was an increase of .00757 percent from its proportionate share measured as of June 30, 2018 of .29532 percent.

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 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.

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

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

PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

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

**PARAMUS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 219,200,580</u>	<u>\$ 185,885,867</u>	<u>\$ 158,245,175</u>

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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>364,943</u>

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$2,538,996, \$2,758,691 and \$2,877,109, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,023,040. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$122,888,773. 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 30, 2019, the state's share of the OPEB liability attributable to the District was .29449 percent, which was a decrease of .00131 percent from its proportionate share measured as of June 30, 2018 of .29580 percent.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

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

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend 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 rates 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%.



**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions (Continued)**

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

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

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

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

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>136,394,883</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,999,101
Interest on the Total OPEB Liability	5,401,789
Differences Between Expected and Actual Experience	(22,078,785)
Changes of Assumptions	1,832,282
Gross Benefit Payments	(3,772,319)
Contributions from the Member	111,822
<b>Net Changes</b>	<u>\$ (13,506,110)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>122,888,773</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>145,180,203</u>	\$ <u>122,888,773</u>	\$ <u>105,181,683</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ <u>101,254,872</u>	\$ <u>122,888,773</u>	\$ <u>151,527,616</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 OTHER INFORMATION (Continued)**

**F. Subsequent Events**

**Refunding Bonds**

On November 5, 2020 the District issued \$8,335,000 in Refunding School Bonds. These Bonds were issued in order to advance refund certain callable maturities of the District's 2012 School Refunding Bonds. The District awarded the said sale of bonds to Roosevelt & Cross, Incorporated at interest rates of 1.00% to 1.875%. This advance refunding will reduce total debt service payments over the next 9 years by \$289,934.

**G. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Paramus Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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

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

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)**

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 79,975,010		\$ 79,975,010	\$ 79,975,010	
Tuition from Individuals	370,000		370,000	417,020	\$ 47,020
Tuition from Other LEAs Within State	550,000		550,000	624,983	74,983
Tuition from Summer School	15,000		15,000	15,388	388
Interest Earned on Capital Reserve Funds	30,000		30,000	52,553	22,553
Rents and Royalties	180,000		180,000	249,846	69,846
Unrestricted Miscellaneous Revenues	552,986	-	552,986	782,753	229,767
<b>Total Local Sources</b>	<b>81,672,996</b>	<b>-</b>	<b>81,672,996</b>	<b>82,117,553</b>	<b>444,557</b>
<b>State Sources</b>					
Categorical Special Education Aid	2,089,127		2,089,127	2,089,127	
Categorical Security Aid	69,352		69,352	69,352	
Categorical Transportation Aid	727,057		727,057	727,057	
NonPublic Transportation Aid				5,334	5,334
Extraordinary Special Ed. Costs Aid				612,986	612,986
Reimbursed TPAF Social Security Contribution (Non Budgeted)				2,398,637	2,398,637
On Behalf TPAF Pension System Contribution- (Non Budgeted)				6,843,993	6,843,993
On Behalf TPAF Pension System Contribution Long Term Disability Insurance(Non Budgeted)				4,201	4,201
On Behalf TPAF Pension System Contribution Post Retirement Medical Contribution(Non Budgeted)	-	-	-	2,538,996	2,538,996
<b>Total State Sources</b>	<b>2,885,536</b>	<b>-</b>	<b>2,885,536</b>	<b>15,289,683</b>	<b>12,404,147</b>
<b>Federal Sources</b>					
Medicaid Reimbursement	71,798	-	71,798	43,957	(27,841)
<b>Total Federal Sources</b>	<b>71,798</b>	<b>-</b>	<b>71,798</b>	<b>43,957</b>	<b>(27,841)</b>
<b>Total Revenues</b>	<b>84,630,330</b>	<b>-</b>	<b>84,630,330</b>	<b>97,451,193</b>	<b>12,820,863</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE</b>					
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Preschool	420,990	\$ 2,775	423,765	423,765	-
Kindergarten	892,535	7,225	899,760	742,024	157,736
Grades 1-5	6,437,980	4,893	6,442,873	6,366,022	76,851
Grades 6-8	5,200,065	(186,629)	5,013,436	4,890,959	122,477
Grades 9-12	7,074,310	58,682	7,132,992	6,998,206	134,786
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	35,000	(3,000)	32,000	7,136	24,864
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	355,628	20,859	376,487	358,475	18,012
Purchased Professional-Educational Services	8,100	26,541	34,641	18,125	16,516
Purchased Technical Services	33,100	4,805	37,905	25,592	12,313
Other Purchased Services	3,000	1,250	4,250	3,781	469
General Supplies	1,592,944	405,041	1,997,985	1,509,375	488,610
Textbooks	270,715	(31,650)	239,065	230,668	8,397
Other Objects	2,000	90,190	92,190	91,138	1,052
<b>Total Regular Programs</b>	<b>22,326,367</b>	<b>400,982</b>	<b>22,727,349</b>	<b>21,665,266</b>	<b>1,062,083</b>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	437,500	-	437,500	436,180	1,320
Other Salaries for Instruction	335,314	(32,624)	302,690	282,277	20,413
General Supplies	9,400	9,200	18,600	16,774	1,826
<b>Total Learning and/or Language Disabilities</b>	<b>782,214</b>	<b>(23,424)</b>	<b>758,790</b>	<b>735,231</b>	<b>23,559</b>



**PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
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BUDGET AND ACTUAL  
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	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE</b>					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 230,050	\$ (29,401)	\$ 200,649	\$ 125,590	\$ 75,059
Other Salaries for Instruction	92,724	-	92,724	54,070	38,654
General Supplies	3,000	10,000	13,000	12,510	490
<b>Total Behavioral Disabilities</b>	<b>325,774</b>	<b>(19,401)</b>	<b>306,373</b>	<b>192,170</b>	<b>114,203</b>
Multiple Disabilities					
Salaries of Teachers	310,900	-	310,900	294,856	16,044
Other Salaries for Instruction	387,014	-	387,014	340,509	46,505
General Supplies	8,000	25,000	33,000	29,493	3,507
<b>Total Multiple Disabilities</b>	<b>705,914</b>	<b>25,000</b>	<b>730,914</b>	<b>664,858</b>	<b>66,056</b>
Resource Room/Resource Center					
Salaries of Teachers	3,817,401	(69,205)	3,748,196	3,662,231	85,965
Other Salaries for Instruction	840,153	-	840,153	782,811	57,342
General Supplies	17,750	(125)	17,625	7,357	10,268
<b>Total Resource Room</b>	<b>4,675,304</b>	<b>(69,330)</b>	<b>4,605,974</b>	<b>4,452,399</b>	<b>153,575</b>
Autism					
Salaries of Teachers	269,700	35,932	305,632	305,632	-
Other Salaries for Instruction	815,152	37,773	852,925	852,925	-
General Supplies	7,900	(476)	7,424	6,555	869
Other Objects	2,500	-	2,500	735	1,765
<b>Total Autism</b>	<b>1,095,252</b>	<b>73,229</b>	<b>1,168,481</b>	<b>1,165,847</b>	<b>2,634</b>
Preschool Disabilities - Part - Time					
Salaries of Teachers	28,450	32,173	60,623	60,053	570
Other Salaries for Instruction	164,505	90,000	254,505	243,537	10,968
General Supplies	1,500	-	1,500	921	579
<b>Total Preschool Disabilities - Part - Time</b>	<b>194,455</b>	<b>122,173</b>	<b>316,628</b>	<b>304,511</b>	<b>12,117</b>
Preschool Disabilities - Full - Time					
Salaries of Teachers	296,500	505	297,005	297,005	-
<b>Total Preschool Disabilities - Full - Time</b>	<b>296,500</b>	<b>505</b>	<b>297,005</b>	<b>297,005</b>	<b>-</b>
Home Instruction					
Salaries of Teachers	50,000	(4,500)	45,500	34,157	11,343
Purchased Professional-Educational Services	18,000	-	18,000	9,641	8,359
<b>Total Home Instruction</b>	<b>68,000</b>	<b>(4,500)</b>	<b>63,500</b>	<b>43,798</b>	<b>19,702</b>
<b>Total Special Education</b>	<b>8,143,413</b>	<b>104,252</b>	<b>8,247,665</b>	<b>7,855,819</b>	<b>391,846</b>
Basic Skills/Remedial					
Salaries of Teachers	393,850	-	393,850	297,987	95,863
<b>Total Basic Skills/Remedial</b>	<b>393,850</b>	<b>-</b>	<b>393,850</b>	<b>297,987</b>	<b>95,863</b>
Bilingual Education					
Salaries of Teachers	661,150	29,877	691,027	690,402	625
Other Salaries for Instruction	23,657	2,873	26,530	22,723	3,807
Purchased Professional-Educational Services	3,000	1,351	4,351	4,338	13
General Supplies	3,225	(2,500)	725	725	-
<b>Total Bilingual Education</b>	<b>691,032</b>	<b>31,601</b>	<b>722,633</b>	<b>718,188</b>	<b>4,445</b>

**PARAMUS BOARD OF EDUCATION  
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	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
School Sponsored Co-Curricular Activities					
Salaries	\$ 275,010	-	\$ 275,010	\$ 269,029	\$ 5,981
Supplies and Materials	40,178	\$ (14,561)	25,617	25,140	477
Other Objects	4,600	-	4,600	4,446	154
<b>Total School Sponsored Co-Curricular Activities</b>	<b>319,788</b>	<b>(14,561)</b>	<b>305,227</b>	<b>298,615</b>	<b>6,612</b>
School Sponsored Athletics - Instruction					
Salaries	621,700	(1,859)	619,841	619,840	1
Purchased Services	93,600	28,860	122,460	109,207	13,253
Supplies and Materials	77,500	(7,383)	70,117	62,468	7,649
Other Objects	43,250	(15,523)	27,727	26,847	880
<b>Total School Sponsored Athletics - Instruction</b>	<b>836,050</b>	<b>4,095</b>	<b>840,145</b>	<b>818,362</b>	<b>21,783</b>
Other Supplemental/At-Risk Programs - Instruction					
Salaries of Reading Specialists	643,750	32,624	676,374	676,374	-
General Supplies	3,300	-	3,300	-	3,300
<b>Total Other Supplemental/At-Risk Programs - Instruction</b>	<b>647,050</b>	<b>32,624</b>	<b>679,674</b>	<b>676,374</b>	<b>3,300</b>
<b>Total - Instruction</b>	<b>33,357,550</b>	<b>558,993</b>	<b>33,916,543</b>	<b>32,330,611</b>	<b>1,585,932</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	85,998	(750)	85,248	26,005	59,243
Tuition to Other LEAs Within the State - Special	294,850	-	294,850	160,178	134,672
Tuition to County Voc. School Dist.-Regular	758,880	-	758,880	702,104	56,776
Tuition to County Voc. School Dist.-Special	144,468	-	144,468	42,038	102,430
Tuition to CSSD & Reg. Day Schools	960,090	-	960,090	821,575	138,515
Tuition to Private Schools - Disabled W/I State	1,823,709	87,771	1,911,480	1,533,835	377,645
Tuition to Private Schools - Disabled Outside of State	84,000	-	84,000	-	84,000
Tuition - State Facilities	18,053	-	18,053	-	18,053
<b>Total Undistributed Expenditures - Instruction (Tuition)</b>	<b>4,170,048</b>	<b>87,021</b>	<b>4,257,069</b>	<b>3,285,735</b>	<b>971,334</b>
Attendance and Social Work Services					
Salaries	59,240	-	59,240	49,960	9,280
<b>Total Attendance and Social Work Services</b>	<b>59,240</b>	<b>-</b>	<b>59,240</b>	<b>49,960</b>	<b>9,280</b>
Health Services					
Salaries	810,120	-	810,120	788,007	22,113
Purchased Professional and Technical Services	104,797	145,000	249,797	126,042	123,755
Supplies and Materials	32,120	30,463	62,583	49,691	12,892
Other Objects	1,000	-	1,000	48	952
<b>Total Health Services</b>	<b>948,037</b>	<b>175,463</b>	<b>1,123,500</b>	<b>963,788</b>	<b>159,712</b>
Speech, OT, PT and Related Services					
Salaries	1,823,720	-	1,823,720	1,789,937	33,783
Purchased Professional - Educational Services	825,000	450,000	1,275,000	1,126,709	148,291
Supplies and Materials	6,350	199	6,549	4,979	1,570
<b>Total Speech, OT, PT and Related Services</b>	<b>2,655,070</b>	<b>450,199</b>	<b>3,105,269</b>	<b>2,921,625</b>	<b>183,644</b>
Other Supp. Serv. Students - Extra Services					
Purchased Professional - Educational Services	350,000	-	350,000	320,017	29,983
<b>Total Other Supp. Serv. Students - Extra Services</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	<b>320,017</b>	<b>29,983</b>

