

FLORHAM PARK BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Florham Park, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Florham Park Board of Education
Florham Park, New Jersey
For The Fiscal Year Ended June 30, 2021**

**Prepared by
Business Office**

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INTRODUCTORY SECTION



Florham Park Public Schools

ADMINISTRATIVE OFFICES

P.O. BOX 39 FLORHAM PARK, NJ 07932

973-822-3880

973-822-0867 Superintendent FAX

973-822-0716 Business Office FAX

DR. STEVEN G. CAPONEGRO
Superintendent of Schools
steve.caponegro@fpks.org

JOHN CSATLOS, C.P.A.
Business Administrator/Board Secretary
john.csatlos@fpks.org

February 3, 2022

Members of the Board of Education
Florham Park Public Schools
67 Ridgedale Ave.
Florham Park, NJ 07932

Dear Board Members:

The comprehensive annual financial report of the Florham Park Board of Education (the Board or District) for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the respective changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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



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The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Uniform Guidance and the State Treasury Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The District provides a full range of educational services appropriate to grade levels pre-K through 8, inclusive of regular education students and those with special needs. The District completed the FY 2020/2021 with an average daily enrollment of 961. The following Average Daily Enrollment figures, reported in the School Register Summary, details the changes in student enrollment over the last ten (10) years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2020/21	961	-2.93%
2019/20	990	0.81%
2018/19	982	1.70%
2017/18	966	0.00%
2016/17	966	0.00%
2015/16	966	-2.42%
2014/15	990	-1.30%
2013/14	1,003	-0.79%
2012/13	1,011	-0.10%
2011/12	1,012	-1.36%

2. ECONOMIC CONDITION AND OUTLOOK

Florham Park remains financially healthy. The District is currently carrying approximately a 4.0% unassigned budgetary basis fund balance of the net budget to provide future funding for any reduction of State Aid. In addition, the district has established both a Capital Reserve and Maintenance Reserve for the local funding portion of future capital projects contained the district's Long Range Facility Plan and required maintenance contained in the Comprehensive Maintenance Plan. The district has completed all scheduled year and two capital projects, 18 in all, as part of a \$25 million dollar bond referendum past on November 5, 2019. The district is planning 3 capital projects for year three.



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3. MAJOR INITIATIVES

The District continues to meet its educational challenges, through a series of ambitious curriculum reviews based on the Long Range Curriculum Plan, which must be completed to maintain educational integrity. The curriculum reviews are in the areas of mathematics, STEM, English language arts, health education, technology, social studies, and science.

In order to maintain dialogue with the staff, in service training in the curriculum areas are offered to staff year round. The district has committed to increase its investment in teachers by offering staff training during the school day, as well as after-school hours and the extended school year. The Quality School Assurance Continuum addresses this area.

In-service training will focus on balanced literacy, reading/writing workshop through Teacher's College Columbia University, multi-sensory approach to reading, social emotional learning, Math in Focus, Big Ideas Math and the continued use of Chromebooks grades 3 - 8. Furthermore, training addressed the PARCC requirements and the iReady program. District in-service has focused on a diversified curriculum meeting the needs of each child as well establishing a Professional Learning Community throughout the district.

The District completed 6 capital projects in the summer/fall of 2021. Those projects were all located at the Ridgedale Middle School. These projects included complete renovations of the STEM Lab, Learning Commons, Auditorium and six(6) student bathrooms. Installation of HVAC to every classroom and replacement of lighting to LED fixtures throughout the building rounded out the projects. These projects present a safe and healthy environment for students to learn and provide opportunity for summer enrichment programs.



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4. INTERNAL ACCOUNTING CONTROLS

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. The final budget amount as amended for FY 2020/2021 is reflected in the budgetary comparison schedules of the required supplementary information.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles (GAAP), 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".



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7. DEBT ADMINISTRATION

At June 30, 2021 the District had \$26,739,000 in General Obligation Bonds outstanding. The proceeds of these bonds are being used for major capital improvements, to the District's three school buildings scheduled to be completed by the end of fiscal year ending June 30, 2024.

8. CASH MANAGEMENT

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

9. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, workmen's compensation, hazard and theft insurance on property and contents, and fidelity bonds.



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10. OTHER INFORMATION

Independent Audit – State statute requires an annual audit by independent certified public accountants or registered municipal accounts. The Board's Finance Committee selected the accounting firm of Lerch Vinci & Higgins, LLP, CPA's. In addition to meeting the requirements as set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act and the related U.S. Uniform Guidance and the related Treasury Circular Letter OMB 15-08.

The Auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS

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

Respectfully submitted,

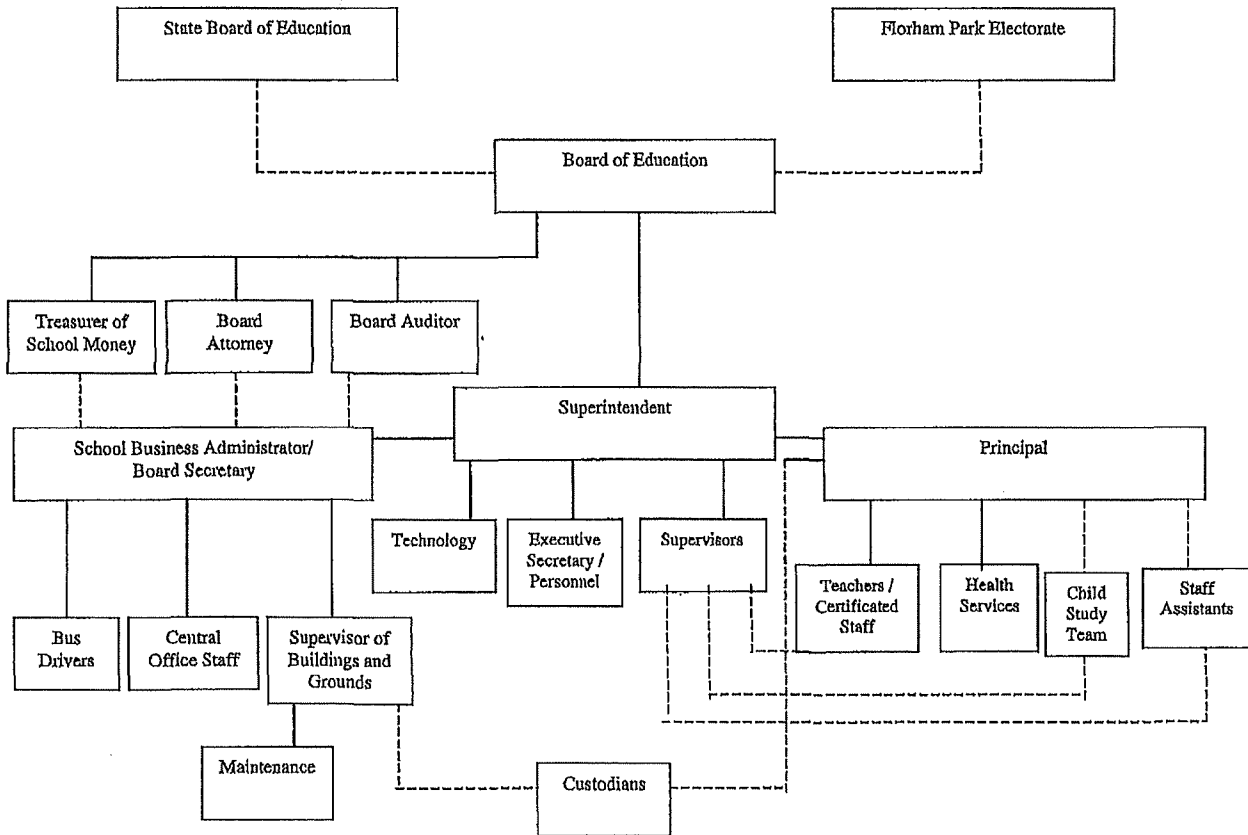
Dr. Steven G. Caponegro
Superintendent of Schools

John R. Csatlos CPA
Business Administrator/Board Secretary

FLORHAM PARK BOARD OF EDUCATION

ADMINISTRATION

ORGANIZATIONAL CHART



**FLORHAM PARK BOARD OF EDUCATION
FLORHAM PARK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yvonne Cali, President	2022
Linda Rozek, Vice President	2021
Fabienne Crimi	2022
Kristina Heinold	2023
Brian Perillo	2021
Nicholas Ritrivi	2022
Stacey Sabatos	2023

Other Officials

Dr. Steven Caponegro, Superintendent

John R. Csatlos, Business Administrator/Board Secretary

Raymond G. Karaty, Treasurer

FLORHAM PARK BOARD OF EDUCATION

FLORHAM PARK, NEW JERSEY

CONSULTANTS AND ADVISORS

ATTORNEY

Mathew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri & Jacobs, LLC
5 Ravine Drive
Matawan, New Jersey 07747

AUDIT FIRM

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

ARCHITECTS

LAN Associates
445 Godwin Ave.
Midland Park, New Jersey 07432

OFFICIAL DEPOSITORY

Valley National Bank
Florham Park, New Jersey 07932

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Florham Park Board of Education
Florham Park, 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 Florham Park Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florham Park Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florham Park Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Florham Park Board of Education.

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

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

Other Reporting Required by *Government Auditing Standards*

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

As management of the Florham Park Board of Education (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Florham Park Board of Education for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report and with the District's financial statements and notes to the financial statements, which immediately follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Florham Park Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,097,754. (Net Position)
- The District's total net position increased by \$2,101,988.
- Overall District revenues were \$28,482,927. General revenues accounted for \$21,015,389, or 74%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,467,538, or 26%, of total revenues.
- The school district had \$26,378,849 in expenses for governmental activities; only \$7,467,538 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$21,015,389 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$14,798,748. Of this amount, \$721,908 (5%) is available for spending at the District's discretion (unassigned fund balance – General Fund).
- The General Fund fund balance at June 30, 2021 was \$3,474,454, which represents an increase of \$1,128,800 as compared to the ending fund balance at June 30, 2020 of \$2,345,654.
- The General Fund unassigned budgetary fund balance at June 30, 2021 was \$1,052,606, which represents an increase of \$546,607 as compared to the ending unassigned budgetary fund balance at June 30, 2020 of \$505,999.
- The District's total outstanding long-term liabilities decreased by \$1,470,967 during the current fiscal year.

FLORHAM PARK BOARD OF EDUCATION

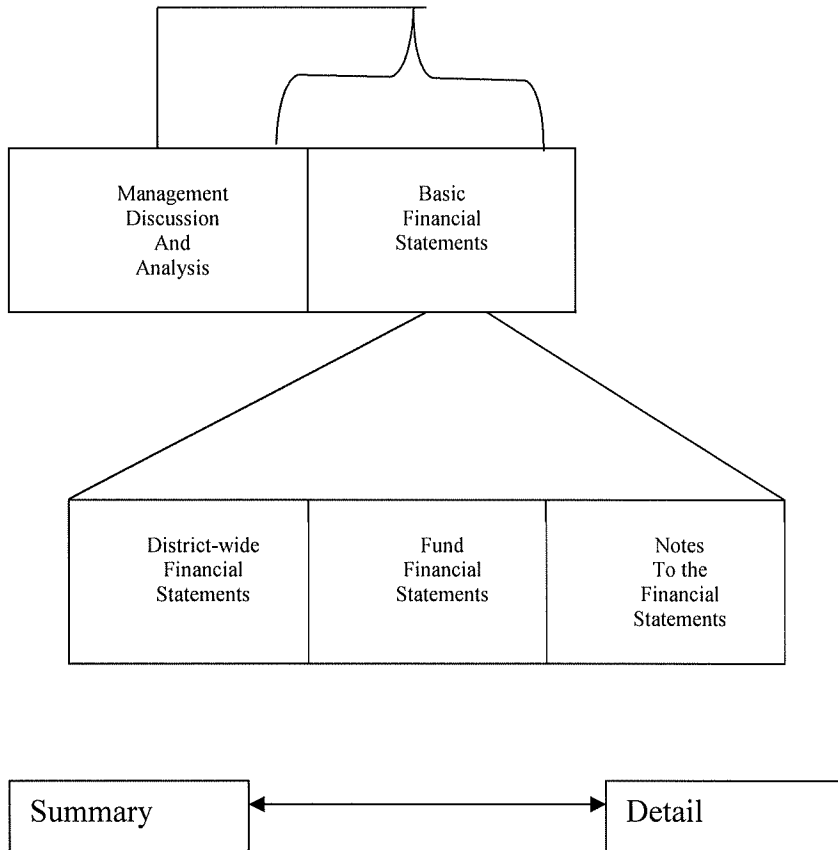
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