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	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
<b>Other Support Services - Students - Guidance</b>					
Salaries of Other Professional Staff	\$ 1,242,050	-	\$ 1,242,050	\$ 1,233,854	\$ 8,196
Salaries of Secretarial and Clerical Assistants	269,392	-	269,392	228,800	40,592
Other Purchased Professional and Technical Services	12,975	\$ 3,000	15,975	12,860	3,115
Supplies and Materials	9,400	295	9,695	4,055	5,640
Other Objects	3,175	-	3,175	1,328	1,847
<b>Total Other Support Services - Students - Guidance</b>	<b>1,536,992</b>	<b>3,295</b>	<b>1,540,287</b>	<b>1,480,897</b>	<b>59,390</b>
<b>Other Support Services - Students - Child Study Teams</b>					
Salaries of Other Professional Staff	1,459,850	-	1,459,850	1,409,464	50,386
Salaries of Secretarial and Clerical Assistants	187,400	(549)	186,851	152,600	34,251
Purchased Professional/Educational Services	330,000	212,229	542,229	535,979	6,250
Supplies and Materials	8,000	-	8,000	7,805	195
<b>Total Other Support Services - Students - Child Study Teams</b>	<b>1,985,250</b>	<b>211,680</b>	<b>2,196,930</b>	<b>2,105,848</b>	<b>91,082</b>
<b>Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>					
Salaries of Supervisors of Instruction	670,621	3,974	674,595	654,775	19,820
Salaries of Other Professional Staff		4,500	4,500	4,500	-
Salaries of Secretarial and Clerical	201,650	(8,038)	193,612	135,487	58,125
Salaries of Facilitators, Math/Literacy Coaches and Masters	68,050	-	68,050	68,050	-
Unused Vacation Payments to Terminated/Retired Staff		4,943	4,943	4,943	-
Other Purchased Professional and Technical Services	50,750	(9,174)	41,576	37,632	3,944
Travel - All Other		700	700	319	381
Supplies and Materials	2,790	684	3,474	949	2,525
Other Objects	4,566	150	4,716	2,718	1,998
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<b>998,427</b>	<b>(2,261)</b>	<b>996,166</b>	<b>909,373</b>	<b>86,793</b>
<b>Educational Media Services/School Library</b>					
Salaries	699,355	16,340	715,695	715,694	1
Supplies and Materials	106,259	(5,127)	101,132	90,616	10,516
<b>Total Educational Media Services/School Library</b>	<b>805,614</b>	<b>11,213</b>	<b>816,827</b>	<b>806,310</b>	<b>10,517</b>
<b>Instructional Staff Training Services</b>					
Salaries of Other Professional Staff	11,000	18,828	29,828	29,828	-
Purchased Professional- Educational Services	52,000	(1,500)	50,500	12,084	38,416
Other Purchased Services	50,500	(2,250)	48,250	43,411	4,839
Supplies and Materials	12,500	(62)	12,438	10,775	1,663
<b>Total Instructional Staff Training Services</b>	<b>126,000</b>	<b>15,016</b>	<b>141,016</b>	<b>96,098</b>	<b>44,918</b>
<b>Support Services General Administration</b>					
Salaries	318,041	136,798	454,839	454,839	-
Legal Services	81,750	44,459	126,209	126,209	-
Audit Fees	44,000	845	44,845	44,845	-
Architectural/Engineering Services	25,000	44,753	69,753	53,633	16,120
Other Purchased Professional Services	32,100	(8,041)	24,059	11,953	12,106
Purchased Technical Services		200	200	194	6
Communications/Telephone	195,246	(17,861)	177,385	164,765	12,620
Travel - All Other		1,409	1,409	994	415
BOE Other Purchased Services	10,500	(7,448)	3,052	3,052	-
Miscellaneous Purchased Services	173,000	(22,549)	150,451	150,451	-
General Supplies	22,900	(16,434)	6,466	3,957	2,509
Judgements Against the School District	25,000	(25,000)	-	-	-
Miscellaneous Expenditures	11,250	(2,509)	8,741	8,741	-
BOE Membership Dues and Fees	41,590	(11,201)	30,389	30,389	-
<b>Total Support Services General Administration</b>	<b>980,377</b>	<b>117,421</b>	<b>1,097,798</b>	<b>1,054,022</b>	<b>43,776</b>
<b>Support Services School Administration</b>					
Salaries of Principals/Asst. Principals	1,952,593	65,000	2,017,593	1,909,255	108,338
Salaries of Other Professional Staff	948,455	57,486	1,005,941	923,343	82,598
Salaries of Secretarial and Clerical Assistants	876,437	37,643	914,080	914,080	-
Unused Vacation Payments to Terminated/Retired Staff	10,000	15,871	25,871	25,871	-
Other Purchased Services	11,500	(970)	10,530	5,225	5,305
Supplies and Materials	36,605	(365)	36,240	26,543	9,697
<b>Total Support Services School Administration</b>	<b>3,835,590</b>	<b>174,665</b>	<b>4,010,255</b>	<b>3,804,317</b>	<b>205,938</b>

**PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
<b>Undistributed Expenditures - Central Services</b>					
Salaries	\$ 1,101,694	\$ 30,000	\$ 1,131,694	\$ 1,049,568	\$ 82,126
Unused Vacation Payments to Terminated/Retired Staff		5,000	5,000	5,000	-
Purchased Technical Services	41,100	30,625	71,725	59,603	12,122
Misc. Purchased Services	34,810	(625)	34,185	7,629	26,556
Supplies and Materials	21,700	-	21,700	12,646	9,054
Miscellaneous Expenditures	6,300	-	6,300	2,580	3,720
<b>Total Undistributed Expenditures - Central Services</b>	<b>1,205,604</b>	<b>65,000</b>	<b>1,270,604</b>	<b>1,137,026</b>	<b>133,578</b>
<b>Undistributed Expenditures - Admin. Info. Tech.</b>					
Salaries	584,360	20,000	604,360	571,033	33,327
Purchased Professional Services	64,000	-	64,000	8,272	55,728
Purchased Technical Services	80,800	45,000	125,800	87,155	38,645
<b>Total Undistributed Expenditures - Admin. Info. Tech.</b>	<b>729,160</b>	<b>65,000</b>	<b>794,160</b>	<b>666,460</b>	<b>127,700</b>
<b>Required Maintenance For School Facilities</b>					
Salaries	683,673	-	683,673	634,946	48,727
Cleaning, Repair, and Maintenance Services	981,100	(68,481)	912,619	594,653	317,966
General Supplies	345,000	(27,595)	317,405	221,247	96,158
<b>Total Required Maintenance For School Facilities</b>	<b>2,009,773</b>	<b>(96,076)</b>	<b>1,913,697</b>	<b>1,450,846</b>	<b>462,851</b>
<b>Custodial Services</b>					
Salaries	3,052,122	-	3,052,122	2,908,769	143,353
Salaries of Non-Instructional Aides	318,333	-	318,333	283,587	34,746
Unused Vacation Payments to Terminated/Retired Staff	100,000	(9,943)	90,057	22,553	67,504
Purchased Professional and Technical Services	46,000	280,000	326,000	299,094	26,906
Cleaning, Repair, and Maintenance Services	322,500	6,374	328,874	249,002	79,872
Other Purchased Property Services	130,000	-	130,000	94,679	35,321
Insurance	277,700	14,500	292,200	292,184	16
Miscellaneous Purchased Services	3,500	-	3,500	912	2,588
General Supplies	211,000	74,855	285,855	245,567	40,288
Energy (Natural Gas)	864,000	(354,000)	510,000	501,723	8,277
Energy (Electricity)	1,342,000	(59,500)	1,282,500	1,153,727	128,773
Energy (Gasoline)	50,000	-	50,000	39,929	10,071
Other Objects	1,500	-	1,500	615	885
<b>Total Custodial Services</b>	<b>6,718,655</b>	<b>(47,714)</b>	<b>6,670,941</b>	<b>6,092,341</b>	<b>578,600</b>
<b>Care &amp; Upkeep of Grounds</b>					
Salaries	322,939	-	322,939	266,088	56,851
Cleaning, Repair, and Maintenance Services	40,000	(3,000)	37,000	21,511	15,489
General Supplies	58,000	9,878	67,878	50,951	16,927
<b>Total Care &amp; Upkeep of Grounds</b>	<b>420,939</b>	<b>6,878</b>	<b>427,817</b>	<b>338,550</b>	<b>89,267</b>
<b>Security</b>					
Salaries	546,070	34,237	580,307	580,307	-
Purchased Professional and Technical Services	45,000	10,000	55,000	48,022	6,978
General Supplies	347,330	(25,927)	321,403	32,436	288,967
Other Objects	-	300	300	225	75
<b>Total Security</b>	<b>938,400</b>	<b>18,610</b>	<b>957,010</b>	<b>660,990</b>	<b>296,020</b>

**PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Student Transportation Services					
Salaries for Pupil Transportation					
(Non-Instructional Aides)	\$ 82,607	-	\$ 82,607	\$ 80,647	\$ 1,960
(Between Home and School) - Regular	535,230	-	535,230	435,938	99,292
(Between Home and School) - Spec Ed	163,699	\$ 7,122	170,821	154,151	16,670
(Other than Between Home and School)	92,000	(7,122)	84,878	62,354	22,524
Management Fee - ESC & CTSA Trans Program	47,000	605	47,605	42,651	4,954
Other Purchased Professional and Technical Services	27,280	(7,727)	19,553	19,113	440
Cleaning, Repair and Maintenance Services	48,660	(24,212)	24,448	23,497	951
Lease Purchase Payments - School Buses	15,000	(15,000)			
Contracted Services - Aid in Lieu of Payments	260,000	(32,000)	228,000	125,584	102,416
Contracted Services (Between Home and School) - Vendors	782,137	(49,170)	732,967	698,813	34,154
Contracted Services (Other Than Between Home and School) - Vendors	55,000	(36,336)	18,664	18,664	-
Contracted Services (Between Home and School) - Joint Agreements	15,000	(11,000)	4,000	2,122	1,878
Contracted Services (Special Ed Students)-Vendors	599,922	8,002	607,924	548,748	59,176
Contracted Services (Regular Ed Students)-ESCs & CTSA	72,301	10,000	82,301	73,794	8,507
Contracted Services (Special Ed Students)-ESCs & CTSA	953,141	233,162	1,186,303	872,914	313,389
Miscellaneous Purchased Services - Transportation	13,500	(10,902)	2,598	1,999	599
General Supplies	2,000	944	2,944	2,944	-
Transportation Supplies	135,000	(74,628)	60,372	35,862	24,510
Other Objects	1,750	-	1,750	1,680	70
<b>Total Student Transportation Services</b>	<b>3,901,227</b>	<b>(8,262)</b>	<b>3,892,965</b>	<b>3,201,475</b>	<b>691,490</b>
Unallocated Benefits					
Social Security Contributions	1,216,000	(5,280)	1,210,720	1,122,875	87,845
Other Retirement Contributions - PERS	1,248,000	-	1,248,000	1,011,598	236,402
Other Retirement Contributions - Regular	144,000	-	144,000	141,337	2,663
Workmen's Compensation	708,000	-	708,000	632,048	75,952
Health Benefits	12,949,610	(805,180)	12,144,430	10,350,921	1,793,509
Tuition Reimbursement	83,000	-	83,000	68,155	14,845
Other Employee Benefits	449,568	(100,000)	349,568	311,199	38,369
Unused Sick Payment to Terminated/Retired Staff	-	105,280	105,280	105,280	-
<b>Total Employee Benefits</b>	<b>16,798,178</b>	<b>(805,180)</b>	<b>15,992,998</b>	<b>13,743,413</b>	<b>2,249,585</b>
On Behalf TPAF Pension System Contribution-					
(Non Budgeted)				6,843,993	(6,843,993)
On Behalf TPAF Pension System Contribution					
Post Retirement Medical Contribution(Non Budgeted)				2,538,996	(2,538,996)
On Behalf TPAF Pension System Contribution					
Long Term Disability Insurance(Non Budgeted)				4,201	(4,201)
Reimbursed TPAF Social Security Contribution					
(Non Budgeted)	-	-	-	2,398,637	(2,398,637)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,785,827</b>	<b>(11,785,827)</b>
<b>Total Undistributed Expenditures</b>	<b>51,172,581</b>	<b>441,968</b>	<b>51,614,549</b>	<b>56,874,918</b>	<b>(5,260,369)</b>
<b>Total Expenditures - Current Expense</b>	<b>84,530,131</b>	<b>1,000,961</b>	<b>85,531,092</b>	<b>89,205,529</b>	<b>(3,674,437)</b>

**PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>EXPENDITURES</b>					
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction					
Grades 6-8		\$ 3,170	\$ 3,170	\$ 3,170	
Grades 9-12	\$ 9,500	12,982	22,482	20,632	\$ 1,850
Undistributed Expenditures					
Instruction	88,000	22,229	110,229	110,229	-
Non-Instructional		35,577	35,577	7,550	28,027
Support Services - Instructional Staff		2,939	2,939		2,939
Central Services	35,000	-	35,000		35,000
Admin. Info. Tech.	42,000	159,990	201,990	178,237	23,753
Required Maint for School Facilities	25,000	506,251	531,251	487,567	43,684
Student Transportation - Non-Instructional		6,559	6,559	6,559	
School Buses - Special	-	64,502	64,502	64,502	-
Total Equipment	199,500	814,199	1,013,699	878,446	135,253
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	20,000	501,166	521,166	228,873	292,293
Construction Services		2,666,891	2,666,891	2,202,914	463,977
Assessment for Debt Service on SDA Funding	51,813	-	51,813	51,813	-
Total Facilities Acquis. and Const. Services	71,813	3,168,057	3,239,870	2,483,600	756,270
Interest Deposit to Capital Reserve	30,000	-	30,000	-	30,000
Total Capital Outlay	301,313	3,982,256	4,283,569	3,362,046	921,523
<b>SPECIAL SCHOOLS</b>					
Summer School - Instruction					
Salaries of Teachers	30,000	-	30,000	19,527	10,473
Other Purchased Services	15,000	-	15,000	713	14,287
General Supplies	5,500	1,690	7,190	2,035	5,155
Total Summer School - Instruction	50,500	1,690	52,190	22,275	29,915
Summer School - Support Services					
Salaries	15,000	-	15,000	12,620	2,380
Total Summer School - Support Services	15,000	-	15,000	12,620	2,380
Total Summer School	65,500	1,690	67,190	34,895	32,295
Adult Education -Local - Instruction					
Other Purchased Services	106,000	(2,000)	104,000	84,338	19,662
General Supplies	33,000	619	33,619	27,898	5,721
Other Objects	-	4,000	4,000	3,519	481
Total Adult Education -Local - Instruction	139,000	2,619	141,619	115,755	25,864
Adult Education In-Local - Support Services					
Salaries	88,599	-	88,599	68,980	19,619
Other Purchased Services	88,500	2,207	90,707	82,868	7,839
Supplies and Materials	2,000	1,226	3,226	3,203	23
Total Adult Education-In-Local - Support Services	179,099	3,433	182,532	155,051	27,481
Total Adult Education	318,099	6,052	324,151	270,806	53,345
Total Special Schools	383,599	7,742	391,341	305,701	85,640
Transfer of Funds to Charter Schools	15,287	(4,600)	10,687	3,750	6,937
Total Expenditures	85,230,330	4,986,359	90,216,689	92,877,026	(2,660,337)

PARAMUS BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (600,000)	\$ (4,986,359)	\$ (5,586,359)	\$ 4,574,167	\$ 10,160,526
Other Financing Sources/Uses					
Capital Reserve Transfer to Capital Projects	(2,480,000)	2,480,000			-
Capital Reserve Transfer to Debt Service	(600,000)	-	(600,000)	(600,000)	-
Total Other Financing Sources	(3,080,000)	2,480,000	(600,000)	(600,000)	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	(3,680,000)	(2,506,359)	(6,186,359)	3,974,167	10,160,526
Fund Balances, Beginning of Year	26,651,871	-	26,651,871	26,651,871	-
Fund Balances, End of Year	\$ 22,971,871	\$ (2,506,359)	\$ 20,465,512	\$ 30,626,038	\$ 10,160,526
<b>Reconciliation of Governmental Fund Statements (GAAP):</b>					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 600,000	
Excess Surplus				600,000	
Capital Reserve				19,073,691	
Capital Reserve - Designated for Subsequent Year's Expenditures				3,600,000	
Maintenance Reserve				2,934,953	
Emergency Reserve				855,750	
Committed Fund Balance					
Year End Encumbrances				283,889	
Assigned Fund Balance					
Year End Encumbrances				437,611	
Unassigned Fund Balance				2,240,144	
Total				30,626,038	
<b>Reconciliation to Government Fund Statements(GAAP)</b>					
Less: State Aid Payments not Recognized on GAAP Basis				(809,037)	
Fund Balance per Governmental Funds(GAAP)				\$ 29,817,001	

**PARAMUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
Intergovernmental					
State	\$ 2,564,000	\$ 748,024	\$ 3,312,024	\$ 2,881,766	\$ (430,258)
Federal	1,591,000	686,357	2,277,357	1,848,855	(428,502)
Local Sources					
Miscellaneous	45,000	63,287	108,287	70,916	(37,371)
Total Revenues	<u>4,200,000</u>	<u>1,497,668</u>	<u>5,697,668</u>	<u>4,801,537</u>	<u>(896,131)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	218,800	32,134	250,934	211,911	39,023
Purchased Prof. and Technical Services	506,000	(503,500)	2,500	2,500	-
Other Purchased Services	700,000	450	700,450	700,000	450
General Supplies	187,000	294,589	481,589	259,300	222,289
Textbooks	166,000	35,774	201,774	191,072	10,702
Total Instruction	<u>1,777,800</u>	<u>(140,553)</u>	<u>1,637,247</u>	<u>1,364,783</u>	<u>272,464</u>
Support Services					
Salaries of Teachers	14,760	23,433	38,193	38,193	-
Personal Services-Employee Benefits	48,000	12,939	60,939	60,939	-
Purchased Professional and Technical Services	2,046,500	900,736	2,947,236	2,679,041	268,195
Other Purchased Services		33,981	33,981	14,377	19,604
General Supplies	304,740	552,485	857,225	527,780	329,445
Other Objects	8,200	-	8,200	8,200	-
Total Support Services	<u>2,422,200</u>	<u>1,523,574</u>	<u>3,945,774</u>	<u>3,328,530</u>	<u>617,244</u>
Facilities Acquisition and Construction					
Instructional Equipment	-	114,647	114,647	108,224	6,423
Total Facilities Acq. & Construction	<u>-</u>	<u>114,647</u>	<u>114,647</u>	<u>108,224</u>	<u>6,423</u>
Total Expenditures	<u>4,200,000</u>	<u>1,497,668</u>	<u>5,697,668</u>	<u>4,801,537</u>	<u>896,131</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

**PARAMUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 97,451,193	\$ 4,801,537
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2020 Encumbrances		(213,329)
June 30, 2019 Encumbrances, Net		234,151
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2018-2019)	1,154,986	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements.(2019-2020)	<u>(809,037)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 97,797,142</u>	<u>\$ 4,822,359</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 92,877,026	\$ 4,801,537
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2020 Encumbrances		(213,329)
June 30, 2019 Encumbrances, Net	<u>-</u>	<u>234,151</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 92,877,026</u>	<u>\$ 4,822,359</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION AND OTHER-POST EMPLOYMENT BENEFITS INFORMATION**

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.10362%	0.10536%	0.11067%	0.10572%	0.11196%	0.12424%	0.11994%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 18,669,856</u>	<u>\$ 20,743,897</u>	<u>\$ 25,761,293</u>	<u>\$ 31,309,752</u>	<u>\$ 25,132,522</u>	<u>\$ 23,261,089</u>	<u>\$ 22,921,968</u>
District's Covered Payroll	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,718</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>	<u>\$ 8,238,802</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	253%	285%	352%	418%	343%	302%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

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

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

PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,007,873	\$ 1,047,943	\$ 1,025,203	\$ 939,157	\$ 962,546	\$ 1,024,215	\$ 903,686
Contributions in Relation to the Contractually Required Contributions	<u>1,007,873</u>	<u>1,047,943</u>	<u>1,025,203</u>	<u>939,157</u>	<u>962,546</u>	<u>1,024,215</u>	<u>903,686</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 7,246,038</u>	<u>\$ 7,366,080</u>	<u>\$ 7,275,488</u>	<u>\$ 7,327,343</u>	<u>\$ 7,497,712</u>	<u>\$ 7,318,066</u>	<u>\$ 7,692,702</u>
Contributions as a Percentage of Covered Payroll	13.91%	14.23%	14.09%	12.82%	12.84%	14.00%	11.75%

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>185,885,867</u>	<u>187,876,418</u>	<u>197,068,702</u>	<u>233,807,483</u>	<u>183,628,826</u>	<u>158,957,607</u>	<u>146,804,041</u>
<b>Total</b>	<u>\$ 185,885,867</u>	<u>\$ 187,876,418</u>	<u>\$ 197,068,702</u>	<u>\$ 233,807,483</u>	<u>\$ 183,628,826</u>	<u>\$ 158,957,607</u>	<u>\$ 146,804,041</u>
District's Covered Payroll	<u>\$ 33,094,769</u>	<u>\$ 32,768,289</u>	<u>\$ 31,539,543</u>	<u>\$ 30,515,234</u>	<u>\$ 29,997,401</u>	<u>\$ 29,582,096</u>	<u>\$ 28,604,775</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**PARAMUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

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

**POSTEMPLOYMENT HEALTH BENEFIT PLAN**

**Last Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 4,999,101	\$ 5,565,352	\$ 6,694,348
Interest on the Total OPEB Liability	5,401,789	5,743,009	4,966,771
Differences Between Expected and Actual Experience	(22,078,785)	(12,339,339)	
Changes of Assumptions	1,832,282	(15,651,995)	(20,688,988)
Gross Benefit Payments	(3,772,319)	(3,647,151)	(3,521,424)
Contribution from the Member	<u>111,822</u>	<u>126,051</u>	<u>129,668</u>
<b>Net Change in Total OPEB Liability</b>	(13,506,110)	(20,204,073)	(12,419,625)
<b>Total OPEB Liability - Beginning</b>	<u>136,394,883</u>	<u>156,598,956</u>	<u>169,018,581</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
District's Proportionate Share	\$ -	\$ -	\$ -
State's Proportionate Share	<u>122,888,773</u>	<u>136,394,883</u>	<u>156,598,956</u>
Total OPEB Liability - Ending	<u>\$ 122,888,773</u>	<u>\$ 136,394,883</u>	<u>\$ 156,598,956</u>
<b>Covered Payroll</b>	<u>\$ 40,460,849</u>	<u>\$ 40,043,777</u>	<u>\$ 38,866,886</u>
<b>District's Proportionate Share of the OPEB Liability as a Percentage of Covered Payroll:</b>	0.00%	0.00%	0.00%

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

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

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



**PARAMUS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 5E.

**SCHOOL LEVEL SCHEDULES**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

PARAMUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing Services</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Security</u>	<u>Nonpublic Compensatory Education</u>	<u>Nonpublic ESL</u>	<u>Nonpublic Suppl. Inst.</u>	<u>Nonpublic Exam. and Class.</u>	<u>Nonpublic Home Instruction</u>	<u>Nonpublic Corrective Speech</u>	<u>Other Local Grants</u>	<u>Total Exhibit E-1A</u>	<u>Total 2020</u>
<b>REVENUES</b>													
Intergovernmental													
State	\$ 191,072	\$ 408,233	\$ 137,380	\$ 633,553	\$ 358,794	\$ 18,116	\$ 389,531	\$ 454,158	\$ 14,866	\$ 276,063			\$ 2,881,766
Federal												\$ 1,848,855	1,848,855
Other	-	-	-	-	-	-	-	-	-	-	\$ 70,916	-	70,916
<b>Total Revenues</b>	<b>\$ 191,072</b>	<b>\$ 408,233</b>	<b>\$ 137,380</b>	<b>\$ 633,553</b>	<b>\$ 358,794</b>	<b>\$ 18,116</b>	<b>\$ 389,531</b>	<b>\$ 454,158</b>	<b>\$ 14,866</b>	<b>276,063</b>	<b>\$ 70,916</b>	<b>\$ 1,848,855</b>	<b>\$ 4,801,537</b>
<b>EXPENDITURES</b>													
Instruction													
Salaries of Teachers												\$ 211,911	\$ 211,911
Purchased Prof. and Tech. Services												2,500	2,500
Tuition												-	-
Other Purchased Services												700,000	700,000
General Supplies			\$ 137,380								\$ 33,961	87,959	259,300
Textbooks	\$ 191,072	-	-	-	-	-	-	-	-	-	-	-	191,072
<b>Total Instruction</b>	<b>191,072</b>	<b>-</b>	<b>137,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,961</b>	<b>1,002,370</b>	<b>1,364,783</b>
Support Services													
Salaries of Teachers												38,193	38,193
Personal Services Employee-Benefits												60,939	60,939
Purchased Prof. & Tech. Services		\$ 408,233		\$ 39,990	\$ 358,794	\$ 18,116	\$ 389,531	\$ 454,158	\$ 14,866	\$ 276,063	2,948	716,342	2,679,041
Other Purchased Services												14,377	14,377
General Supplies				519,346								8,434	527,780
Other Objects	-	-	-	-	-	-	-	-	-	-	-	8,200	8,200
<b>Total Support Services</b>	<b>-</b>	<b>408,233</b>	<b>-</b>	<b>559,336</b>	<b>358,794</b>	<b>18,116</b>	<b>389,531</b>	<b>454,158</b>	<b>14,866</b>	<b>276,063</b>	<b>2,948</b>	<b>846,485</b>	<b>3,328,530</b>
Facilities Acquisition & Construction													
Instructional Equipment	-	-	-	74,217	-	-	-	-	-	-	34,007	-	108,224
<b>Total Facilities Acquisition &amp; Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,007</b>	<b>-</b>	<b>108,224</b>
<b>Total Expenditures</b>	<b>\$ 191,072</b>	<b>\$ 408,233</b>	<b>\$ 137,380</b>	<b>\$ 633,553</b>	<b>\$ 358,794</b>	<b>\$ 18,116</b>	<b>\$ 389,531</b>	<b>\$ 454,158</b>	<b>\$ 14,866</b>	<b>\$ 276,063</b>	<b>\$ 70,916</b>	<b>\$ 1,848,855</b>	<b>\$ 4,801,537</b>

**PARAMUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES	ESEA					IDEA Basic	IDEA Preschool	CARES Emergency Relief Grant	Total Exhibit E-1A
	Title I	Title II Part - A	Title III	Title III Immigrant	Title IV				
Intergovernmental									
Federal	\$ 276,489	\$ 58,417	\$ 38,519	\$ 2,744	\$ 8,266	\$ 1,399,515	\$ 58,232	\$ 6,673	\$ 1,848,855
Total Revenues	<u>\$ 276,489</u>	<u>\$ 58,417</u>	<u>\$ 38,519</u>	<u>\$ 2,744</u>	<u>\$ 8,266</u>	<u>\$ 1,399,515</u>	<u>\$ 58,232</u>	<u>\$ 6,673</u>	<u>\$ 1,848,855</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 207,087	\$ 2,452			\$ 2,372				\$ 211,911
Purchased Prof. & Tech. Services					2,500				2,500
Other Purchased Services						\$ 700,000			700,000
Tuition									-
General Supplies	-	-	\$ 326	\$ 85	3,115	65,270	\$ 16,945	\$ 2,218	87,959
Total Instruction	<u>207,087</u>	<u>2,452</u>	<u>326</u>	<u>85</u>	<u>7,987</u>	<u>765,270</u>	<u>16,945</u>	<u>2,218</u>	<u>1,002,370</u>
Support Services									
Salaries of Teachers			38,193						38,193
Personal Services-Employee Benefits	60,939								60,939
General Supplies	263	1,336		2,380				4,455	8,434
Purchased Prof. & Tech. Services		40,531		279		634,245	41,287		716,342
Other Purchased Services		14,098			279				14,377
Other Objects	8,200	-	-	-	-	-	-	-	8,200
Total Support Services	<u>69,402</u>	<u>55,965</u>	<u>38,193</u>	<u>2,659</u>	<u>279</u>	<u>634,245</u>	<u>41,287</u>	<u>4,455</u>	<u>846,485</u>
Facilities Acquisition & Construction									
Buildings								-	-
Instructional Equipment	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 276,489</u>	<u>\$ 58,417</u>	<u>\$ 38,519</u>	<u>\$ 2,744</u>	<u>\$ 8,266</u>	<u>\$ 1,399,515</u>	<u>\$ 58,232</u>	<u>\$ 6,673</u>	<u>\$ 1,848,855</u>

**PARAMUS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**ENTERPRISE FUNDS**

**NOT APPLICABLE**



**FIDUCIARY FUNDS**

**PARAMUS BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 386,479	\$ 35,569	\$ 422,048
Total Assets	<u>\$ 386,479</u>	<u>\$ 35,569</u>	<u>\$ 422,048</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Due to Student Groups		\$ 35,569	\$ 35,569
	<u>\$ 386,479</u>	<u>-</u>	<u>386,479</u>
Total Liabilities	<u>\$ 386,479</u>	<u>\$ 35,569</u>	<u>\$ 422,048</u>

**COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**PARAMUS BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ELEMENTARY &amp; MIDDLE SCHOOL</b>				
Eastbrook	\$ 50,128	\$ 9,402	\$ 13,562	\$ 45,968
Westbrook	25,025	17,011	17,570	24,466
Elementary	38,849	12,453	18,014	33,288
<b>HIGH SCHOOLS</b>				
High School Activity	324,984	190,420	228,887	286,517
High School Athletic	<u>-</u>	<u>61,074</u>	<u>64,834</u>	<u>(3,760)</u>
<b>Total</b>	<b><u>\$ 438,986</u></b>	<b><u>\$ 290,360</u></b>	<b><u>\$ 342,867</u></b>	<b><u>\$ 386,479</u></b>

**PARAMUS BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 23,570	\$ 54,428,555	\$ 54,416,556	\$ 35,569
Total Assets	<u>\$ 23,570</u>	<u>\$ 54,428,555</u>	<u>\$ 54,416,556</u>	<u>\$ 35,569</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 23,570	\$ 24,190,094	\$ 24,178,095	\$ 35,569
Accrued Salaries and Wages	<u>-</u>	<u>30,238,461</u>	<u>30,238,461</u>	<u>-</u>
Total Liabilities	<u>\$ 23,570</u>	<u>\$ 54,428,555</u>	<u>\$ 54,416,556</u>	<u>\$ 35,569</u>

**LONG-TERM DEBT**

**PARAMUS BOARD OF EDUCATION  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Refunding Bonds	2/14/2012	\$ 16,460,000	4/1/2021	\$ 1,105,000	5.00%			
			4/1/2022	1,130,000	5.00%			
			4/1/2023	1,135,000	5.00%			
			4/1/2024	1,140,000	4.00%			
			4/1/2025	1,130,000	4.00%			
			4/1/2026	1,120,000	2.75%			
			4/1/2027	1,100,000	4.00%			
			4/1/2028	1,090,000	3.00%			
			4/1/2029	1,065,000	3.125%			
						<u>\$ 11,095,000</u>	<u>\$ 1,080,000</u>	<u>\$ 10,015,000</u>
						<u>\$ 11,095,000</u>	<u>\$ 1,080,000</u>	<u>\$ 10,015,000</u>

**PARAMUS BOARD OF EDUCATION  
SCHEDULE OF CAPITAL LEASES PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Not Applicable**

**PARAMUS BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	2020				Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Adjustments</u>	<u>Modified Budget</u>	<u>Actual</u>	
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 934,081	-	\$ 934,081	\$ 934,081	-
Total Revenues	934,081	-	934,081	934,081	-
<b>EXPENDITURES</b>					
Regular Debt Service					
Interest on Bonds	454,081		454,081	454,081	
Redemption of Principal	1,080,000	-	1,080,000	1,080,000	-
Total Expenditures	1,534,081	-	1,534,081	1,534,081	-
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(600,000)	-	(600,000)	(600,000)	-
Other Financing Sources (Uses)					
Operating Transfers In-Capital Reserve	600,000	-	600,000	600,000	-
Total Other Financing Sources	600,000	-	600,000	600,000	-
Excess (Deficiency) of Revenues Over/ (Under) Expenditures and Other Financing Sources	-	-	-	-	-
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	\$ 1	\$ -	\$ 1	\$ 1	\$ -
<b>Recapitulation of Fund Balance:</b>					
Restricted for Debt Service:					
Designated for Subsequent Year's Expenditures			\$ 1		



## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	2011	2012	2013	2014	2015	June 30 2016	2017	2018	2019	2020
				(Restated)						
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 27,826,536	\$ 29,450,260	\$ 31,802,380	\$ 35,209,488	\$ 39,957,382	\$ 41,735,254	\$ 43,973,893	\$ 46,480,657	\$ 48,743,148	\$ 49,755,257
Restricted	5,130,462	7,447,327	9,371,004	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	25,608,644
Unrestricted	1,466,597	2,080,303	2,487,970	(20,932,272)	(20,314,957)	(20,324,594)	(21,758,843)	(21,857,653)	(21,252,867)	(20,833,101)
<b>Total governmental activities net position</b>	<u>\$ 34,423,595</u>	<u>\$ 38,977,890</u>	<u>\$ 43,661,354</u>	<u>\$ 26,951,807</u>	<u>\$ 34,302,828</u>	<u>\$ 38,507,977</u>	<u>\$ 41,800,351</u>	<u>\$ 44,494,641</u>	<u>\$ 48,339,171</u>	<u>\$ 54,530,800</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 169,887	\$ 160,104	\$ 167,670	\$ 164,909	\$ 172,989	\$ 170,386	\$ 168,991	\$ 169,056	\$ 163,885	\$ 185,463
Restricted										
Unrestricted	183,061	220,440	258,441	270,522	230,000	175,679	118,939	123,501	135,699	111,406
<b>Total business-type activities net position</b>	<u>\$ 352,948</u>	<u>\$ 380,544</u>	<u>\$ 426,111</u>	<u>\$ 435,431</u>	<u>\$ 402,989</u>	<u>\$ 346,065</u>	<u>\$ 287,930</u>	<u>\$ 292,557</u>	<u>\$ 299,584</u>	<u>\$ 296,869</u>
<b>District-wide</b>										
Net Investment in Capital Assets	27,996,423	29,610,364	31,970,050	\$ 35,374,397	\$ 40,130,371	\$ 41,905,640	\$ 44,142,884	\$ 46,649,713	\$ 48,907,033	\$ 49,940,720
Restricted	5,130,462	7,447,327	9,371,004	12,674,591	14,660,403	17,097,317	19,585,301	19,871,637	20,848,890	25,608,644
Unrestricted	1,649,658	2,300,743	2,746,411	(20,661,750)	(20,084,957)	(20,148,915)	(21,639,904)	(21,734,152)	(21,117,168)	(20,721,695)
<b>Total district net position</b>	<u>\$ 34,776,543</u>	<u>\$ 39,358,434</u>	<u>\$ 44,087,465</u>	<u>\$ 27,387,238</u>	<u>\$ 34,705,817</u>	<u>\$ 38,854,042</u>	<u>\$ 42,088,281</u>	<u>\$ 44,787,198</u>	<u>\$ 48,638,755</u>	<u>\$ 54,827,669</u>