FLORHAM PARK BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

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

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position was \$10,097,754 and \$7,995,766 on June 30, 2021 and 2020, respectively as follows:

	Net Position					
	As of June 30, 2021 and 2020					
	Governmental Activities		Business- Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 16,695,784	\$ 24,607,775			\$ 16,695,784	\$ 24,607,775
Capital Assets	27,829,092	19,455,920	\$ 5,216	\$ 7,306	27,834,308	19,463,226
Total Assets	<u>44,524,876</u>	<u>44,063,695</u>	<u>5,216</u>	<u>7,306</u>	<u>44,530,092</u>	<u>44,071,001</u>
Total Deferred Outflows of Resources	<u>788,052</u>	<u>1,210,242</u>	<u>-</u>	<u>-</u>	<u>788,052</u>	<u>1,210,242</u>
Total Assets and Deferred Outflows of Resources	<u>45,312,928</u>	<u>45,273,937</u>	<u>5,216</u>	<u>7,306</u>	<u>45,318,144</u>	<u>45,281,243</u>
Liabilities						
Long-Term Liabilities	30,914,384	32,385,351			30,914,384	32,385,351
Other Liabilities	2,149,231	2,560,576	-	-	2,149,231	2,560,576
Total Liabilities	<u>33,063,615</u>	<u>34,945,927</u>	<u>-</u>	<u>-</u>	<u>33,063,615</u>	<u>34,945,927</u>
Total Deferred Inflows of Resources	<u>2,156,775</u>	<u>2,339,550</u>	<u>-</u>	<u>-</u>	<u>2,156,775</u>	<u>2,339,550</u>
Total Liabilities and Deferred Inflows of Resources	<u>35,220,390</u>	<u>37,285,477</u>	<u>-</u>	<u>-</u>	<u>35,220,390</u>	<u>37,285,477</u>
Net Position						
Net Investment in Capital Assets	12,320,727	11,693,752	5,216	7,306	12,325,943	11,701,058
Restricted	1,810,037	1,042,424			1,810,037	1,042,424
Unrestricted	(4,038,226)	(4,747,716)	-	-	(4,038,226)	(4,747,716)
Total Net Position	<u>\$ 10,092,538</u>	<u>\$ 7,988,460</u>	<u>\$ 5,216</u>	<u>\$ 7,306</u>	<u>\$ 10,097,754</u>	<u>\$ 7,995,766</u>

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

The District's total net position of \$10,097,754 at June 30, 2021 represents a \$2,101,988, or 26%, increase from the prior year. The following presents the changes in net position for the fiscal years ended June 30, 2021 and 2020.

Change in Net Position For The Fiscal Years Ended June 30, 2021 and 2020

	Governmental		Business Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 139,625	\$ 326,507		\$ 4,357	\$ 139,625	\$ 330,864
Operating Grants and Contributions	7,274,877	5,014,114			7,274,877	5,014,114
Capital Grants and Contributions	53,036	7,533			53,036	7,533
General Revenues						
Property Taxes	20,676,739	19,739,527			20,676,739	19,739,527
Unrestricted State Aid	121,460				121,460	-
Other	217,190	272,445	-	-	217,190	272,445
Total Revenues	<u>28,482,927</u>	<u>25,360,126</u>	<u>-</u>	<u>4,357</u>	<u>28,482,927</u>	<u>25,364,483</u>
Expenses						
Instruction						
Regular	10,049,075	9,119,158			10,049,075	9,119,158
Special Education	4,375,034	4,200,003			4,375,034	4,200,003
Other Instruction	504,841	413,433			504,841	413,433
School Sponsored Activities and Athletics	99,809	232,740			99,809	232,740
Support Services					-	
Student and Instruction Related Services	3,916,437	3,566,861			3,916,437	3,566,861
General Administrative Services	758,364	665,604			758,364	665,604
School Administrative Services	1,210,980	1,027,966			1,210,980	1,027,966
Central Administrative Services	903,345	765,557			903,345	765,557
Plant Operations and Maintenance	3,007,782	2,821,856			3,007,782	2,821,856
Pupil Transportation	881,896	953,779			881,896	953,779
Interest on Debt	671,286	382,195			671,286	382,195
Food Services	-	-	\$ 2,090	8,015	2,090	8,015
Total Expenses	<u>26,378,849</u>	<u>24,149,152</u>	<u>2,090</u>	<u>8,015</u>	<u>26,380,939</u>	<u>24,157,167</u>
Increase (Decrease) in Net Position Before Transfers	2,104,078	1,210,974	(2,090)	(3,658)	2,101,988	1,207,316
Transfers	-	(1,848)	-	1,848	-	-
Increase (Decrease) in Net Position	2,104,078	1,209,126	(2,090)	(1,810)	2,101,988	1,207,316
Net Position, Beginning of Year	7,988,460	6,622,094	7,306	9,116	7,995,766	6,631,210
Prior Period Adjustment	-	157,240	-	-	-	157,240
Net Position, End of Year	<u>\$ 10,092,538</u>	<u>\$ 7,988,460</u>	<u>\$ 5,216</u>	<u>\$ 7,306</u>	<u>\$ 10,097,754</u>	<u>\$ 7,995,766</u>

FLORHAM PARK BOARD OF EDUCATION

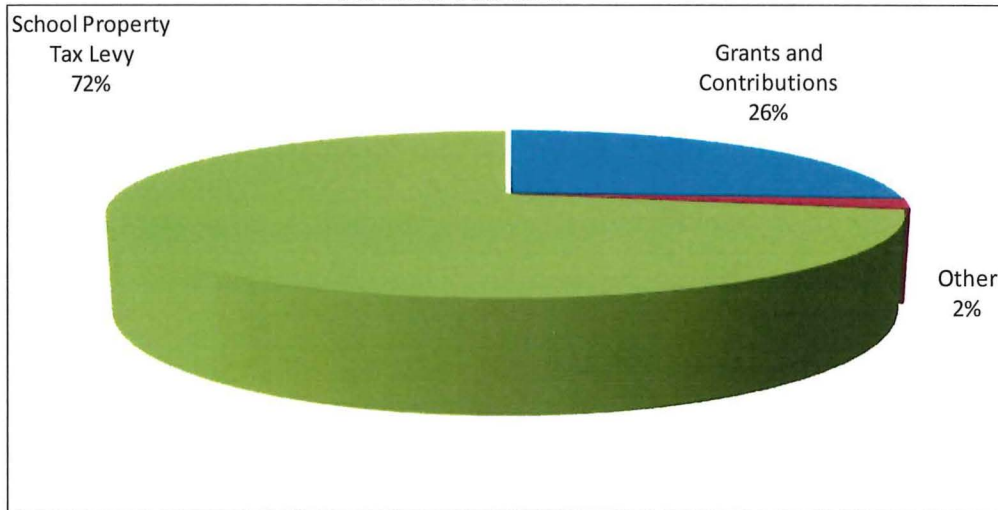
Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$28,482,927 for the fiscal year ended June 30, 2021, property taxes of \$20,676,739 represented 72% of revenues. Another significant portion of revenues came from grants and contributions which totaled \$7,327,913 and represented 26% of revenues. In addition, charges for services from tuition, transportation fees, facility use fees, and student activities as well as general revenue from unrestricted state aid and miscellaneous income such as interest, prior year refunds and other miscellaneous items represented 2% of revenues.

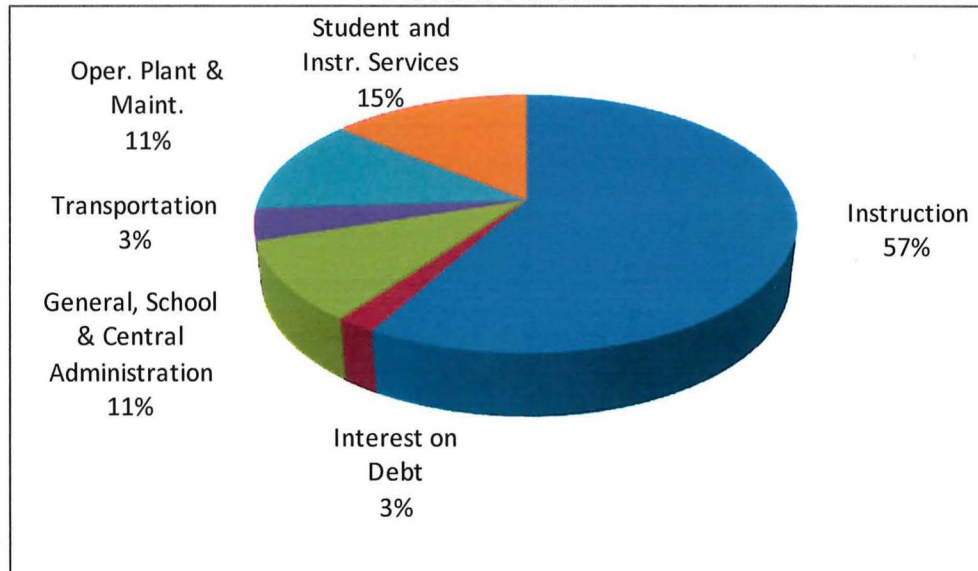
The total cost of all governmental activities programs and services was \$26,378,849 for the fiscal year ended June 30, 2021. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$15,028,759 (57%) of total expenses. Support services costs were \$10,678,804 (40%) of total expenses and interest on debt totaled \$671,286 (3%) of total expenses.

For fiscal year 2021, total governmental activities revenues exceeded expenses increasing net position for governmental activities by \$2,104,078 from the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2021**



**Expenses by Use – Governmental Activities
For Fiscal Year 2021**



FLORHAM PARK BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$26,378,849. After applying program revenues, derived from operating and capital grants and contributions of \$7,327,913 and charges for services of \$139,625, the net cost of services of the District is \$18,911,311 for the fiscal year ended June 30, 2021.

**Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 10,049,075	\$ 9,119,158	\$ 6,964,413	\$ 6,948,678
Special Education	4,375,034	4,200,003	2,424,243	2,664,340
Other Instruction	504,841	413,433	326,008	308,155
School Sponsored Activities and Athletics	99,809	232,740	86,998	231,593
Support Services	-			
Student and Instruction Related Services	3,916,437	3,566,861	2,949,708	2,898,930
General Administrative Services	758,364	665,604	589,241	542,376
School Administrative Services	1,210,980	1,027,966	911,893	866,589
Central Administrative Services	903,345	765,557	682,454	629,370
Plant Operations and Maintenance	3,007,782	2,821,856	2,777,275	2,705,180
Pupil Transportation	881,896	953,779	622,859	623,592
Interest on Debt	671,286	382,195	576,219	382,195
Total	<u>\$ 26,378,849</u>	<u>\$ 24,149,152</u>	<u>\$ 18,911,311</u>	<u>\$ 18,800,998</u>

Business-Type Activities – The District reported no business-type activities revenue for the fiscal year ended June 30, 2021 due to issues related to the COVID-19 pandemic.

Total cost of all business-type activities programs and services was \$2,090 for the fiscal year ended June 30, 2021 and was all for depreciation expenses on capital assets.

For fiscal year 2021, total business-type activities expenses exceeded revenues and transfers decreasing net position by \$2,090 from the previous year.

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$14,798,748 at June 30, 2021, a decrease of \$7,564,548 from last year's fund balance of \$22,363,296. This decrease was mainly attributable to the District's on-going expenditures related to the 2019 referendum projects accounted for in the capital projects fund.

Revenues for the District's governmental funds were \$25,898,938, while total expenditures were \$33,463,486 for the fiscal year ended June 30, 2021.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 8.

The following schedule presents a summary of General Fund Revenues.

	<u>Fiscal Year Ended</u>		Amount of Increase (Decrease)	Percent Change
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Local Sources				
Property Taxes	\$ 19,217,521	\$ 18,695,511	\$ 522,010	3%
Other	292,317	494,892	(202,575)	-41%
State Sources	<u>4,222,959</u>	<u>3,659,084</u>	<u>563,875</u>	15%
 Total General Fund Revenues	 <u>\$ 23,732,797</u>	 <u>\$ 22,849,487</u>	 <u>\$ 883,310</u>	 4%

For fiscal year 2021, total General Fund revenues increased \$883,310, or 4%, from the previous year. Property taxes increased \$522,010, or 3%, to support increases in budgeted operating costs. As indicated, State aid increased \$563,875, or 15%, mainly due to increases in on behalf TPAF pension benefit and post-retirement medical benefit contributions made by the State for the District's teaching professionals.

The following schedule presents a summary of General Fund expenditures.

	<u>Fiscal Year Ended</u>		Amount of Increase (Decrease)	Percent Change
	<u>June 30, 2021</u>	<u>June 30, 2020</u>		
Instruction	\$ 13,090,350	\$ 12,989,575	\$ 100,775	1%
Support Services	9,236,254	8,879,840	356,414	4%
Debt Service	3,300	3,300	-	0%
Capital Outlay	<u>332,353</u>	<u>442,988</u>	<u>(110,635)</u>	-25%
 Total Expenditures	 <u>\$ 22,662,257</u>	 <u>\$ 22,315,703</u>	 <u>\$ 346,554</u>	 2%

For fiscal year 2021, total General Fund expenditures increased \$346,554, or 2% from the previous year. Notable increases during the year were attributable to regular education instruction costs and student and instruction related services support costs which were offset by a significant decrease in capital outlay costs.

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

GENERAL FUND (Continued)

In fiscal year 2021 General Fund revenues and other financing sources exceeded expenditures by \$1,128,800. Therefore, total fund balance increased to \$3,474,454 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned fund balance increased by \$398,146 from \$323,762 at June 30, 2020 to \$721,908 at June 30, 2021. In addition, the District increased its restricted fund balances for capital reserve by \$815,893, which was offset by decreases in excess surplus of \$43,454 and legally restricted reserve of \$104,006 at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2021, the District had \$27,829,092 invested in land, buildings, furniture, equipment and vehicles for governmental activities. Depreciation charges for fiscal year 2020-2021 amounted to \$702,271 for governmental activities. The following is a comparison of the June 30, 2021 and 2020 balances:

Capital Assets as of June 30, 2021 and 2020 (Net of Accumulated Depreciation)		<u>Governmental Activities</u>	
		<u>2021</u>	<u>2020</u>
Land	\$	1,156,663	\$ 1,156,663
Construction in Progress		13,010,695	4,271,041
Land Improvements		271,561	300,095
Buildings and Building Improvements		12,536,852	12,916,166
Machinery and Equipment		<u>853,321</u>	<u>811,955</u>
Total Capital Assets, Net	\$	<u>27,829,092</u>	<u>\$ 19,455,920</u>

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

LONG TERM LIABILITIES

At June 30, 2021 the District had \$30,914,384 of total outstanding long term liabilities. Of this amount, \$26,778,688 is for serial bonds, \$1,087 is for capital leases, \$289,496 is for compensated absences and \$3,845,113 is for the District's net pension liability. For fiscal year 2020-2021 total outstanding long-term liabilities decreased by \$1,470,967. The following is a comparison of the June 30, 2021 and 2020 balances:

Outstanding Long-Term Debt as of June 30, 2021 and 2020		<u>Governmental Activities</u>	
		<u>2021</u>	<u>2020</u>
Serial Bonds (Including Original Issue Premium)	\$	26,778,688	\$ 27,747,785
Capital Leases Payable		1,087	4,221
Compensated Absences		289,496	369,822
Net Pension Liability		<u>3,845,113</u>	<u>4,263,523</u>
Total	\$	<u>30,914,384</u>	<u>\$ 32,385,351</u>

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

FLORHAM PARK BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reinstating prior year purchase orders being carried over as an encumbrance.
- Increases in appropriations for significant unbudgeted costs.

Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts. Other revisions to the budget during the year were the reappropriation of prior year encumbrances, reduction of budget appropriations to cover loss of state aid and the additional appropriation of unassigned fund balance.

For fiscal year 2021 General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance by \$1,277,261 from the previous year. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$546,607 from \$505,999 at June 30, 2020 to \$1,052,606 at June 30, 2021. Additionally, the District increased its capital reserve from \$835,184 at June 30, 2020 to \$1,651,077 at June 30, 2021. The District decreased its excess surplus reserve from \$690,738 at June 30, 2020 to \$647,284 at June 30, 2021.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2021-2022 budget. The primary factors were the District's projected student population, anticipated state and federal aid, increasing salary and related benefit costs as well as special education costs.

These indicators were considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund increased approximately 3% to \$21,369,452 for fiscal year 2021-2022. Contractual salary requirements and related employee benefit costs, all well as, special education tuition costs were the main factors for the increase in the 2021-2022 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Florham Park Board of Education, P.O. Box 39, Florham Park, NJ 07932.

FINANCIAL STATEMENTS

FLORHAM PARK BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 16,565,070		\$ 16,565,070
Receivables, net	130,714		130,714
Capital Assets, Not Being Depreciated	14,167,358		14,167,358
Capital Assets, Being Depreciation, Net	13,661,734	\$ 5,216	13,666,950
Total Assets	44,524,876	5,216	44,530,092
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	38,703		38,703
Deferred Amounts on Net Pension Liability	749,349	-	749,349
Total Deferred Outflows of Resources	788,052	-	788,052
Total Assets and Deferred Outflows of Resources	45,312,928	5,216	45,318,144
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,778,060		1,778,060
Payable to Other Governments	83,599		83,599
Accrued Interest Payable	252,195		252,195
Unearned Revenue	35,377		35,377
Noncurrent Liabilities			
Due Within One Year	1,742,307		1,742,307
Due Beyond One Year	29,172,077	-	29,172,077
Total Liabilities	33,063,615	-	33,063,615
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,156,775	-	2,156,775
Total Deferred Inflows of Resources	2,156,775	-	2,156,775
Total Liabilities and Deferred Inflows of Resources	35,220,390	-	35,220,390
NET POSITION			
Net Investment in Capital Assets	12,320,727	5,216	12,325,943
Restricted for			
Capital Projects	1,651,077		1,651,077
Student Activities	86,166		86,166
Plant Maintenance	50,000		50,000
Other Purposes	22,794		22,794
Unrestricted	(4,038,226)	-	(4,038,226)
Total Net Position	\$ 10,092,538	\$ 5,216	\$ 10,097,754

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 10,049,075	\$ 93,724	\$ 2,990,938		\$ (6,964,413)		\$ (6,964,413)
Special Education	4,375,034		1,950,791		(2,424,243)		(2,424,243)
Other Instruction	504,841		178,833		(326,008)		(326,008)
School Sponsored Activities and Athletics	99,809	6,238	6,573		(86,998)		(86,998)
Support Services							
Student and Instruction Related Services	3,916,437		966,729		(2,949,708)		(2,949,708)
General Administrative Services	758,364		169,123		(589,241)		(589,241)
School Administrative Services	1,210,980		299,087		(911,893)		(911,893)
Central Administrative Services	903,345		220,891		(682,454)		(682,454)
Plant Operations and Maintenance	3,007,782	5,000	172,471	\$ 53,036	(2,777,275)		(2,777,275)
Pupil Transportation	881,896	34,663	224,374		(622,859)		(622,859)
Interest on Debt	671,286	-	95,067		(576,219)		(576,219)
Total Governmental Activities	<u>26,378,849</u>	<u>139,625</u>	<u>7,274,877</u>	<u>53,036</u>	<u>(18,911,311)</u>	<u>-</u>	<u>(18,911,311)</u>
Business-Type Activities							
Food Service	2,090	-	-	-	-	\$ (2,090)	(2,090)
Total Business-Type Activities	<u>2,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,090)</u>	<u>(2,090)</u>
Total Primary Government	<u>\$ 26,380,939</u>	<u>\$ 139,625</u>	<u>\$ 7,274,877</u>	<u>\$ 53,036</u>	<u>(18,911,311)</u>	<u>(2,090)</u>	<u>(18,913,401)</u>
General Revenues							
Taxes							
Property Tax, Levied for General Purposes					19,217,521		19,217,521
Property Tax, Levied for Debt Service					1,459,218		1,459,218
State Aid for Debt Service Principal					121,460		121,460
Investment Earnings					59,774		59,774
Miscellaneous Income					157,416		157,416
Total General Revenues					<u>21,015,389</u>	<u>-</u>	<u>21,015,389</u>
Change in Net Position					2,104,078	(2,090)	2,101,988
Net Position, Beginning of Year, (Restated)					<u>7,988,460</u>	<u>7,306</u>	<u>7,995,766</u>
Net Position, End of Year					<u>\$ 10,092,538</u>	<u>\$ 5,216</u>	<u>\$ 10,097,754</u>

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

FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,508,606	\$ 91,587	\$ 12,964,877		\$ 16,565,070
Intergovernmental Receivable	19,751	93,097			112,848
Other Accounts Receivable	16,866	1,000			17,866
Due from Other Funds	<u>72,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,332</u>
 Total Assets	 <u>\$ 3,617,555</u>	 <u>\$ 185,684</u>	 <u>\$ 12,964,877</u>	 <u>\$ -</u>	 <u>\$ 16,768,116</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 16,614		\$ 1,732,170		\$ 1,748,784
Payroll Deductions and Withholdings Payable	29,276				29,276
Intergovernmental Payable - State	82,811	\$ 788			83,599
Due to Other Funds	-	72,332			72,332
Unearned Revenue	<u>14,400</u>	<u>20,977</u>	<u>-</u>	<u>-</u>	<u>35,377</u>
 Total Liabilities	 <u>143,101</u>	 <u>94,097</u>	 <u>1,732,170</u>	 <u>-</u>	 <u>1,969,368</u>
Fund Balances					
Restricted					
Capital Reserve	1,651,077				1,651,077
Maintenance Reserve	50,000				50,000
Emergency Reserve	87,000				87,000
Unemployment Compensation Reserve	17,373				17,373
Excess Surplus	61,141				61,141
Excess Surplus - Designated for Subsequent Year's Expenditures	586,143				586,143
Student Activities		86,166			86,166
Scholarships		5,421			5,421
Capital Projects			11,232,707		11,232,707
Assigned					
Year End Encumbrances	299,812				299,812
Unassigned	<u>721,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>721,908</u>
 Total Fund Balances	 <u>3,474,454</u>	 <u>91,587</u>	 <u>11,232,707</u>	 <u>-</u>	 <u>14,798,748</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,617,555</u>	 <u>\$ 185,684</u>	 <u>\$ 12,964,877</u>	 <u>\$ -</u>	 <u>\$ 16,768,116</u>

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

Total Fund Balances (Exhibit B-1) **\$ 14,798,748**

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 \$44,313,215 and the accumulated depreciation is \$16,484,123. 27,829,092

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. 38,703

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	\$ 749,349	
Deferred Inflows of Resources	<u>(2,156,775)</u>	(1,407,426)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (252,195)

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

Serial Bonds Payable, Net	26,778,688	
Capital Leases Payable	1,087	
Compensated Absences	289,496	
Net Pension Liability	<u>3,845,113</u>	<u>(30,914,384)</u>

Total Net Position of Governmental Activities (Exhibit A-1) **\$ 10,092,538**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 19,217,521			\$ 1,459,218	\$ 20,676,739
Tuition	93,724				93,724
Transportation Fees	34,663				34,663
Interest	1,514		\$ 58,260		59,774
Miscellaneous	162,416	\$ 26,943	-	-	189,359
Total - Local Sources	19,509,838	26,943	58,260	1,459,218	21,054,259
State Sources	4,222,959	64,702		216,527	4,504,188
Federal Sources	-	340,491	-	-	340,491
Total Revenues	23,732,797	432,136	58,260	1,675,745	25,898,938
EXPENDITURES					
Current					
Instruction					
Regular	8,864,731	44,267			8,908,998
Special Education	3,720,222	248,509			3,968,731
Other Instruction	417,855	27,033			444,888
School-Sponsored Activities and Athletics	87,542	9,385			96,927
Support Services					
Student and Instruction Related Services	3,511,570	37,912			3,549,482
General Administrative Services	689,668				689,668
School Administrative Services	1,092,481				1,092,481
Central Administrative Services	819,068				819,068
Plant Operations and Maintenance	2,314,478	15,288			2,329,766
Student Transportation Services	808,989				808,989
Debt Service					
Principal	3,134			940,000	943,134
Interest and Other Charges	166			735,745	735,911
Capital Outlay	332,353	53,036	8,690,054	-	9,075,443
Total Expenditures	22,662,257	435,430	8,690,054	1,675,745	33,463,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,070,540	(3,294)	(8,631,794)	-	(7,564,548)
OTHER FINANCING SOURCES/(USES)					
Transfers In	58,260				58,260
Transfers Out	-	-	(58,260)	-	(58,260)
Total Other Financing Uses	58,260	-	(58,260)	-	-
Net Change in Fund Balances	1,128,800	(3,294)	(8,690,054)	-	(7,564,548)
Fund Balance, Beginning of Year, (Restated)	2,345,654	94,881	19,922,761	-	22,363,296
Fund Balance, End of Year	\$ 3,474,454	\$ 91,587	\$ 11,232,707	\$ -	\$ 14,798,748

**FLORHAM PARK BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ (7,564,548)

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 capital outlay exceeds depreciation in the current period.