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

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

	June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 30,444,916	\$ 30,489,032	\$ 31,674,424	\$ 30,870,406	\$ 35,405,836	\$ 37,580,253	\$ 41,188,789	\$ 43,695,052	\$ 39,759,002	\$ 39,336,658
Special education	12,504,000	12,847,226	13,941,263	14,342,356	15,896,202	17,011,501	18,113,912	19,168,385	19,037,559	17,830,513
Community services	16,208	-	-	-	-	-	-	-	-	-
Other instruction	1,275,720	1,977,422	2,235,557	2,401,823	2,853,123	3,026,442	3,530,919	2,976,844	2,794,724	2,685,417
School Sponsored Activities and Athletics	1,358,950	1,571,726	1,671,482	1,769,801	1,991,962	2,175,830	2,392,640	2,518,879	2,318,185	2,189,465
<b>Support Services:</b>										
Student and instruction related services	8,481,946	9,469,204	10,236,801	10,488,907	12,091,605	12,918,305	14,318,550	15,254,439	15,576,419	15,399,675
School Administration services	4,640,667	4,858,674	4,835,004	4,977,054	5,947,989	6,073,147	6,696,125	6,706,583	6,238,192	6,039,070
General administration services	1,270,638	1,053,352	961,047	975,612	1,055,628	919,677	1,149,132	1,168,841	1,196,287	1,285,274
Plant operations and maintenance	10,284,822	10,646,753	10,819,771	10,992,476	11,066,092	11,631,973	12,263,703	12,058,625	12,150,036	10,591,090
Pupil transportation	3,208,504	3,272,653	3,193,615	3,203,080	3,250,926	3,426,661	3,546,666	3,716,755	4,127,509	3,666,992
Central services	2,110,412	2,081,627	2,058,385	1,893,852	2,071,816	2,195,762	2,427,720	2,778,712	2,627,995	2,507,800
Interest on long-term debt	1,178,779	979,384	852,919	721,476	765,720	599,248	563,082	524,055	479,631	434,095
<b>Total governmental activities expenses</b>	<u>76,775,562</u>	<u>79,247,053</u>	<u>82,480,268</u>	<u>82,636,843</u>	<u>92,396,899</u>	<u>97,558,799</u>	<u>106,191,238</u>	<u>110,567,170</u>	<u>106,305,539</u>	<u>101,966,049</u>
<b>Business-type activities:</b>										
Food service	978,676	1,043,141	1,028,038	1,090,992	1,247,618	1,317,291	1,333,494	1,236,660	1,261,418	896,609
<b>Total business-type activities expense</b>	<u>978,676</u>	<u>1,043,141</u>	<u>1,028,038</u>	<u>1,090,992</u>	<u>1,247,618</u>	<u>1,317,291</u>	<u>1,333,494</u>	<u>1,236,660</u>	<u>1,261,418</u>	<u>896,609</u>
<b>Total district expenses</b>	<u>\$ 77,754,238</u>	<u>\$ 80,290,194</u>	<u>\$ 83,508,306</u>	<u>\$ 83,727,835</u>	<u>\$ 93,644,517</u>	<u>\$ 98,876,090</u>	<u>\$ 107,524,732</u>	<u>\$ 111,803,830</u>	<u>\$ 107,566,957</u>	<u>\$ 102,862,658</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Regular Instruction	\$ 345,756	\$ 338,171	\$ 362,514	\$ 529,896	\$ 516,473	\$ 355,685	\$ 251,265	\$ 440,494	\$ 464,978	\$ 530,613
Special education	186,480	324,305	344,032	336,063	818,739	673,683	747,278	1,075,711	712,656	526,778
Transportation	-	-	19,135	-	-	-	-	-	-	-
<b>Operating grants and contributions</b>	<u>8,497,955</u>	<u>9,990,465</u>	<u>11,991,443</u>	<u>11,755,186</u>	<u>19,985,595</u>	<u>22,884,855</u>	<u>29,558,192</u>	<u>32,730,075</u>	<u>27,572,398</u>	<u>25,106,044</u>
<b>Capital grants and contributions</b>	<u>408,915</u>	<u>601,080</u>	<u>601,080</u>	<u>286,180</u>	<u>286,180</u>	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total governmental activities program revenues</b>	<u>9,030,191</u>	<u>10,652,941</u>	<u>13,126,039</u>	<u>13,222,225</u>	<u>21,606,987</u>	<u>23,918,303</u>	<u>30,556,735</u>	<u>34,246,280</u>	<u>28,750,032</u>	<u>26,163,435</u>
<b>Business-type activities:</b>										
Food service	885,767	919,503	933,070	958,036	1,069,902	1,101,865	1,123,628	1,088,699	1,105,686	778,094
<b>Charges for services</b>	<u>140,278</u>	<u>151,234</u>	<u>139,002</u>	<u>140,492</u>	<u>145,014</u>	<u>158,502</u>	<u>151,731</u>	<u>152,588</u>	<u>162,759</u>	<u>115,800</u>
<b>Total business-type activities program revenues</b>	<u>1,026,045</u>	<u>1,070,737</u>	<u>1,072,072</u>	<u>1,098,528</u>	<u>1,214,916</u>	<u>1,260,367</u>	<u>1,275,359</u>	<u>1,241,287</u>	<u>1,268,445</u>	<u>893,894</u>
<b>Total district program revenues</b>	<u>\$ 10,056,236</u>	<u>\$ 11,723,678</u>	<u>\$ 14,198,111</u>	<u>\$ 14,320,753</u>	<u>\$ 22,821,903</u>	<u>\$ 25,178,670</u>	<u>\$ 31,832,094</u>	<u>\$ 35,487,567</u>	<u>\$ 30,018,477</u>	<u>\$ 27,057,329</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental activities</b>	\$ (67,745,371)	\$ (68,594,112)	\$ (69,354,229)	\$ (69,414,618)	\$ (70,789,912)	\$ (73,640,496)	\$ (75,634,503)	\$ (76,320,890)	\$ (77,555,507)	\$ (75,802,614)
<b>Business-type activities</b>	47,369	27,596	44,034	7,536	(32,702)	(56,924)	(58,135)	4,627	7,027	(2,715)
<b>Total district-wide net expense</b>	<u>\$ (67,698,002)</u>	<u>\$ (68,566,516)</u>	<u>\$ (69,310,195)</u>	<u>\$ (69,407,082)</u>	<u>\$ (70,822,614)</u>	<u>\$ (73,697,420)</u>	<u>\$ (75,692,638)</u>	<u>\$ (76,316,263)</u>	<u>\$ (77,548,480)</u>	<u>\$ (75,805,329)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes	\$ 67,494,944	\$ 68,651,094	\$ 69,958,474	\$ 71,357,641	\$ 72,774,791	\$ 74,230,284	\$ 75,704,884	\$ 77,040,097	\$ 78,406,873	\$ 79,975,010
Property taxes levied for debt service	2,910,323	2,608,906	2,124,307	2,269,316	2,240,359	1,664,672	1,186,267	950,492	987,682	934,081
Unrestricted grants and contributions	-	123,479	-	-	71,146	77,127	110,143	114,530	8,094	-
Restricted state aid	-	-	-	-	-	-	-	-	-	-
Debt service Type II aid	511,348	397,827	394,963	248,324	238,735	234,467	248,000	-	-	-
Investment earnings	630	29,900	72,212	75,013	56,015	62,181	-	-	-	-
Miscellaneous income	1,170,718	1,337,201	1,487,737	1,676,745	2,759,887	1,576,914	1,677,583	910,061	1,997,388	1,085,152
Other items	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<u>72,087,963</u>	<u>73,148,407</u>	<u>74,037,693</u>	<u>75,627,039</u>	<u>78,140,933</u>	<u>77,845,645</u>	<u>78,926,877</u>	<u>79,015,180</u>	<u>81,400,037</u>	<u>81,994,243</u>
<b>Business-type activities:</b>										
Investment earnings	10	-	1,533	1,784	260	-	-	-	-	-
<b>Total business-type activities</b>	<u>10</u>	<u>-</u>	<u>1,533</u>	<u>1,784</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total district-wide</b>	<u>\$ 72,087,973</u>	<u>\$ 73,148,407</u>	<u>\$ 74,039,226</u>	<u>\$ 75,628,823</u>	<u>\$ 78,141,193</u>	<u>\$ 77,845,645</u>	<u>\$ 78,926,877</u>	<u>\$ 79,015,180</u>	<u>\$ 81,400,037</u>	<u>\$ 81,994,243</u>
<b>Change in Net Assets</b>										
<b>Governmental activities</b>	\$ 4,342,592	\$ 4,554,295	\$ 4,683,464	\$ 6,212,421	\$ 7,351,021	\$ 4,205,149	\$ 3,292,374	\$ 2,694,290	\$ 3,844,530	\$ 6,191,629
<b>Business-type activities</b>	47,379	27,596	45,567	9,320	(32,442)	(56,924)	(58,135)	4,627	7,027	(2,715)
<b>Total district</b>	<u>\$ 4,389,971</u>	<u>\$ 4,581,891</u>	<u>\$ 4,729,031</u>	<u>\$ 6,221,741</u>	<u>\$ 7,318,579</u>	<u>\$ 4,148,225</u>	<u>\$ 3,234,239</u>	<u>\$ 2,698,917</u>	<u>\$ 3,851,557</u>	<u>\$ 6,188,914</u>

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

	June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Restricted	\$ 5,830,339	\$ 8,437,790	\$ 10,342,765	\$ 11,362,486	\$ 15,658,856	\$ 18,866,176	\$ 20,985,876	\$ 21,853,343	\$ 22,904,640	\$ 27,664,394
Committed								536,676	296,927	283,889
Assigned	338,200	205,305	752,553	764,796	423,089	450,098	681,114	404,826	773,862	437,611
Unassigned	1,398,254	1,350,633	1,352,937	1,411,670	1,375,542	1,449,856	1,462,799	1,529,274	1,521,456	1,431,107
Total general fund	<u>\$ 7,566,793</u>	<u>\$ 9,993,728</u>	<u>\$ 12,448,255</u>	<u>\$ 13,538,952</u>	<u>\$ 17,457,487</u>	<u>\$ 20,766,130</u>	<u>\$ 23,129,789</u>	<u>\$ 24,324,119</u>	<u>\$ 25,496,885</u>	<u>\$ 29,817,001</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Restricted	\$ (403,730)	\$ 319,537	\$ 338,239	\$ 1,912,105	\$ 895,547	\$ 425,141	\$ 593,425	\$ 74,044	\$ 1	\$ 1
Total all other governmental funds	<u>\$ (403,730)</u>	<u>\$ 319,537</u>	<u>\$ 338,239</u>	<u>\$ 1,912,105</u>	<u>\$ 895,547</u>	<u>\$ 425,141</u>	<u>\$ 593,425</u>	<u>\$ 74,044</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