Capital Outlay	\$ 9,075,443	
Depreciation Expense	<u>(702,271)</u>	
		8,373,172

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

Decrease in Compensated Absences	80,326	
Decrease in Pension Expense	<u>207,369</u>	
		287,695

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Principal Payments		
Serial Bond Principal	940,000	
Capital Leases	<u>3,134</u>	
		943,134

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

Amortization of Bond Premium	29,097	
Amortization of Deferred Amounts on Refunding	<u>(28,374)</u>	
		723

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

Decrease in Accrued Interest		<u>63,902</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 2,104,078

FLORHAM PARK BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Non-Major Enterprise Fund <u>Food Service</u>
ASSETS	
Non-Current Assets	
Capital Assets	
Equipment	\$ 119,196
Less: Accumulated Depreciation	<u>(113,980)</u>
Total Non-Current Assets	<u>5,216</u>
Total Assets	<u>5,216</u>
NET POSITION	
Net Investment in Capital Assets	<u>5,216</u>
Total Net Position	<u><u>\$ 5,216</u></u>

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

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

	Non-Major Enterprise Fund <u>Food Service</u>
OPERATING EXPENSES	
Depreciation	\$ <u>2,090</u>
Total Operating Expenses	<u>2,090</u>
Operating Loss	(2,090)
Net Position, Beginning of Year	<u>7,306</u>
Net Position, End of Year	<u><u>\$ 5,216</u></u>

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

	Non-Major Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	\$ <u>-</u>
Net Cash Provided (Used) by Operating Activities	\$ -
Cash and Cash Equivalents, Beginning of Year	\$ <u>-</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>-</u></u>
 Reconciliation of Operating Loss to Net Cash	
(Used for) Operating Activities	
Operating Loss	\$ <u>(2,090)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
(Used for) Operating Activities	
Depreciation	<u>2,090</u>
Total Adjustments	<u>2,090</u>
Net Cash Provided (Used by) Operating Activities	\$ <u><u>-</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Florham Park Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision over 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 Florham Park Board of Education this includes general operations, food service and student related activities of the District.

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

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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 funds to be major funds.

The District reports the following major governmental funds:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	10-30
Buildings	40
Building Improvements	20
Machinery and Equipment	5-20

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. *Pensions*

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

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

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. Differences resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

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

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

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. 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 2019-2020 and 2020-2021 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent for review and approval prior to adoption. 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. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Education as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$627,361. The increase was funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances. During the fiscal year, the Board also reduced general fund appropriations by \$83,708 due to the reduction in budgeted state aid.

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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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, 2021 is as follows:

Balance, July 1, 2020		\$ 835,184
Increased by		
Deposits Approved by Board Resolution	\$ 878,409	
Return of Unencumbered Appropriations		
Funded by Reserve	<u>147,484</u>	
		<u>1,025,893</u>
		1,861,077
Decreased by		
Withdrawals Approved in District Budget		<u>210,000</u>
Balance, June 30, 2021		<u>\$ 1,651,077</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted projects is \$11,936,700. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan.

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

NOTE 2 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, 2021 is as follows:

Balance, July 1, 2020	<u>\$ 50,000</u>
Balance, June 30, 2021	<u>\$ 50,000</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$994,136.

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, 2021 is as follows:

Balance, July 1, 2020	<u>\$ 87,000</u>
Balance, June 30, 2021	<u>\$ 87,000</u>

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2021 is \$647,284. Of this amount, \$586,143 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$61,141 will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$16,565,070 and bank and brokerage firm balances of the Board’s deposits amounted to \$17,019,164. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>17,019,164</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, 2021 none of the Board’s bank balances were exposed to custodial credit risk.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2021, the Board had no outstanding investments.

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

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

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

B. Receivables

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

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Intergovernmental:			
Federal		\$ 93,097	\$ 93,097
State	\$ 19,751		19,751
Accounts	<u>16,866</u>	<u>1,000</u>	<u>17,866</u>
Gross Receivables	36,617	94,097	130,714
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 36,617</u>	<u>\$ 94,097</u>	<u>\$ 130,714</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund		
Prepaid Tuition Fees	\$	14,400
Special Revenue Fund		
Unencumbered Grant Draw Downs		17,602
Grant Draw Downs Reserved for Encumbrances		<u>3,375</u>
Total Unearned Revenue for Governmental Funds	\$	<u>35,377</u>

D. Capital Assets

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

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,156,663			\$ 1,156,663
Construction in Progress	<u>4,271,041</u>	<u>\$ 8,739,654</u>	<u>-</u>	<u>13,010,695</u>
Total Capital Assets, Not Being Depreciated	<u>5,427,704</u>	<u>8,739,654</u>	<u>-</u>	<u>14,167,358</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,662,405			1,662,405
Building and Building Improvements	25,625,929	139,037		25,764,966
Machinery and Equipment	<u>2,525,569</u>	<u>196,752</u>	<u>3,835</u>	<u>2,718,486</u>
Total Capital Assets Being Depreciated	<u>29,813,903</u>	<u>335,789</u>	<u>3,835</u>	<u>30,145,857</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,362,310)	(28,534)		(1,390,844)
Building and Building Improvements	(12,709,763)	(518,351)		(13,228,114)
Machinery and Equipment	<u>(1,713,614)</u>	<u>(155,386)</u>	<u>(3,835)</u>	<u>(1,865,165)</u>
Total Accumulated Depreciation	<u>(15,785,687)</u>	<u>(702,271)</u>	<u>(3,835)</u>	<u>(16,484,123)</u>
Total Assets, Being Depreciation, Net	<u>14,028,216</u>	<u>(366,482)</u>	<u>-</u>	<u>13,661,734</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,455,920</u>	<u>\$ 8,373,172</u>	<u>\$ -</u>	<u>\$ 27,829,092</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2020	Increases	Decreases	Balance, June 30, 2021
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 119,196	-	-	\$ 119,196
Total Capital Assets Being Depreciated	<u>119,196</u>	<u>-</u>	<u>-</u>	<u>119,196</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(111,890)	\$ (2,090)	-	(113,980)
Total Accumulated Depreciation	<u>(111,890)</u>	<u>(2,090)</u>	<u>-</u>	<u>(113,980)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,306</u>	<u>(2,090)</u>	<u>-</u>	<u>5,216</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,306</u>	<u>\$ (2,090)</u>	<u>\$ -</u>	<u>\$ 5,216</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 16,104
Total Instruction	<u>16,104</u>
Support Services	
Student and Instruction Related Services	8,602
General Administrative Services	1,410
School Administrative Services	2,774
Plant Operations and Maintenance	619,661
Pupil Transportation	<u>53,720</u>
Total Support Services	<u>686,167</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 702,271</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 2,090</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction Commitments

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Remaining Commitment</u>
Briarwood Elementary School Improvements	\$ 60,752
Ridgedale Middle School Improvements	<u>4,450,451</u>
	<u>\$ 4,511,203</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 72,332</u>

The above balance is to cover cash balances which were in a deficit position.

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

Interfund Transfers

	<u>Transfer In:</u>
	General
	<u>Fund</u>
Transfer Out:	
Capital Projects Fund	<u>\$ 58,260</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing a copier totaling \$14,249 under capital leases. The lease is for a term of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ <u>14,249</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ <u>1,100</u>
Total minimum lease payments	1,100
Less: amount representing interest	<u>(13)</u>
Present value of minimum lease payments	\$ <u>1,087</u>

G. Long-Term Debt

General Obligation Bonds

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

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

\$9,185,000, 2009 Refunding Bonds, due in annual installments of \$940,000 to \$945,000 through July 15, 2022, interest at 4.00% to 4.25%	\$1,885,000
\$24,854,000, 2020 School Bonds, due in annual installments of \$779,000 to \$1,540,000 through Augusts 15, 2039, interest at 2.125% to 2.500%	<u>24,854,000</u>
	<u>\$26,739,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ended June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,719,000	\$ 626,989	\$ 2,345,989
2023	1,755,000	570,725	2,325,725
2024	1,030,000	531,125	1,561,125
2025	1,075,000	507,444	1,582,444
2026	1,125,000	482,694	1,607,694
2027-2031	6,415,000	2,000,819	8,415,819
2032-2036	7,460,000	1,213,475	8,673,475
2037-2040	<u>6,160,000</u>	<u>308,000</u>	<u>6,468,000</u>
	<u>\$ 26,739,000</u>	<u>\$ 6,241,271</u>	<u>\$ 32,980,271</u>

Statutory Borrowing Power

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

3% of Equalized Valuation Basis (Municipal)	\$ 106,440,400
Less: Net Debt Issued and Authorized Not Issued	<u>26,739,156</u>
Remaining Borrowing Power	<u>\$ 79,701,244</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 27,679,000		\$ 940,000	\$ 26,739,000	\$ 1,719,000
Add: Original Issue Premium	<u>68,785</u>	<u>-</u>	<u>29,097</u>	<u>39,688</u>	<u>-</u>
Total Bonds Payable	27,747,785	-	969,097	26,778,688	1,719,000
Capital Leases Payable	4,221		3,134	1,087	1,087
Compensated Absences	369,822	\$ 7,480	87,806	289,496	22,220
Net Pension Liability	<u>4,263,523</u>	<u>-</u>	<u>418,410</u>	<u>3,845,113</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 32,385,351</u>	<u>\$ 7,480</u>	<u>\$ 1,478,447</u>	<u>\$ 30,914,384</u>	<u>\$ 1,742,307</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey Schools Insurance Group ("Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

The New Jersey Schools Insurance Group provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance fund is on file with the School's Business Administrator.

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earned</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2021	None	\$ 18,162	\$ 50	\$ 63,198	\$ 17,373
2020	None	19,458	1,336	56,994	62,359
2019	None	19,180	1,883	13,924	98,559

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

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.

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, 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.

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

The following represent the membership tiers for TPAF:

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan 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 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 257,943	\$ 2,111,779	\$ 27,879
2020	230,162	1,649,553	23,745
2019	270,533	1,455,348	21,376

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$569 and \$833, respectively for PERS and the State contributed \$1,168, \$1,165 and \$1,335, 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 \$577,300 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$3,845,113 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .02358 percent, which was a decrease of .00008 percent from its proportionate share measured as of June 30, 2019 of .02366 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$50,574 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 70,013	\$ 13,598
Changes of Assumptions	124,740	1,609,985
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	131,429	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>423,167</u>	<u>533,192</u>
Total	<u>\$ 749,349</u>	<u>\$ 2,156,775</u>

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

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (438,633)
2023	(449,097)
2024	(361,478)
2025	(135,281)
2026	<u>(22,937)</u>
	<u>\$ (1,407,426)</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ 4,840,356	\$ 3,845,113	\$ 3,000,622

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,025,275 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, 2021 the State's proportionate share of the net pension liability attributable to the District is \$48,650,176. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .07388 percent, which was an increase of .00140 percent from its proportionate share measured as of June 30, 2019 of .07248 percent.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

	<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-2020.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2062

Municipal Bond Rate * From July 1, 2062
and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 57,145,329</u>	<u>\$ 48,650,176</u>	<u>\$ 41,596,377</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

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, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

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

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$661,799, \$611,954 and \$660,144, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,332,292. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$46,810,228. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .06903 percent, which was an increase of .00107 percent from its proportionate share measured as of June 30, 2019 of .06796 percent.

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

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

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

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

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

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

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

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

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

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

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

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ <u>28,359,159</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,282,818
Interest on the Total OPEB Liability	1,023,759
Differences Between Expected and Actual Experience	8,384,100
Changes of Assumptions	8,550,620
Gross Benefit Payments	(814,928)
Contributions from the Member	24,700
Net Changes	<u>\$ 18,451,069</u>
Balance, June 30, 2020 Measurement Date	\$ <u>46,810,228</u>

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

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

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

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 56,432,146	\$ 46,810,228	\$ 39,286,815

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 37,786,795	\$ 46,810,228	\$ 57,555,132

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

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

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

NOTE 5 RESTATEMENT

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

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$157,240 from \$7,831,220 as previously reported to \$7,988,460 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$157,240 from \$22,206,056 as previously reported to \$22,363,296 as of June 30, 2020. General Fund fund balance increased \$62,359 from \$2,283,295 as previously reported to \$2,345,654 as of June 30, 2020. Special Revenue Fund fund balance increased \$94,881 from \$0 as previously reported to \$94,881 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$67,927 from \$67,927 as previously reported to \$0 as of June 30, 2020.

**FLORHAM PARK BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 19,217,521	-	\$ 19,217,521	\$ 19,217,521	
Tuition	108,000	-	108,000	93,724	\$ (14,276)
Transportation Fees From Individuals	45,000	-	45,000	34,663	(10,337)
Transportation Fees From Other LEA's	42,000	-	42,000		(42,000)
Interest				1,464	1,464
Interest - Unemployment Compensation				50	50
Miscellaneous	119,790	-	119,790	162,416	42,626
Total Local Sources	19,532,311	-	19,532,311	19,509,838	(22,473)
State Sources					
Special Education Aid	642,390	\$ (83,708)	558,682	558,682	
Transportation Aid	161,007	-	161,007	161,007	
Security Aid	19,487	-	19,487	19,487	-
Extraordinary Aid				260,447	260,447
Additional Nonpublic Transportation Aid				19,751	19,751
On-behalf TPAF Pension Payments - Pension Contribution (Non-Budget)				2,072,350	2,072,350
NCGI Premium (Non-Budget)				39,429	39,429
On-behalf TPAF OPEB Payments - Post Retirement Medical Benefits (Non-Budget)				661,799	661,799
On-behalf TPAF LTDI Payments - Long-Term Disability Insurance (Non-Budget)				1,168	1,168
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	577,300	577,300
Total State Sources	822,884	(83,708)	739,176	4,371,420	3,632,244
Total Revenues	20,355,195	(83,708)	20,271,487	23,881,258	3,609,771
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	107,164	(18,959)	88,205	53,933	34,272
Kindergarten	388,100	-	388,100	388,100	-
Grades 1-5	2,537,805	(22,426)	2,515,379	2,492,762	22,617
Grades 6-8	1,834,395	(41,093)	1,793,302	1,729,351	63,951
Regular Program - Home Instruction					
Salaries of Teachers	10,000	(4,000)	6,000	1,610	4,390
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	4,000	-	4,000	350	3,650
Purchased Professional/Educational Services	139,750	29,831	169,581	168,949	632
Purchased Technical Services	64,805	(665)	64,140	64,140	-
Other Purchased Services	98,055	4,964	103,019	75,922	27,097
General Supplies	468,995	80,527	549,522	472,265	77,257
Textbooks	96,150	(3,737)	92,413	64,696	27,717
Other Objects	19,900	(10,610)	9,290	4,288	5,002
Total Regular Programs	5,769,119	13,832	5,782,951	5,516,366	266,585
Special Education Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	131,455	650	132,105	132,105	-
Other Salaries for Instruction	90,453	(1,598)	88,855	68,745	20,110
Purchased Professional/Educational Services	3,000	878	3,878	3,878	-
General Supplies	7,180	(4,095)	3,085	999	2,086
Textbooks	1,300	4,650	5,950	5,396	554
Total Learning and/or Language Disabilities	233,388	485	233,873	211,123	22,750

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 61,335	-	\$ 61,335	\$ 61,335	-
Other Salaries for Instruction		\$ 16,275	16,275	10,002	\$ 6,273
Purchased Professional/Educational Services	3,000	4,936	7,936	1,547	6,389
General Supplies	5,675	(2,371)	3,304	2,367	937
Textbooks	-	10,164	10,164	10,164	-
Total Multiple Disabilities	70,010	29,004	99,014	85,415	13,599
Resource Room/Resource Center					
Salaries of Teachers	1,365,739	(79,911)	1,285,828	1,285,462	366
Other Salaries for Instruction	165,776	(18,456)	147,320	143,856	3,464
Purchased Professional/Educational Services	140,000	70,273	210,273	210,273	-
General Supplies	21,815	(2,000)	19,815	9,804	10,011
Textbooks	8,800	-	8,800	1,568	7,232
Total Resource Room	1,702,130	(30,094)	1,672,036	1,650,963	21,073
Preschool Disabilities - Full-Time					
Salaries of Teachers	73,710	5,065	78,775	78,775	-
Other Salaries for Instruction	169,110	(50,843)	118,267	100,546	17,721
Purchased Professional/Educational Services	11,520	28,338	39,858	39,858	-
General Supplies	8,415	(220)	8,195	4,501	3,694
Total Preschool Disabilities - Full-Time	262,755	(17,660)	245,095	223,680	21,415
Total Special Education	2,268,283	(18,265)	2,250,018	2,171,181	78,837
Basic Skills/Remedial					
Salaries of Teachers	136,994	-	136,994	136,994	-
General Supplies	9,350	-	9,350	2,130	7,220
Textbooks	3,500	-	3,500	209	3,291
Total Basic Skills/Remedial	149,844	-	149,844	139,333	10,511
Bilingual Education - Instruction					
Salaries of Teachers	97,860	-	97,860	97,860	-
General Supplies	475	3,595	4,070	3,770	300
Total Bilingual Education - Instruction	98,335	3,595	101,930	101,630	300
School Sponsored Co/Extra Curricular Activities					
Salaries	108,742	-	108,742	43,095	65,647
Supplies and Materials	10,711	(3,350)	7,361	4,156	3,205
Total School Sponsored Co/Extra Curricular Activities	119,453	(3,350)	116,103	47,251	68,852
School Sponsored Athletics					
Salaries	52,140	(2,030)	50,110	1,428	48,682
Purchased Services	13,000	-	13,000	6,169	6,831
Supplies and Materials	22,464	(10,464)	12,000	9,159	2,841
Other Objects	2,000	-	2,000	-	2,000
Total School Sponsored Athletics	89,604	(12,494)	77,110	16,756	60,354
Other Instructional Programs					
Salaries	3,136	3,457	6,593	6,593	-
Supplies and Materials	2,500	(650)	1,850	300	1,550
Total Other Instructional Programs	5,636	2,807	8,443	6,893	1,550
Total Instruction	8,500,274	(13,875)	8,486,399	7,999,410	486,989
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	160,000	86,422	246,422	236,799	9,623
Tuition to APSSD Within the State	232,000	(124,721)	107,279	44,688	62,591
Total Undistributed Expenditures - Instruction	392,000	(38,299)	353,701	281,487	72,214

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Health Services					
Salaries	\$ 282,090	\$ (47,857)	\$ 234,233	\$ 234,233	-
Purchased Professional-Technical Services	10,000	(2,576)	7,424	7,000	\$ 424
Other Purchased Services	960	3,700	4,660	3,770	890
Supplies and Materials	6,700	1,437	8,137	7,017	1,120
Other Objects	330	-	330	50	280
Total Health Services	300,080	(45,296)	254,784	252,070	2,714
Speech, OT, PT and Related Services					
Salaries	496,054	(31,540)	464,514	426,817	37,697
Purchased Professional-Educational Services	30,000	20,395	50,395	44,901	5,494
Supplies and Materials	11,950	(233)	11,717	7,774	3,943
Total Speech, OT, PT and Related Services	538,004	(11,378)	526,626	479,492	47,134
Other Support Services-Students-Extra Serv.					
Salaries	129,796	66,504	196,300	193,251	3,049
Purchased Professional-Educational Services	147,000	(81,875)	65,125	641	64,484
Total Other Support Services - Students - Extra Serv.	276,796	(15,371)	261,425	193,892	67,533
Guidance					
Salaries of Other Professional Staff	197,802	(2,161)	195,641	194,418	1,223
Salaries of Secretarial and Clerical Assistants	29,160	(8,785)	20,375	16,474	3,901
Other Purchased Professional and Tech. Services	59,812	(19,554)	40,258	39,057	1,201
Other Purchased Services	250	-	250	74	176
Supplies and Materials	8,945	7,715	16,660	1,444	15,216
Other Objects	250	-	250	38	212
Total Guidance	296,219	(22,785)	273,434	251,505	21,929
Child Study Team					
Salaries of Other Professional Staff	459,920	15,971	475,891	475,891	-
Salaries of Secretarial and Clerical Assistants	77,410	(1,703)	75,707	75,089	618
Purchased Professional-Educational Services	-	112,633	112,633	112,633	-
Other Purchased Professional and Tech. Services	25,000	(5,236)	19,764	18,889	875
Other Purchased Services	7,000	(1,000)	6,000	4,630	1,370
Supplies and Materials	21,000	12,611	33,611	22,711	10,900
Other Objects	3,000	(1,500)	1,500	1,288	212
Total Child Study Team	593,330	131,776	725,106	711,131	13,975
Improvement of Instructional Services					
Salaries of Other Professional Staff	150,041	30,000	180,041	159,820	20,221
Other Salaries	38,000	(1,924)	36,076	35,428	648
Purchased Professional/Educational Services	-	1,924	1,924	1,924	-
Supplies and Materials	2,000	-	2,000	1,348	652
Other Objects	2,240	-	2,240	1,928	312
Total Improvement of Instructional Services	192,281	30,000	222,281	200,448	21,833
Educational Media Services/School Library					
Salaries	94,010	(59,759)	34,251	33,438	813
Other Purchased Services	50	(25)	25	-	25
Supplies and Materials	21,720	16,635	38,355	21,860	16,495
Total Educational Media Serv./School Library	115,780	(43,149)	72,631	55,298	17,333
Instructional Staff Training Services					
Salaries of Other Professional Staff	49,870	-	49,870	49,869	1
Other Salaries	34,200	-	34,200	-	34,200
Purchased Professional/Educational Services	168,930	(26,534)	142,396	78,152	64,244
Other Purchased Services	8,200	(2,500)	5,700	734	4,966
Supplies and Materials	9,000	(2,366)	6,634	1,653	4,981
Other Objects	905	-	905	575	330
Total Staff Training Services	271,105	(31,400)	239,705	130,983	108,722