	June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax levy	\$ 70,405,267	\$ 71,260,000	\$ 72,082,781	\$ 73,626,957	\$ 75,015,150	\$ 75,894,956	\$ 76,891,151	\$ 77,990,589	\$ 79,394,555	\$ 80,909,091
Tuition charges	532,236	662,476	706,546	865,959	1,335,212	1,029,368	998,543	1,516,205	1,177,634	1,057,391
Transportation Fees from Other LEAs			19,135							
Interest earnings	630	29,900	72,212	75,013	56,015	62,181	41,027	79,800	186,324	52,553
Miscellaneous	1,269,384	1,409,877	1,564,184	1,727,512	2,850,999	1,644,345	1,739,805	954,272	1,901,382	1,077,079
State sources	6,350,337	8,276,469	10,868,673	10,831,079	11,569,634	12,367,663	13,498,297	15,059,320	17,087,294	18,553,309
Federal sources	2,560,300	2,162,626	1,850,201	1,722,744	1,938,222	1,932,853	2,035,034	1,848,564	2,070,297	1,904,159
<b>Total revenue</b>	<b>81,118,154</b>	<b>83,801,348</b>	<b>87,163,732</b>	<b>88,849,264</b>	<b>92,765,232</b>	<b>92,931,366</b>	<b>95,203,857</b>	<b>97,448,750</b>	<b>101,817,486</b>	<b>103,553,582</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	28,858,613	28,910,884	29,937,817	29,069,631	29,668,702	30,729,149	31,369,479	33,520,028	33,065,439	34,262,199
Special education instruction	12,505,227	12,847,226	13,955,301	14,372,065	14,812,182	15,625,057	15,728,815	16,712,908	17,950,710	17,362,610
Other instruction	1,275,898	1,998,943	2,235,557	2,401,823	2,603,483	2,710,245	2,979,333	2,552,759	2,572,177	2,558,782
School sponsored activities and athletics	1,359,151	1,576,358	1,671,482	1,769,801	1,695,789	1,804,093	1,792,302	1,915,177	2,007,825	1,996,581
Community services	16,210									
<b>Support Services:</b>										
Student and inst. related services	8,418,190	9,411,413	10,164,191	10,417,119	10,954,311	11,471,646	11,936,892	12,727,655	14,235,992	14,543,877
General administration	1,258,429	1,035,224	985,899	963,246	1,028,507	872,675	1,062,754	1,061,911	1,154,733	1,273,493
School administration services	4,642,844	4,788,494	4,833,814	4,945,173	5,284,232	5,320,345	5,435,025	5,469,498	5,628,909	5,759,463
Plant operations and maintenance	10,109,803	10,443,307	10,612,696	10,800,079	10,735,054	11,250,614	11,341,176	10,937,350	11,728,980	10,552,677
Pupil transportation	3,019,662	3,062,989	2,983,951	2,993,422	3,155,756	3,312,186	3,394,786	3,533,245	3,901,318	3,516,745
Central services	2,121,600	2,070,166	2,070,404	1,899,277	2,001,690	2,095,043	2,182,442	2,411,548	2,538,398	2,539,542
Capital outlay	2,295,213	1,737,207	2,615,869	3,931,168	2,591,737	3,284,295	3,871,428	4,399,240	4,346,601	3,333,416
<b>Debt service:</b>										
Principal	1,976,762	1,870,904	1,701,874	1,770,051	4,540,180	1,010,000	1,000,000	995,000	1,090,000	1,080,000
Advance Refunding Escrow		1,801,947								
Bond Issuance Costs		174,059								
Interest and other charges	1,160,453	806,471	921,648	851,846	791,632	607,781	577,482	537,482	497,681	454,081
<b>Total expenditures</b>	<b>79,018,055</b>	<b>82,535,592</b>	<b>84,690,503</b>	<b>86,184,701</b>	<b>89,863,255</b>	<b>90,093,129</b>	<b>92,671,914</b>	<b>96,773,801</b>	<b>100,718,763</b>	<b>99,233,466</b>
Excess (Deficiency) of revenues over (under) expenditures	2,100,099	1,265,756	2,473,229	2,664,563	2,901,977	2,838,237	2,531,943	674,949	1,098,723	4,320,116
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Capital Leases										
Original issue premium		1,908,006								
Accrued interest on bonds issued										
Refund of Escrow for Refunding Bonds										
Refunding bonds issued		16,460,000								
Payment to refunded bond escrow agent		(16,392,000)								
Transfers in	2,455,460	1,761,046	1,930,368	4,257,176	3,132,696	2,000,000	387,998	770,142	636,691	600,000
Transfers out	(2,455,460)	(1,761,046)	(1,930,368)	(4,257,176)	(3,132,696)	(2,000,000)	(387,998)	(770,142)	(636,691)	(600,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,976,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 2,100,099</b>	<b>\$ 3,241,762</b>	<b>\$ 2,473,229</b>	<b>\$ 2,664,563</b>	<b>\$ 2,901,977</b>	<b>\$ 2,838,237</b>	<b>\$ 2,531,943</b>	<b>\$ 674,949</b>	<b>\$ 1,098,723</b>	<b>\$ 4,320,116</b>
Debt service as a percentage of noncapital expenditures	4.09%	3.31%	3.20%	3.19%	6.11%	1.86%	1.78%	1.66%	1.65%	1.60%

\* Noncapital expenditures are total expenditures less capital outlay.

**PARAMUS BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS ENDED JUNE 30**

	<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>
Tuition	\$ 532,236	\$ 662,476	\$ 706,546	\$ 865,959	\$ 1,335,212	\$ 1,029,368	\$ 998,543	\$ 1,516,205	\$ 1,177,634	\$ 1,057,391
Transportation Fees			19,135							
Interest Income	386	27,774	69,701	72,837	54,231	62,181	85,057	145,580	351,225	347,598
Bldg. Rental	142,167	124,737	134,703	81,853	43,482	37,553	152,471	187,463	164,999	249,846
E-Rate	57,028									
Refunds Prior Year	64,320				1,637,975	1,428	11,242	13,443	45,410	16,273
Prior Year Outstanding Checks	15,743									
Miscellaneous		267,458	340,081	573,571	125,355	170,287	310,960	195,411	606,197	88,656
Special Schools Fees	879,125	838,837	1,012,705	1,021,321	953,075	1,031,179	1,117,853	368,164	307,729	382,779
Cancellation of Prior Year Accounts Payable		103,570	248			25,528				
Cancellation of Accrued Liability of Claims									521,828	
Health Claim Reimbursements	-	-	-	-	-	310,939	-	-	-	-
	<u>\$ 1,691,005</u>	<u>\$ 2,024,852</u>	<u>\$ 2,283,119</u>	<u>\$ 2,615,541</u>	<u>\$ 4,149,330</u>	<u>\$ 2,668,463</u>	<u>\$ 2,676,126</u>	<u>\$ 2,426,266</u>	<u>\$ 3,175,022</u>	<u>\$ 2,142,543</u>

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2011	\$ 144,326,700	\$ 4,142,885,600	\$ 1,479,800	\$ 22,400	\$ 3,567,285,600	\$ 115,428,700	\$ 18,642,800	\$ 7,990,071,600	\$ 6,411,753	\$ 7,976,041,303	\$ 8,672,226,280	\$ 0.888
2012	144,326,700	4,146,398,000	1,479,800	22,400	3,567,000,300	115,428,700	18,642,800	7,993,298,700	6,411,753	7,999,710,453	8,558,395,272	0.896
2013	143,045,700	4,154,425,400	1,479,800	22,400	3,462,384,900	113,136,400	18,642,800	7,893,137,400	6,222,785	7,899,360,185	8,545,391,805	0.922
2014	142,215,000	4,171,077,547	1,479,800	22,400	3,542,561,600	111,783,600	18,642,800	7,987,782,747	4,987,188	7,992,769,935	8,834,630,995	0.930
2015	137,950,900	4,203,955,147	1,479,800	22,400	3,532,924,100	109,198,200	16,964,600	8,002,495,147	5,235,279	8,007,730,426	8,758,087,401	0.944
2016	137,301,800	4,225,646,147	1,479,800	22,400	3,513,162,400	108,289,700	16,964,600	8,002,866,847	5,153,630	8,008,020,477	8,810,817,359	0.954
2017	137,252,400	4,265,444,247	1,479,800	22,400	3,500,165,000	101,312,100	16,964,600	8,022,640,547	4,687,668	8,027,328,215	9,669,326,922	0.965
2018	142,303,300	4,274,723,247	1,479,800	22,400	3,492,492,700	99,013,200	16,964,600	8,026,999,247	4,357,977	8,031,357,224	10,511,862,247	0.980
2019	144,594,500	4,333,905,447	1,421,900	22,400	3,443,882,320	99,158,800	16,964,600	8,039,949,967	4,628,293	8,044,578,260	10,018,186,246	0.997
2020 (A)	162,521,500	5,071,690,600	2,162,700	11,200	4,592,844,620	139,530,000	63,885,300	10,032,645,920	5,729,604	10,038,375,524	10,344,291,557	0.814

Source: County Abstract of Ratables

a Tax rates are per \$100

(A) The Borough undertook a reassessment of real property which was effective in 2020.

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

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u>	<u>Local</u> <u>School</u> <u>District</u>	<u>Municipality</u>	<u>County</u>
2011	\$ 1.665	\$ 0.888	\$ 0.551	\$ 0.226
2012	1.677	0.896	0.548	0.233
2013	1.726	0.922	0.555	0.249
2014	1.719	0.930	0.535	0.254
2015	1.734	0.944	0.530	0.260
2016	1.752	0.954	0.529	0.269
2017	1.801	0.965	0.533	0.303
2018	1.833	0.980	0.534	0.319
2019	1.856	0.997	0.558	0.301
2020	1.595	0.814	0.526	0.255

Source: Tax Duplicates, Borough of Paramus



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

Taxpayer	2020		Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Westland GSP L.P.	\$ 929,568,100	9.26%	Westland GSP L.P.	\$ 560,426,600	7.03%
VNO Bergen Mall, LLC	311,433,800	3.10%	ALX of Paramus LLC	170,000,000	2.13%
ALX of Paramus LLC	196,545,900	1.96%	Vornado, Bergen Mall LLC	160,000,000	2.01%
Westland GSP L.P.	121,525,000	1.21%	Paramus Park Shopping Center	113,780,000	1.43%
Paramus Park - General Growth	112,113,700	1.12%	Westland GSP L.P.	97,069,400	1.22%
Faber Bros Inc NJ	86,569,500	0.86%	Faber Bros Inc NJ	86,313,600	1.08%
Paramus Park - Macy's Inc.	66,383,300	0.66%	RREEF America REIT III Corp	64,955,000	0.81%
Gabriel, J & Etal & Temple Ridge	60,572,000	0.60%	Paramus Park - Macy's Inc.	63,229,700	0.79%
KMO-361 Paramus LLC	58,138,600	0.58%	Mack Paramus Affiliates	58,100,000	0.73%
CCP Owner LLC	57,587,900	0.57%	Farber, William A	48,956,500	0.61%
	<u>\$ 2,000,437,800</u>	<u>19.93%</u>		<u>\$ 1,422,830,800</u>	<u>17.84%</u>

Source: Municipal Tax Assessor

N/A Not Available

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 70,405,267	\$ 70,405,267	100.00%	N/A
2012	71,260,000	71,260,000	100.00%	N/A
2013	72,082,781	72,082,781	100.00%	N/A
2014	73,626,957	73,626,957	100.00%	N/A
2015	75,015,150	75,015,150	100.00%	N/A
2016	75,894,956	75,894,956	100.00%	N/A
2017	76,891,151	76,891,151	100.00%	N/A
2018	77,990,589	77,990,589	100.00%	N/A
2019	79,394,555	74,860,648	94.29%	\$ 4,533,907
2020	80,909,091	80,909,091	100.00%	N/A

N/A = Not Applicable

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Temporary Notes			
2011	\$ 24,347,000		\$ 658,009	\$ 11,423,910	\$ 36,428,919	26,264	\$ 1,387
2012	22,625,000		577,105	9,736,000	32,938,105	26,454	1,245
2013	21,005,000		495,231		21,500,231	26,595	808
2014	19,320,000		410,180		19,730,180	26,585	742
2015	15,190,000				15,190,000	26,647	570
2016	14,180,000				14,180,000	26,594	533
2017	13,180,000				13,180,000	26,592	496
2018	12,185,000				12,185,000	26,547	459
2019	11,095,000				11,095,000	26,485	419
2020	10,015,000				10,015,000	26,362	380

Source: District records

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2011	\$ 24,347,000		\$ 24,347,000	0.31%	\$ 927
2012	22,625,000		22,625,000	0.28%	855
2013	21,005,000		21,005,000	0.27%	790
2014	19,320,000		19,320,000	0.24%	727
2015	15,190,000		15,190,000	0.19%	570
2016	14,180,000		14,180,000	0.18%	533
2017	13,180,000		13,180,000	0.16%	496
2018	12,185,000		12,185,000	0.15%	459
2019	11,095,000		11,095,000	0.14%	419
2020	10,015,000		10,015,000	0.10%	380

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**PARAMUS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b>MUNICIPAL DEBT:</b>			
Borough of Paramus (1)	\$ 44,226,453	\$ 4,790,000	\$ 39,436,453
Paramus School District	<u>11,095,000</u>	<u>11,095,000</u>	<u>-</u>
	<u>\$ 55,321,453</u>	<u>\$ 15,885,000</u>	<u>39,436,453</u>
<b>OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY</b>			
Bergen County:			
County of Bergen(A)			78,265,078
Bergen County Utilities Authority - Water Pollution Control (B)			<u>6,694,395</u>
			<u>84,959,473</u>
Total Direct and Overlapping Outstanding Debt			<u>\$ 124,395,926</u>

**SOURCE:**

(1) Borough of Paramus 2019 Annual Debt Statement

(A) The debt for this entity was apportioned to Borough of Paramus by dividing the municipality's 2019 equalized value by the total 2019 equalized value for the County of Bergen.