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services General Administration					
Salaries	\$ 265,626	\$ 2,318	\$ 267,944	\$ 267,793	\$ 151
Legal Services	39,300	2,983	42,283	42,283	-
Audit Fees	29,655	26,361	56,016	30,826	25,190
Other Purchased Professional Services	10,000	5,230	15,230	12,740	2,490
Communications/Telephone	33,650	12,308	45,958	45,660	298
Miscellaneous Purchased Services	39,700	14,747	54,447	54,447	-
General Supplies	15,150	(4,411)	10,739	8,275	2,464
Miscellaneous Expenditures	19,500	(2,393)	17,107	12,928	4,179
Total Support Services General Administration	452,581	57,143	509,724	474,952	34,772
Support Services School Administration					
Salaries of Principal/Asst. Principals	390,309	726	391,035	391,035	-
Salaries of Other Professional Staff	34,968	1,457	36,425	35,138	1,287
Salaries of Secretarial and Clerical Assistants	202,310	2,478	204,788	202,815	1,973
Purchased Professional and Technical Services	1,700	7,663	9,363	8,954	409
Other Purchased Services	12,900	5,510	18,410	16,275	2,135
Supplies and Materials	26,080	(934)	25,146	24,896	250
Other Objects	13,825	(6,513)	7,312	6,097	1,215
Total Support Services School Administration	682,092	10,387	692,479	685,210	7,269
Support Services Central Services					
Salaries	320,581	(4,462)	316,119	315,531	588
Purchased Technical Services	30,000	2,901	32,901	32,847	54
Miscellaneous Purchased Services	3,300	15,489	18,789	18,266	523
Supplies and Materials	4,800	-	4,800	4,628	172
Miscellaneous Expenditures	2,300	-	2,300	1,779	521
Total Support Central School Administration	360,981	13,928	374,909	373,051	1,858
Admin. Info. Technology					
Salaries	139,146	7,299	146,445	146,445	-
Total Admin. Info. Technology	139,146	7,299	146,445	146,445	-
Required Maintenance for School Facilities					
Salaries	262,620	(3,615)	259,005	259,005	-
Cleaning, Repair and Maintenance Services	211,300	(29,388)	181,912	139,428	42,484
General Supplies	21,500	(69)	21,431	19,602	1,829
Other Objects	600	-	600	-	600
Total Required Maintenance for School Fac.	496,020	(33,072)	462,948	418,035	44,913
Custodial Services					
Salaries	560,991	28,613	589,604	589,604	-
Purchased Prof. And Technical Serv.	58,875	(13,426)	45,449	43,597	1,852
Cleaning, Repair and Maint. Serv.	21,425	7,031	28,456	27,643	813
Other Purchased Property Services	32,000	1,814	33,814	33,814	-
Insurance	70,129	5,588	75,717	75,717	-
Miscellaneous Purchased Services	30,500	9,275	39,775	39,775	-
General Supplies	64,500	(2,216)	62,284	44,239	18,045
Energy (Natural Gas)	93,000	(18,710)	74,290	74,290	-
Energy (Electricity)	250,000	-	250,000	211,904	38,096
Other Objects	1,050	-	1,050	767	283
Total Custodial Services	1,182,470	17,969	1,200,439	1,141,350	59,089
Care and Upkeep of Grounds					
Salaries	74,250	-	74,250	74,250	-
Purchased Professional and Technical Services	3,650	735	4,385	4,385	-
Cleaning, Repair and Maintenance Svc.	44,700	2,786	47,486	47,486	-
General Supplies	18,700	(1,937)	16,763	14,780	1,983
Total Care and Upkeep of Grounds	141,300	1,584	142,884	140,901	1,983

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

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Purchased Professional and Technical Services	\$ 150,000	\$ 1,280	\$ 151,280	\$ 121,073	\$ 30,207
Total Security	<u>150,000</u>	<u>1,280</u>	<u>151,280</u>	<u>121,073</u>	<u>30,207</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	101,602	(18,000)	83,602	83,602	-
Salaries for Pupil Transportation (Between Home and School) - Regular	32,860	15,194	48,054	46,651	1,403
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	136,000	20,981	156,981	149,187	7,794
Salaries for Pupil Transportation (Between Home and School) - Non-Public School	40,000	(22,000)	18,000	17,048	952
Management Fee - ESC & CTSA Transp. Prog.	2,500	-	2,500	1,470	1,030
Other Purchased Prof. and Technical Serv.	850	-	850	310	540
Cleaning, Repair and Maintenance Services	23,000	-	23,000	13,520	9,480
Contracted Services - Aid in Lieu of Payments Non-Public	89,000	(20,988)	68,012	62,985	5,027
Contracted Services (Special Ed Students) - Vendors	7,600	-	7,600	3,118	4,482
Contracted Services (Special Ed Students) - Joint Agreements	273,000	-	273,000	232,633	40,367
Contracted Services (Reg. Students) - ESCs & CTSA	6,000	(4,475)	1,525	1,525	-
Contracted Services (Spec. Ed. Students) - ESCs & CTSA	26,000	-	26,000	-	26,000
Misc. Purchased Serv. - Transportation	27,960	-	27,960	25,522	2,438
General Supplies	19,500	-	19,500	12,352	7,148
Other Objects	2,950	-	2,950	2,340	610
Total Student Transportation Services	<u>788,822</u>	<u>(29,288)</u>	<u>759,534</u>	<u>652,263</u>	<u>107,271</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	285,000	-	285,000	242,022	42,978
Other Retirement Contributions - PERS	272,000	(13,720)	258,280	258,280	-
Other Retirement Contributions - DCRP	25,750	3,000	28,750	27,879	871
Workers Compensation	168,300	(32,585)	135,715	132,115	3,600
Health Benefits	3,536,500	(18,183)	3,518,317	3,280,489	237,828
Unemployment Compensation (Non-Budgeted)	-	-	-	45,036	(45,036)
Tuition Reimbursement	38,300	21,468	59,768	56,153	3,615
Other Employee Benefits	97,590	(10,220)	87,370	46,516	40,854
Unused Sick Payment to Terminated/Retired Staff	25,000	70,025	95,025	87,806	7,219
Total Unallocated Benefits - Employee Benefits	<u>4,448,440</u>	<u>19,785</u>	<u>4,468,225</u>	<u>4,176,296</u>	<u>291,929</u>
On-behalf TPAF Pension Payments -					
Pension Contribution (Non-Budget)	-	-	-	2,072,350	(2,072,350)
NCGI Premium (Non-Budget)	-	-	-	39,429	(39,429)
On-behalf TPAF OPEB Payments -					
Post Retirement Medical Benefits (Non-Budget)	-	-	-	661,799	(661,799)
On-behalf TPAF LTDI Payments -					
Long-Term Disability Insurance (Non-Budget)	-	-	-	1,168	(1,168)
On-behalf TPAF Social Security Payments (Non-Budget)					
	-	-	-	577,300	(577,300)
Total On-Behalf Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,352,046</u>	<u>(3,352,046)</u>
Total Undistributed Expenditures	<u>11,817,447</u>	<u>21,113</u>	<u>11,838,560</u>	<u>14,237,928</u>	<u>(2,399,368)</u>
Total Expenditures - Current Expenditures	<u>20,317,721</u>	<u>7,238</u>	<u>20,324,959</u>	<u>22,237,338</u>	<u>(1,912,379)</u>

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CAPITAL OUTLAY					
Equipment					
Undistributed:					
Instruction	\$ 90,000	\$ 4,504	\$ 94,504	\$ 9,340	\$ 85,164
Child Study Teams	9,800	(9,800)			-
School Administration	39,000	(39,000)			-
Central Services	15,000	(15,000)			-
Custodial Services		36,885	36,885	36,885	-
Required Maint. For School Facilities	15,375	(15,375)			-
Care and Upkeep of Grounds		70,053	70,053	24,960	45,093
Student Transportation-Non-Instructional Equipment	-	67,393	67,393	67,393	-
Total Equipment	<u>169,175</u>	<u>99,660</u>	<u>268,835</u>	<u>138,578</u>	<u>130,257</u>
Facilities Acquisition and Construction Services					
Salaries	10,000	-	10,000	10,000	-
Other Purchased Professional and Tech. Services	5,000	-	5,000	290	4,710
Construction Services	195,000	131,258	326,258	183,484	142,774
Other Objects	26,168	-	26,168	26,168	-
Total Facilities Acquis. and Const. Services	<u>236,168</u>	<u>131,258</u>	<u>367,426</u>	<u>219,942</u>	<u>147,484</u>
Total Capital Outlay	<u>405,343</u>	<u>230,918</u>	<u>636,261</u>	<u>358,520</u>	<u>277,741</u>
Transfer of Funds to Charter Schools	<u>50,732</u>	<u>15,667</u>	<u>66,399</u>	<u>66,399</u>	<u>-</u>
Total Expenditures	<u>20,773,796</u>	<u>253,823</u>	<u>21,027,619</u>	<u>22,662,257</u>	<u>(1,634,638)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(418,601)</u>	<u>(337,531)</u>	<u>(756,132)</u>	<u>1,219,001</u>	<u>1,975,133</u>
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund	-	-	-	58,260	58,260
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,260</u>	<u>58,260</u>
Net Change in Fund Balances	(418,601)	(337,531)	(756,132)	1,277,261	2,033,393
Fund Balance, Beginning of Year, (Restated)	<u>2,527,891</u>	<u>-</u>	<u>2,527,891</u>	<u>2,527,891</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,109,290</u>	<u>\$ (337,531)</u>	<u>\$ 1,771,759</u>	<u>\$ 3,805,152</u>	<u>\$ 2,033,393</u>
Recapitulation of Fund Balance					
Restricted Fund Balance:					
Capital Reserve				\$ 1,651,077	
Maintenance Reserve				50,000	
Emergency Reserve				87,000	
Unemployment Compensation Reserve				17,373	
Excess Surplus				61,141	
Excess Surplus - Designated for Subsequent Year's Expenditures				586,143	
Assigned Fund Balance					
Year End Encumbrances				299,812	
Unassigned Fund Balance					
				<u>1,052,606</u>	
				3,805,152	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				<u>(330,698)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,474,454</u>	

**FLORHAM PARK BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Federal	\$ 210,000	\$ 301,811	\$ 511,811	\$ 343,866	\$ (167,945)
State	9,000	56,490	65,490	64,702	(788)
Local	15,000	15,237	30,237	26,943	(3,294)
Total Revenues	<u>234,000</u>	<u>373,538</u>	<u>607,538</u>	<u>435,511</u>	<u>(172,027)</u>
EXPENDITURES					
Instruction					
Salaries		7,329	7,329		7,329
Purchased Professional/Educational Services		4,077	4,077	4,077	-
Tuition		242,770	242,770	242,770	-
General Supplies	196,000	(27,112)	168,888	73,655	95,233
Textbooks	2,000	871	2,871	2,682	189
Co-Curricular/Extra-Curricular Activities	-	9,385	9,385	9,385	-
Total Instruction	<u>198,000</u>	<u>237,320</u>	<u>435,320</u>	<u>332,569</u>	<u>102,751</u>
Support Services					
Salaries		8,895	8,895		8,895
Purchased Professional/Technical Services	8,000	55,903	63,903	6,816	57,087
Purchased Professional/Educational Services	25,000	2,244	27,244	27,244	-
Cleaning, Repair, and Maintenance Services	3,000	5,225	8,225	8,225	-
General Supplies		10,765	10,765	10,765	-
Scholarship Awards	-	150	150	150	-
Total Support Services	<u>36,000</u>	<u>83,182</u>	<u>119,182</u>	<u>53,200</u>	<u>65,982</u>
Facilities, Acquisition, and Construction Services					
Construction Services		49,600	49,600	49,600	-
Instructional Equipment	-	3,436	3,436	3,436	-
Total Facilities Acquisition and Const. Svc.	<u>-</u>	<u>53,036</u>	<u>53,036</u>	<u>53,036</u>	<u>-</u>
Total Expenditures	<u>234,000</u>	<u>373,538</u>	<u>607,538</u>	<u>438,805</u>	<u>168,733</u>
Net Change in Fund Balances	-	-	-	(3,294)	(3,294)
Fund Balances, Beginning of Year, (Restated)	<u>94,881</u>	<u>-</u>	<u>94,881</u>	<u>94,881</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 94,881</u>	<u>\$ -</u>	<u>\$ 94,881</u>	<u>\$ 91,587</u>	<u>\$ (3,294)</u>
Recapitulation of Fund Balance					
Restricted Fund Balances					
Student Activities				\$ 86,166	
Scholarships				<u>5,421</u>	
				<u>\$ 91,587</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

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

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

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

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 23,881,258	(C-2) \$	435,511
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.			
Encumbrances, June 30, 2021			(3,375)
State Aid payment recognized for GAAP purpose not recognized for Budgetary statements (2019/2020 State aid)	182,237		
State Aid payments recognized for budgetary purpose not recognized for GAAP statements (2020/2021 State aid)	<u>(330,698)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>23,732,797</u>	(B-2) \$	<u>432,136</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	(C-1) \$ 22,662,257	(C-2) \$	438,805
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.			
Encumbrances, June 30, 2021	<u>-</u>		<u>(3,375)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>22,662,257</u>	(B-2) \$	<u>435,430</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

Public Employees Retirement System

**Last Eight Fiscal Years*
(Dollar amounts in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.02358%	.02366%	.02720%	0.02501%	0.02174%	0.02295%	0.02478%	0.02587
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,845,113	\$ 4,263,523	\$ 5,355,166	\$ 5,821,427	\$ 6,438,829	\$ 5,152,221	\$ 4,639,341	\$ 4,943,683
District's Covered-Employee Payroll	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722	\$ 1,728,708
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	225.33%	256.43%	311.51%	320.47%	401.92%	345.93%	288.75%	285.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

**Last Eight Fiscal Years
(Dollar amounts in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 257,943	\$ 230,162	\$ 270,533	\$ 231,671	\$ 193,137	\$ 197,324	\$ 204,276	\$ 197,018
Contributions in Relation to the Contractually Required Contribution	<u>257,943</u>	<u>230,162</u>	<u>270,533</u>	<u>231,671</u>	<u>193,137</u>	<u>197,324</u>	<u>204,276</u>	<u>197,018</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,696,957	\$ 1,706,470	\$ 1,662,648	\$ 1,719,080	\$ 1,816,504	\$ 1,602,017	\$ 1,489,362	\$ 1,606,722
Contributions as a Percentage of Covered-Employee Payroll	15.20%	13.49%	16.27%	13.48%	10.63%	12.32%	13.72%	12.26%

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.

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

Teachers Pension and Annuity Fund

**Last Eight Fiscal Years*
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
Total	<u>\$ 48,650,176</u>	<u>\$ 44,481,718</u>	<u>\$ 46,069,356</u>	<u>\$ 44,202,616</u>	<u>\$ 52,441,105</u>	<u>\$ 45,143,920</u>	<u>\$ 39,091,399</u>	<u>\$ 36,781,872</u>
District's Covered-Employee Payroll	\$ 8,054,310	\$ 7,751,932	\$ 7,802,149	\$ 7,523,691	\$ 7,205,552	\$ 6,649,910	\$ 6,809,034	\$ 7,155,944
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 1,282,818	\$ 1,279,552	\$ 1,376,131	\$ 1,650,007
Interest on Total OPEB Liability	1,023,759	1,258,998	1,363,776	1,178,614
Differences Between Expected and Actual Experience	8,384,100	(5,428,541)	(3,740,231)	
Changes of Assumptions	8,550,620	422,837	(3,634,411)	(4,904,537)
Gross Benefit Payments	(814,928)	(870,542)	(846,873)	(943,534)
Contribution from the Member	<u>24,700</u>	<u>25,805</u>	<u>29,269</u>	<u>34,743</u>
Net Change in Total OPEB Liability	18,451,069	(3,311,891)	(5,452,339)	(2,984,707)
Total OPEB Liability - Beginning	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>	<u>40,108,096</u>
Total OPEB Liability - Ending	<u>\$ 46,810,228</u>	<u>\$ 28,359,159</u>	<u>\$ 31,671,050</u>	<u>\$ 37,123,389</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>46,810,228</u>	<u>28,359,159</u>	<u>31,671,050</u>	<u>37,123,389</u>
Total OPEB Liability - Ending	<u>\$ 46,810,228</u>	<u>\$ 28,359,159</u>	<u>\$ 31,671,050</u>	<u>\$ 37,123,389</u>
District's Covered Payroll	\$ 9,760,780	\$ 9,414,580	\$ 9,521,229	\$ 9,340,195
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

**FLORHAM PARK BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	IDEIA Part B Basic	IDEIA Part B Preschool	ESEA Title IA	ESEA Title II A	ESEA Title IV	New Jersey Clean Energy SmartStarts Program	Nonpublic Security	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Digital Divide	To Exhibit E-1A
REVENUES											
Federal	\$ 242,770	\$ 9,077	\$ 22,937	\$ 16,975	\$ 23,783					\$ 2,045	\$ 317,587
State						\$ 49,600	\$ 8,225	\$ 4,195	\$ 2,682		64,702
Local	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 242,770	\$ 9,077	\$ 22,937	\$ 16,975	\$ 23,783	\$ 49,600	\$ 8,225	\$ 4,195	\$ 2,682	\$ 2,045	\$ 382,289
EXPENDITURES											
Instruction											
Purchased Professional/Educational Services		\$ 4,077									\$ 4,077
Tuition	\$ 242,770										242,770
General Supplies		2,000	\$ 5,838	\$ 6,830	\$ 17,636			\$ 3,090		\$ 2,045	37,439
Textbooks	-	-	-	-	-	-	-	-	\$ 2,682	-	2,682
Total Instruction	242,770	6,077	5,838	6,830	17,636	-	-	3,090	2,682	2,045	286,968
Support Services											
Purchased Professional/Technical Services		3,000			2,711			1,105			6,816
Purchased Professional/Educational Services			17,099	10,145							27,244
Cleaning, Repair, and Maintenance Services	-	-	-	-	-	-	\$ 8,225	-	-	-	8,225
Total Support Services	-	3,000	17,099	10,145	2,711	-	8,225	1,105	-	-	42,285
Facilities, Acquisition, and Construction Services											
Construction Services						\$ 49,600					49,600
Instructional Equipment	-	-	-	-	3,436	-	-	-	-	-	3,436
Total Facilities Acquisition and Const. Svc	-	-	-	-	3,436	49,600	-	-	-	-	53,036
Total Expenditures	\$ 242,770	\$ 9,077	\$ 22,937	\$ 16,975	\$ 23,783	\$ 49,600	\$ 8,225	\$ 4,195	\$ 2,682	\$ 2,045	\$ 382,289
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year, (Restated)	-	-	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	-	-	-	-	-	-	-	-	-	-	-

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

NOT APPLICABLE

CAPITAL PROJECTS FUND

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

<u>Project Title</u>	<u>Appropriation</u>	<u>Cancelled</u>	<u>Expended</u>		<u>Balance, June 30, 2021</u>
			<u>Prior Year</u>	<u>Current Year</u>	
Fiscal Year 2020 School Bond Referendum - Proposal #1					
Roof Replacements, Boiler Replacements, HVAC Upgrades, Ceiling/Lighting Replacements	\$ 19,839,493		\$ 4,221,460	\$ 7,774,208	\$ 7,843,825
Fiscal Year 2020 School Bond Referendum - Proposal #2					
Window Replacements, Flooring Replacements, Parking Lot Improvements	5,014,663	-	709,779	915,846	3,389,038
	<u>\$ 24,854,156</u>	<u>\$ -</u>	<u>\$ 4,931,239</u>	<u>\$ 8,690,054</u>	<u>\$ 11,232,863</u>

Reconciliation to GAAP Basis

Project Balance, June 30, 2021	\$ 11,232,863
Less Unfunded Authorizations: Debt Authorized but Not Issued	(156)
Fund Balance, June 30, 2021 - GAAP Basis	<u>\$ 11,232,707</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Year-End Encumbrances	\$ 4,882,908
Available for Capital Projects	<u>6,349,799</u>
Total Fund Balance, GAAP Basis	<u>\$ 11,232,707</u>

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

Revenues and Other Financing Sources

Revenues	
Interest	\$ 58,260
	<u>58,260</u>
Total Revenues and Other Financing Sources	<u>58,260</u>

Expenditures and Other Financing Uses

Expenditures	
Salaries	70,000
Architect and Engineering Fees	458,978
Legal and Professional Fees	106,683
Construction Services	8,054,393
Other Financing Uses	
Transfer to General Fund	<u>58,260</u>
Total Expenditures and Other Financing Uses	<u>8,748,314</u>

Net Change in Fund Balance	(8,690,054)
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Fund Balance, Beginning of Year	<u>19,922,761</u>
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Fund Balance, End of Year	<u>\$ 11,232,707</u>
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Reconciliation to GAAP Basis

Fund Balance - Budgetary Basis	<u>\$ 11,232,707</u>
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Fund Balance - GAAP Basis	<u>\$ 11,232,707</u>
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**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FISCAL YEAR 2020 BOND REFERENDUM - PROPOSAL #1 VARIOUS UPGRADES AND
REVENOVATIONS TO ALL DISTRICT SCHOOLS
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ 19,839,493	-	\$ 19,839,493	\$ 19,839,493
Total Revenues	<u>19,839,493</u>	<u>-</u>	<u>19,839,493</u>	<u>19,839,493</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Salaries		\$ 40,000	40,000	100,000
Architect and Engineering Fees	984,427	371,682	1,356,109	3,000,000
Legal and Professional Fees	93,051	95,880	188,931	1,089,502
Construction Services	3,109,491	7,266,646	10,376,137	15,615,500
Miscellaneous Expenditures	<u>34,491</u>	<u>-</u>	<u>34,491</u>	<u>34,491</u>
Total Expenditures and Other Financing Uses	<u>4,221,460</u>	<u>7,774,208</u>	<u>11,995,668</u>	<u>19,839,493</u>
Excess / (Deficiency) of Revenues over (under) Expenditures	<u>\$ 15,618,033</u>	<u>\$ (7,774,208)</u>	<u>\$ 7,843,825</u>	<u>\$ -</u>

Additional Project Information:

Project Numbers	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000
SDA Grant Date	N/A
Bond Authorization (Referendum) Date	11/5/2019
Bonds Authorized	\$ 19,839,493
Bond Issued	\$ 19,839,493
Original Authorized Cost	\$ 19,839,493
Increase/(Decrease)	-
Revised Authorized Cost	\$ 19,839,493
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	60.46%
Original Target Completion Date	June 30, 2021
Revised Completion Date	June 30, 2022

**FLORHAM PARK BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
FISCAL YEAR 2020 BOND REFERENDUM - PROPOSAL #2 VARIOUS UPGRADES AND
RENOVATIONS TO ALL DISTRICT SCHOOLS
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES				
Bond Proceeds	\$ 5,014,507	-	\$ 5,014,507	\$ 5,014,663
Total Revenues	<u>5,014,507</u>	<u>-</u>	<u>5,014,507</u>	<u>5,014,663</u>
EXPENDITURES AND OTHER FINANCING SOURCES				
Salaries		\$ 30,000	30,000	75,000
Architect and Engineering Fees	246,107	87,296	333,403	750,000
Legal and Professional Fees	23,262	10,803	34,065	242,663
Construction Services	<u>440,410</u>	<u>787,747</u>	<u>1,228,157</u>	<u>3,947,000</u>
Total Expenditures and Other Financing Uses	<u>709,779</u>	<u>915,846</u>	<u>1,625,625</u>	<u>5,014,663</u>
Excess / (Deficiency) of Revenues over (under) Expenditures	<u>\$ 4,304,728</u>	<u>\$ (915,846)</u>	<u>\$ 3,388,882</u>	<u>\$ -</u>

Additional Project Information:

Project Numbers	1530-020-19-2000/1530-015-19-4000/1530-030-19-3000
SDA Grant Date	N/A
Bond Authorization (Referendum) Date	11/5/2019
Bonds Authorized	\$ 5,014,663
Bond Issued	\$ 5,014,507
Original Authorized Cost	\$ 5,014,663
Increase/(Decrease)	-
Revised Authorized Cost	\$ 5,014,663
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	32.42%
Original Target Completion Date	June 30, 2021
Revised Completion Date	June 30, 2022

ENTERPRISE FUND

**FLORHAM PARK BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

Financial Statements are Presented on Exhibit B-4

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

Financial Statements are Presented on Exhibit B-5

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

Financial Statements are Presented on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
Copier - 2017	\$ 14,249	5.93%	<u>\$ 4,221</u>	<u>-</u>	<u>\$ 3,134</u>	<u>\$ 1,087</u>

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

REVENUES	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources					
Property Tax Levy	\$ 1,459,218	-	\$ 1,459,218	\$ 1,459,218	-
Total Local Sources	<u>1,459,218</u>	<u>-</u>	<u>1,459,218</u>	<u>1,459,218</u>	<u>-</u>
State Sources					
Debt Service Aid	<u>216,527</u>	<u>-</u>	<u>216,527</u>	<u>216,527</u>	<u>-</u>
Total State Sources	<u>216,527</u>	<u>-</u>	<u>216,527</u>	<u>216,527</u>	<u>-</u>
Total Revenues	<u>1,675,745</u>	<u>-</u>	<u>1,675,745</u>	<u>1,675,745</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	940,000	-	940,000	940,000	-
Interest	<u>735,745</u>	<u>-</u>	<u>735,745</u>	<u>735,745</u>	<u>-</u>
Total Expenditures	<u>1,675,745</u>	<u>-</u>	<u>1,675,745</u>	<u>1,675,745</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Florham Park 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.