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

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

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis
	2019 \$ 10,423,894,680
	2018 9,909,875,614
	2017 10,419,013,697
	<u>\$ 30,752,783,991</u>
Average equalized valuation of taxable property	<u>\$ 10,250,927,997</u>
Debt limit (4 % of average equalization value)	410,037,120 <sup>a</sup>
Total Net Debt Applicable to Limit	<u>10,015,000</u>
Legal debt margin	<u>\$ 400,022,120</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 359,887,470	\$ 350,541,846	\$ 343,226,211	\$ 343,601,966	\$ 346,591,299	\$ 347,117,624	\$ 360,415,977	\$ 383,721,993	\$ 399,658,452	\$ 410,037,120
Total net debt applicable to limit	<u>24,745,101</u>	<u>22,626,501</u>	<u>21,005,000</u>	<u>19,320,000</u>	<u>15,190,000</u>	<u>14,180,000</u>	<u>13,180,000</u>	<u>12,185,000</u>	<u>11,095,000</u>	<u>10,015,000</u>
Legal debt margin	<u>\$ 335,142,369</u>	<u>\$ 327,915,345</u>	<u>\$ 322,221,211</u>	<u>\$ 324,281,966</u>	<u>\$ 331,401,299</u>	<u>\$ 332,937,624</u>	<u>\$ 347,235,977</u>	<u>\$ 371,536,993</u>	<u>\$ 388,563,452</u>	<u>\$ 400,022,120</u>
Total net debt applicable to the limit as a percentage of debt limit	6.88%	6.45%	6.12%	5.62%	4.38%	4.09%	3.66%	3.18%	2.78%	2.44%

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

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

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	26,264	\$ 69,053	8.50%
2012	26,454	72,152	7.50%
2013	26,595	71,679	6.50%
2014	26,585	74,452	5.40%
2015	26,647	77,666	4.50%
2016	26,594	79,145	4.00%
2017	26,592	81,483	4.00%
2018	26,547	85,951	3.40%
2019	26,485	N/A	2.80%
2020	26,362	N/A	N/A

Source: New Jersey State Department of Education

N/A - Not Available

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE



**PARAMUS BOARD OF EDUCATION**  
**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	304	258	258	259	245	258	263	263	263	265
Special education	124	168	168	191	195	193	193	191	194	201
Support Services:										
Student & instruction related services	83	89	89	91	89	91	90	90	95	96
General administration	3	2	2	2	2	2	2	2	2	2
School administrative services	31	36	36	41	39	38	36	36	36	36
Other administrative services	4									
Central services	16	15	15	15	15	14	14	14	14	14
Administrative Information Technology	6	6	6	6	7	7	7	8	9	9
Plant operations and maintenance	121	120	120	105	105	87	92	92	90	90
Pupil transportation	24	23	23	21	20	21	20	20	18	17
Other support services										
Special Schools	3	51	3	33	36	22	16	1	1	1
Total	<u>719</u>	<u>768</u>	<u>720</u>	<u>764</u>	<u>753</u>	<u>733</u>	<u>733</u>	<u>717</u>	<u>722</u>	<u>731</u>

Source: District Personnel Records

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

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2011	4,177	\$ 73,585,627	\$ 17,617	-1.85%	391	1:09.84	1:09.62	1:08.56	4,156	3,940	-2.05%	94.80%
2012	4,095	76,145,004	18,595	5.55%	382	1:09.76	1:08.94	1:08.98	4,073	3,938	-2.00%	96.69%
2013	4,034	79,451,112	19,695	5.92%	385	1:33.39	01:27.0	1:25.40	4,031	3,884	-1.03%	96.35%
2014	3,941	79,631,636	20,206	2.59%	387	1:09.98	1:09.72	1:10.85	3,940	3,798	-2.26%	96.40%
2015	3,933	81,939,706	20,834	3.11%	398	1:10.40	1:09.66	1:10.41	3,934	3,787	-0.15%	96.26%
2016	3,894	85,191,053	21,878	5.01%	418	1:09.20	1:09.22	1:10.11	3,894	3,742	-1.02%	96.10%
2017	3,823	87,223,004	22,815	4.29%	420	1:09.20	1:08.94	1:10.41	3,823	3,663	-1.82%	95.81%
2018	3,776	90,842,079	24,058	5.45%	422	1:08.83	1:09.23	1:10.24	3,776	3,624	-1.23%	95.97%
2019	3,781	94,784,481	25,069	4.20%	402	1:09.76	1:09.22	1:09.96	3,781	3,615	0.13%	95.61%
2020	3,765	94,365,969	25,064	-0.02%	438	1:09.38	1:08.37	1:09.64	3,765	3,660	-0.42%	97.21%

Sources: District records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>District Building</b>										
<b>Elementary</b>										
<b>Memorial</b>										
Square Feet	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250	49,250
Capacity (students)	365	365	365	365	365	365	365	365	365	365
Enrollment	344	318	317	319	340	307	295	307	310	312
<b>Midland</b>										
Square Feet	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750	38,750
Capacity (students)	321	321	321	321	321	321	321	321	321	321
Enrollment <sup>a</sup>	261	231	231	237	236	229	236	212	192	180
<b>Stony Lane</b>										
Square Feet	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700	30,700
Capacity (students)	270	270	270	270	270	270	270	270	270	270
Enrollment	218	201	201	206	196	201	192	184	177	187
<b>Ridge Ranch</b>										
Square Feet	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430	46,430
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	365	347	350	315	297	327	330	344	347	340
<b>Parkway</b>										
Square Feet	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
Capacity (students)	476	476	476	476	476	476	476	476	476	476
Enrollment	245	273	255	251	267	289	288	291	314	316
<b>Middle School</b>										
<b>East Brook</b>										
Square Feet	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971	115,971
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	641	627	629	608	652	618	619	608	589	587
<b>West Brook</b>										
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	876	876	876	876	876	876	876	876	876	876
Enrollment	704	671	674	627	624	620	585	509	584	577
<b>High School</b>										
Square Feet	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950	297,950
Capacity (students)	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944	1,944
Enrollment	1,318	1,288	1,288	1,272	1,322	1,303	1,278	1,240	1,268	1,266

Number of Schools at June 30, 2020

- Elementary = 5
- Middle School = 2
- Senior High School = 1

Source: District Records

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

Undistributed Expenditures  
Required Maintenance for School Facilities  
11-000-261-xxx

<u>School Facilities</u>	<u>Project Nos.</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>
Memorial School	N/A	\$ 55,074	\$ 85,422	\$ 112,602	\$ 121,064	\$ 117,535	\$ 132,273	\$ 130,594	\$ 107,136	\$ 151,728	\$ 86,349
Midland School	N/A	43,695	77,537	37,519	40,339	39,163	44,074	43,515	35,699	50,557	28,772
Parkway School	N/A	40,528	98,642	25,832	27,773	26,963	30,344	29,959	24,578	34,808	19,809
Ridge Ranch School	N/A	61,370	67,525	82,690	88,904	86,313	97,136	95,903	78,677	111,423	63,411
Stony Lane School	N/A	49,629	53,207	33,753	36,289	35,231	39,648	39,145	32,114	45,480	25,883
Paramus High School	N/A	1,280,155	827,419	1,344,475	1,445,512	1,403,379	1,579,351	1,559,307	1,279,223	1,811,653	1,031,020
East Brook Middle School	N/A	97,345	179,886	92,996	99,985	97,071	109,243	107,856	88,483	125,311	71,315
West Brook Middle School	N/A	<u>152,086</u>	<u>346,612</u>	<u>162,072</u>	<u>174,252</u>	<u>169,173</u>	<u>190,386</u>	<u>187,970</u>	<u>154,207</u>	<u>218,390</u>	<u>124,287</u>
Total School Facilities		<u>\$ 1,779,882</u>	<u>\$ 1,736,250</u>	<u>\$ 1,891,939</u>	<u>\$ 2,034,118</u>	<u>\$ 1,974,828</u>	<u>\$ 2,222,455</u>	<u>\$ 2,194,249</u>	<u>\$ 1,800,117</u>	<u>\$ 2,549,350</u>	<u>\$ 1,450,846</u>

Source: District Records

**PARAMUS BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2020  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy</b>		
Property - Building & Contents	\$ 95,128,109	\$ 5,000
General Liability (Aggregate)	2,000,000	
Environmental Impairment Liability (Aggregate)	2,000,000	25,000
Business Automobile Liability	1,000,000	
Excess Liability (Each Occurrence and Aggregate)	9,000,000	
Educator's Legal Liability	1,000,000	
Umbrella Excess (Each Occurrence and Aggregate)	50,000,000	
Cyber Liability (Combined Policy Aggregate)	6,000,000	15,000
<b>Public Official Bonds - Travelers Casualty and Surety Company of America</b>		
Alfredo Aguilar	500,000	

Source: District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Paramus Board of Education's basic financial statements and have issued our report thereon dated January 5, 2021.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

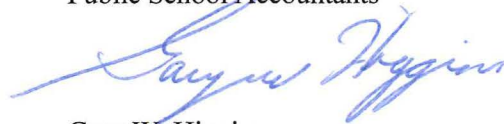
As part of obtaining reasonable assurance about whether the Paramus Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 5, 2021





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
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CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the Paramus Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Paramus Board of Education's major federal and state programs for the fiscal year ended June 30, 2020. The Paramus Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Paramus Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Paramus Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Paramus Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

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

Management of the Paramus Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Paramus Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Paramus Board of Education's internal control over compliance.

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

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

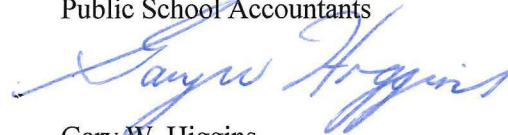
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Paramus Board of Education, as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated January 5, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 5, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins  
Public School Accountant  
PSA Number CS00814

Fair Lawn, New Jersey  
January 5, 2021

PARAMUS BOARD OF EDUCATION  
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	Award Amount	Grant Period	July 1, 2019					June 30, 2020					MEMO GAAP Receivable
						Accounts Receivable	Unearned Revenue	Accounts Receivable Carryover	Unearned Revenue Carryover	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustments	Unearned Revenue Adjustments	Accounts Receivable	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education General Fund																
Medicaid Reimbursement	93.778	2005NJ5MAP	N/A	\$ 43,957	7/1/19-6/30/20					\$ 37,895	\$ 43,957			\$ (6,062)		\$ (6,062)
Medicaid Reimbursement	93.778	1905NJ5MAP	N/A	57,766	7/1/18-6/30/19	\$ (4,437)	-	-	-	4,437	-	-	-	-	-	-
Total General Fund						(4,437)	-	-	-	42,332	43,957	-	-	(6,062)	-	(6,062)
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund																
I.D.E.A. Part B																
Basic Regular	84.027	H027A190100	FT393020	1,416,180	7/1/19-9/30/20			\$ (571,298)	\$ 15,339	1,770,114	1,399,515			(217,364)	\$ 32,004	(185,360)
Basic Regular, Carryover	84.027	H027A180100	FT393019	1,403,525	7/1/18-6/30/19	(571,298)	\$ 15,339	571,298	(15,339)							
Preschool	84.173	H173A190114	PS393020	35,894	7/1/19-9/30/20			(47,175)	24,177	66,466	58,232			(16,603)	1,839	(14,764)
Preschool, Carryover	84.173	H173A180114	PS393019	34,990	7/1/18-6/30/19	(47,175)	24,177	47,175	(24,177)							
Total Special Education Cluster (IDEA)											1,457,747					
ESEA																
Title I	84.010	S010A190030	ESEA393020	295,743	7/1/19-9/30/20			(240,058)	1,251	380,413	276,489			(155,388)	20,505	(134,883)
Title I c/o	84.010	S010A180030	ESEA393019	315,734	7/1/18-6/30/19	(240,058)	\$ 1,251	240,058	(1,251)							
Title II Part A	84.367A	S367A190029	ESEA393020	65,274	7/1/19-9/30/20			(110,444)	16,772	104,349	58,417			(71,369)	23,629	(47,740)
Title II Part A c/o	84.367A	S367A180029	ESEA393019	67,961	7/1/18-6/30/19	(110,444)	16,772	110,444	(16,772)							
Title III	84.365	S365A190030	ESEA393020	24,169	7/1/19-9/30/20			(53,451)	19,896	37,135	38,519			(40,485)	5,546	(34,939)
Title III c/o	84.365	S365A180030	ESEA393019	30,585	7/1/18-6/30/19	(53,451)	19,896	53,451	(19,896)							
Title III - Immigrant c/o	84.365	S365A180030	ESEA393019	9,738	7/1/18-6/30/19	(9,606)	7,607			1,999	2,744			(7,607)	4,863	(2,744)
Title IV	84.424	S424A190031	ESEA393020	18,428	7/1/19-9/30/20			(22,153)	15,491	6,425	8,266			(34,156)	25,653	(8,503)
Title IV c/o	84.424	S424A180031	ESEA393019	18,900	7/1/18-6/30/19	(22,153)	15,491	22,153	(15,491)							
CARES Emergency Relief Grant	84.425D	S425D200027	N/A	237,774	3/13/20-9/30/22	-	-	-	-	-	6,673			(237,774)	231,101	(6,673)
Total Special Revenue Fund						(1,054,185)	100,533	-	-	2,366,901	1,848,855			(780,746)	345,140	(435,606)
U.S. Department of Education Passed-through State Department of Education Enterprise Fund																
National School Lunch Program																
Non-Cash Assistance (Food Distribution)	10.555	201NJ304N1099	N/A	27,640	7/1/19-6/30/20					27,640	27,640					
Cash Assistance		201NJ304N1099		75,997	7/1/19-6/30/20					74,316	75,997			(1,681)		(1,681)
Cash Assistance		191NJ304N1099		100,387	7/1/18-6/30/19	(18,983)				18,983						
Special Milk Program	10.556	201NJ304N1099	N/A	7,965	7/1/19-6/30/20					7,965	7,965					
Special Milk Program	10.556	191NJ304N1099	N/A	12,705	7/1/18-6/30/19	(2,653)				2,653						
Total Child Nutrition Cluster						(21,636)	-	-	-	131,557	111,602			(1,681)	-	(1,681)
Total Federal Financial Awards						\$ (1,080,258)	\$ 100,533	\$ -	\$ -	\$ 2,540,790	\$ 2,004,414	\$ -	\$ -	\$ (788,489)	\$ 345,140	\$ (443,349)

See Accompanying Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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PARAMUS BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2019	Carryover Amount	Cash Received	Cash Expenditures	Adjustments	Refund of Prior Balance	Deferred Revenue June 30, 2020	(Accounts Receivable)	Due to Grantor June 30, 2020	Memo		
													GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>															
<b>General Fund</b>															
Special Education Categorical Aid	20-495-034-5120-089	\$ 2,089,127	7/1/19-6/30/20			\$ 1,947,186	\$ 2,089,127				(141,941)			\$ 2,089,127	
Special Education Categorical Aid	19-495-034-5120-089	1,801,797	7/1/18-6/30/19	\$ (140,231)		140,231									
Security Aid	20-495-034-5120-084	69,352	7/1/19-6/30/20			64,640	69,352				(4,712)			69,352	
Security Aid	19-495-034-5120-084	69,352	7/1/18-6/30/19	(5,398)		5,398	-								
Total State Aid Public Cluster							2,158,479								
Transportation Aid	20-495-034-5120-014	727,057	7/1/19-6/30/20			677,639	727,057				(49,398)			727,057	
Transportation Aid	19-495-034-5120-014	727,057	7/1/18-6/30/19	(56,586)		56,586									
NonPublic Transportation Aid	20-495-034-5120-014	5,334	7/1/19-6/30/20				5,334				(5,334)		\$ (5,334)	5,334	
NonPublic Transportation Aid	19-495-034-5120-014	62,799	7/1/18-6/30/19	(62,799)		62,799	-								
Total Transportation Aid Cluster							732,391								
Extraordinary Aid	20-100-034-5120-044	612,986	7/1/19-6/30/20				612,986				(612,986)			612,986	
Extraordinary Aid	19-100-034-5120-044	952,771	7/1/18-6/30/19	(952,771)		952,771									
On-Behalf TPAF Pension and Annuity Aid- Pension Contribution	20-495-034-5094-002	6,723,482	7/1/19-6/30/20			6,723,482	6,723,482							6,723,482	
Long Term Disability Insurance	20-495-034-5094-004	4,201	7/1/19-6/30/20			4,201	4,201							4,201	
NCGI	20-495-034-5094-004	120,511	7/1/19-6/30/20			120,511	120,511							120,511	
Post Retirement Medical Contributions	20-495-034-5094-001	2,538,996	7/1/19-6/30/20			2,538,996	2,538,996							2,538,996	
TPAF Social Security Contributions	20-495-034-5094-003	2,398,637	7/1/19-6/30/20			2,278,403	2,398,637				(120,234)		(120,234)	2,398,637	
TPAF Social Security Contributions	19-495-034-5094-003	2,323,831	7/1/18-6/30/19	(116,383)	-	116,383	-	-	-	-	-	-	-	-	
Total General Fund				(1,334,168)	-	15,689,246	15,289,683	-	-	-	(934,605)	-	(125,568)	15,289,683	
<b>Special Revenue Fund</b>															
<b>NJ Nonpublic Aid</b>															
Textbooks	20-100-034-5120-064	201,774	7/1/19-6/30/20			201,774	191,072					\$ 10,702		191,072	
Textbooks	19-100-034-5120-064	208,260	7/1/18-6/30/19	11,446				11,446							
Nursing	20-100-034-5120-070	410,504	7/1/19-6/30/20			410,504	408,233					2,271		408,233	
Nursing	19-100-034-5120-070	419,137	7/1/18-6/30/19	1,489				1,489							
Security	20-100-034-5120-509	634,800	7/1/19-6/30/20			634,800	633,553					1,247		633,553	
Security	19-100-034-5120-509	648,150	7/1/18-6/30/19	13,365				13,365							
Technology	20-100-034-5120-373	137,808	7/1/19-6/30/20			137,808	137,380					428		137,380	
Technology	19-100-034-5120-373	140,400	7/1/18-6/30/19	2,315				2,315							
Auxiliary															
Compensatory Education	20-100-034-5120-067	439,665	7/1/19-6/30/20			417,290	358,794				(22,375)	80,871	(22,375)	358,794	
Compensatory Education	19-100-034-5120-067	455,165	7/1/18-6/30/19	12,115				12,115							
ESL	20-100-034-5120-067	23,990	7/1/19-6/30/20				18,116				(23,990)	5,874	(23,990)	18,116	
ESL	19-100-034-5120-067	28,816	7/1/18-6/30/19	10,093				10,093							
Home Instruction	20-100-034-5120-067	14,866	7/1/19-6/30/20				14,866				(14,866)		(14,866)	14,866	
Home Instruction	19-100-034-5120-067	15,939	7/1/18-6/30/19	(15,939)		15,939	-								
Total Auxiliary Cluster							391,776								
Handicapped															
Supplementary Instruction	20-100-034-5120-066	410,163	7/1/19-6/30/20			410,163	389,531					20,632		389,531	
Supplementary Instruction	19-100-034-5120-066	410,753	7/1/18-6/30/19	28,130				28,130							
Examination and Classification	20-100-034-5120-066	531,786	7/1/19-6/30/20			397,713	454,158				(134,073)	77,628	(134,073)	454,158	
Examination and Classification	19-100-034-5120-066	518,379	7/1/18-6/30/19	13,662				13,662							
Corrective Speech	20-100-034-5120-066	299,851	7/1/19-6/30/20			299,851	276,063					23,788		276,063	
Corrective Speech	19-100-034-5120-066	281,856	7/1/18-6/30/19	18,123	-	-	-	18,123	-	-	-	-	-	-	
Total Handicapped Cluster							1,119,752								
Total Special Revenue Fund				94,799	-	2,925,842	2,881,766	-	110,738	-	(195,304)	223,441	(195,304)	2,881,766	

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**PARAMUS BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Project Number	Amount	Period	Balance July 1, 2019	Carryover Amount	Cash Received	Cash Expenditures	Adjustments	Refund of Prior Balance	Deferred Revenue June 30, 2020	(Accounts Receivable)	Due to Grantor June 30, 2020	Memo	
													GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
State Department of Agriculture														
<b>Enterprise Fund</b>														
State School Lunch Program	20-100-010-3350-023	\$ 4,198	7/1/19-6/30/20			\$ 4,172	\$ 4,198				\$ (26)		\$ (26)	\$ 4,198
State School Lunch Program	19-100-010-3350-023	6,501	7/1/18-6/30/19	\$ (1,214)	-	1,214	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(1,214)</b>	<b>-</b>	<b>5,386</b>	<b>4,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26)</b>	<b>-</b>	<b>(26)</b>	<b>4,198</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ (1,240,583)</b>	<b>-</b>	<b>\$ 18,620,474</b>	<b>\$ 18,175,647</b>	<b>-</b>	<b>\$ 110,738</b>	<b>-</b>	<b>\$ (1,129,935)</b>	<b>\$ 223,441</b>	<b>\$ (320,898)</b>	<b>\$ 18,175,647</b>
<b>Less On-Behalf TPAF Pension and Annuity Aid</b>														
Pension Contribution	20-495-034-5094-002	6,723,482	7/1/19-6/30/20			6,723,482	6,723,482							6,723,482
Long Term Disability Insurance	20-495-034-5094-004	4,201	7/1/19-6/30/20			4,201	4,201							4,201
NCGI	20-495-034-5094-004	120,511	7/1/19-6/30/20			120,511	120,511							120,511
Post Retirement Medical Contributions	20-495-034-5094-001	2,538,996	7/1/19-6/30/20			2,538,996	2,538,996							2,538,996
						9,387,190	9,387,190							9,387,190
<b>Total for State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (1,240,583)</b>	<b>\$ -</b>	<b>\$ 9,233,284</b>	<b>\$ 8,788,457</b>	<b>\$ -</b>	<b>\$ 110,738</b>	<b>\$ -</b>	<b>\$ (1,129,935)</b>	<b>\$ 223,441</b>	<b>\$ (320,898)</b>	<b>\$ 8,788,457</b>

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**PARAMUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$345,949 for the general fund and an increase of \$20,822 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 43,957	\$ 15,635,632	\$ 15,679,589
Special Revenue Fund	1,860,202	2,917,677	4,777,879
Food Service Fund	<u>111,602</u>	<u>4,198</u>	<u>115,800</u>
Total Awards Financial Assistance	<u>\$ 2,015,761</u>	<u>\$ 18,557,507</u>	<u>\$ 20,573,268</u>

**PARAMUS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,398,637 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$6,843,993, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,538,996 and TPAF Long-Term Disability Insurance in the amount of \$4,201 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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





**PARAMUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal control over major programs:

- 1) Material weakness(es) identified: \_\_\_\_\_ yes  no
- 2) Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? \_\_\_\_\_ yes  no

Identification of major state programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
<u>20-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>20-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-100-034-5120-066</u>	<u>Nonpublic Handicapped Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

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

**PARAMUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

PARAMUS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

**CURRENT YEAR FEDERAL AWARDS**

THERE ARE NONE.

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE.

**PARAMUS BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
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*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.