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

	Fiscal Year Ended June 30,									
	2012	2013	2014 (1)	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 6,825,899	\$ 7,049,947	\$ 7,319,911	\$ 8,233,539	\$ 8,978,991	\$ 9,142,964	\$ 9,518,311	\$ 10,964,789	\$ 11,693,752	\$ 12,320,727
Restricted	664,955	869,753	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037
Unrestricted	201,002	235,888	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)
Total governmental activities net position	<u>\$ 7,691,856</u>	<u>\$ 8,155,588</u>	<u>\$ 3,702,757</u>	<u>\$ 4,861,634</u>	<u>\$ 5,605,504</u>	<u>\$ 5,660,783</u>	<u>\$ 5,941,929</u>	<u>\$ 6,622,094</u>	<u>\$ 7,988,460</u>	<u>\$ 10,092,538</u>
Business-type activities										
Net Investment in capital assets	\$ 9,412	\$ 17,176	\$ 15,366	\$ 13,556	\$ 11,746	\$ 9,936	\$ 8,126	\$ 9,116	\$ 7,306	\$ 5,216
Restricted										
Unrestricted										
Total business-type activities net position	<u>\$ 9,412</u>	<u>\$ 17,176</u>	<u>\$ 15,366</u>	<u>\$ 13,556</u>	<u>\$ 11,746</u>	<u>\$ 9,936</u>	<u>\$ 8,126</u>	<u>\$ 9,116</u>	<u>\$ 7,306</u>	<u>\$ 5,216</u>
District-wide										
Net Investment in capital assets	\$ 6,835,311	\$ 7,067,123	\$ 7,335,277	\$ 8,247,095	\$ 8,990,737	\$ 9,152,900	\$ 9,526,437	\$ 10,973,905	\$ 11,701,058	\$ 12,325,943
Restricted	664,955	869,753	1,119,301	1,087,822	1,020,183	1,206,701	717,801	685,184	1,042,424	1,810,037
Unrestricted	201,002	235,888	(4,736,455)	(4,459,727)	(4,393,670)	(4,688,882)	(4,294,183)	(5,027,879)	(4,747,716)	(4,038,226)
Total district net position	<u>\$ 7,701,268</u>	<u>\$ 8,172,764</u>	<u>\$ 3,718,123</u>	<u>\$ 4,875,190</u>	<u>\$ 5,617,250</u>	<u>\$ 5,670,719</u>	<u>\$ 5,950,055</u>	<u>\$ 6,631,210</u>	<u>\$ 7,995,766</u>	<u>\$ 10,097,754</u>

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

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,260,670	\$ 6,857,382	\$ 6,839,702	\$ 8,124,418	\$ 8,312,608	\$ 8,898,679	\$ 9,323,261	\$ 9,067,105	\$ 9,119,158	\$ 10,049,075
Special Education	2,980,703	2,754,197	3,057,821	3,320,865	3,884,339	4,448,709	4,699,889	4,616,774	4,200,003	4,375,034
Other Instruction	213,722	197,548	243,694	119,197	216,185	392,057	388,761	381,634	413,433	504,841
School Sponsored Activities and Athletics	156,927	153,681	174,848	172,524	208,900	192,970	240,664	210,847	232,740	99,809
Support Services:										
Student & Instruction Related Services	2,711,681	2,865,286	2,792,544	3,117,108	3,203,838	3,670,298	3,871,776	3,638,483	3,566,861	3,916,437
General Administrative Services	593,874	605,846	477,445	587,964	653,608	675,383	708,755	673,616	665,604	758,364
School Administrative Services	1,084,544	1,049,373	987,638	1,020,387	1,072,812	1,231,262	1,255,892	1,191,622	1,027,966	1,210,980
Central Administrative Services	395,547	388,815	407,775	536,395	576,944	631,307	722,662	716,757	765,557	903,345
Plant Operations and Maintenance	2,255,376	2,348,184	2,498,158	2,578,129	2,781,829	2,827,407	2,874,570	2,827,711	2,821,856	3,007,782
Pupil Transportation	900,848	964,524	1,035,975	1,006,013	970,710	1,041,017	1,115,537	1,140,451	953,779	881,896
Interest on Long-Term Debt	355,199	338,146	322,926	301,548	272,166	235,145	193,994	158,933	382,195	671,286
Total Governmental Activities Expenses	<u>17,909,091</u>	<u>18,522,982</u>	<u>18,838,526</u>	<u>20,884,548</u>	<u>22,153,939</u>	<u>24,244,234</u>	<u>25,395,761</u>	<u>24,623,933</u>	<u>24,149,152</u>	<u>26,378,849</u>
Business-Type Activities:										
Food Service	13,592	14,628	14,325	16,048	14,847	11,457	11,482	8,635	8,015	2,090
Total Business-Type Activities Expense	<u>13,592</u>	<u>14,628</u>	<u>14,325</u>	<u>16,048</u>	<u>14,847</u>	<u>11,457</u>	<u>11,482</u>	<u>8,635</u>	<u>8,015</u>	<u>2,090</u>
Total District Expenses	<u>\$ 17,922,683</u>	<u>\$ 18,537,610</u>	<u>\$ 18,852,851</u>	<u>\$ 20,900,596</u>	<u>\$ 22,168,786</u>	<u>\$ 24,255,691</u>	<u>\$ 25,407,243</u>	<u>\$ 24,632,568</u>	<u>\$ 24,157,167</u>	<u>\$ 26,380,939</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 360,237	\$ 283,367	\$ 204,974	\$ 136,134	\$ 42,000	\$ 66,500	\$ 70,000	\$ 57,685	\$ 102,938	\$ 99,962
Plant Operations and Maintenance								68,032	57,000	5,000
Pupil Transportation	100,618	100,523	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663
Operating Grants and Contributions	2,114,533	2,441,422	2,251,981	4,202,090	4,804,584	5,949,438	6,833,942	5,678,221	5,014,114	7,274,877
Capital Grants and Contributions	-	25,789	41,812	287,653	218,425	-	-	-	7,533	53,036
Total Governmental Activities Program Revenues	<u>2,575,388</u>	<u>2,851,101</u>	<u>2,594,345</u>	<u>4,749,294</u>	<u>5,238,849</u>	<u>6,215,137</u>	<u>7,101,070</u>	<u>5,957,382</u>	<u>5,348,154</u>	<u>7,467,538</u>
Business-type activities:										
Charges for Services										
Food Service	12,150	12,415	12,193	11,123	9,436	6,313	5,029	4,914	4,357	
Operating Grants and Contributions										
Capital Grants and Contributions		9,167								
Total Business Type Activities Program Revenues	<u>12,150</u>	<u>21,582</u>	<u>12,193</u>	<u>11,123</u>	<u>9,436</u>	<u>6,313</u>	<u>5,029</u>	<u>4,914</u>	<u>4,357</u>	<u>-</u>
Total District Program Revenues	<u>\$ 2,587,538</u>	<u>\$ 2,872,683</u>	<u>\$ 2,606,538</u>	<u>\$ 4,760,417</u>	<u>\$ 5,248,285</u>	<u>\$ 6,221,450</u>	<u>\$ 7,106,099</u>	<u>\$ 5,962,296</u>	<u>\$ 5,352,511</u>	<u>\$ 7,467,538</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	\$ (15,333,703)	\$ (15,671,881)	\$ (16,244,181)	\$ (16,135,254)	\$ (16,915,090)	\$ (18,029,097)	\$ (18,294,691)	\$ (18,666,551)	\$ (18,800,998)	\$ (18,911,311)
Business-Type Activities	(1,442)	6,954	(2,132)	(4,925)	(5,411)	(5,144)	(6,453)	(3,721)	(3,658)	(2,090)
Total District-Wide Net Expense	<u>\$ (15,335,145)</u>	<u>\$ (15,664,927)</u>	<u>\$ (16,246,313)</u>	<u>\$ (16,140,179)</u>	<u>\$ (16,920,501)</u>	<u>\$ (18,034,241)</u>	<u>\$ (18,301,144)</u>	<u>\$ (18,670,272)</u>	<u>\$ (18,804,656)</u>	<u>\$ (18,913,401)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 14,617,866	\$ 14,764,011	\$ 15,050,909	\$ 15,629,073	\$ 16,092,428	\$ 16,414,276	\$ 16,900,649	\$ 17,375,847	\$ 18,154,307	\$ 19,217,521
Property Taxes Levied for Debt Service	955,617	1,039,666	1,042,719	1,041,731	1,043,056	1,047,156	1,043,206	1,043,456	1,045,344	1,459,218
Unrestricted Aid, Grants and Contributions					8,864	9,752	18,347	19,199	1,758	121,460
Investment Earnings	7,592	6,182	5,653	6,442	7,396	6,930	10,751	38,627	55,089	59,774
Miscellaneous Income	111,931	27,771	37,242	58,109	145,502	184,447	114,757	103,351	94,929	157,416
Transfers	(2,186)	(6,124)	(810)	(322)	(3,115)	(3,601)	(3,334)	(4,643)	(4,711)	
Total Governmental Activities	<u>15,690,820</u>	<u>15,831,506</u>	<u>16,135,713</u>	<u>16,735,033</u>	<u>17,294,131</u>	<u>17,658,960</u>	<u>18,084,376</u>	<u>18,575,837</u>	<u>19,346,716</u>	<u>21,015,389</u>
Business-Type Activities:										
Investment Earnings										
Transfers	2,186	6,124	810	322	3,115	3,601	3,334	4,643	4,711	
Total Business-Type Activities	<u>2,186</u>	<u>6,124</u>	<u>810</u>	<u>322</u>	<u>3,115</u>	<u>3,601</u>	<u>3,334</u>	<u>4,643</u>	<u>4,711</u>	<u>-</u>
Total District-Wide	<u>\$ 15,693,006</u>	<u>\$ 15,837,630</u>	<u>\$ 16,136,523</u>	<u>\$ 16,735,355</u>	<u>\$ 17,297,246</u>	<u>\$ 17,662,561</u>	<u>\$ 18,087,710</u>	<u>\$ 18,580,480</u>	<u>\$ 19,351,427</u>	<u>\$ 21,015,389</u>
Change in Net Position										
Governmental Activities	\$ 357,117	\$ 159,625	\$ (108,468)	\$ 599,779	\$ 379,041	\$ (370,137)	\$ (210,315)	\$ (90,714)	\$ 545,718	\$ 2,104,078
Business-Type Activities	744	13,078	(1,322)	(4,603)	(2,296)	(1,543)	(3,119)	922	1,053	(2,090)
Total District	<u>\$ 357,861</u>	<u>\$ 172,703</u>	<u>\$ (109,790)</u>	<u>\$ 595,176</u>	<u>\$ 376,745</u>	<u>\$ (371,680)</u>	<u>\$ (213,434)</u>	<u>\$ (89,792)</u>	<u>\$ 546,771</u>	<u>\$ 2,101,988</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 914,955	\$ 1,119,753	\$ 952,145	\$ 919,755	\$ 1,229,465	\$ 1,550,147	\$ 1,011,537	\$ 1,143,785	\$ 1,829,287	\$ 2,452,734
Committed							566,023			
Assigned	175,988	179,088	109,288	302,830	307,567	446,894	382,058	135,683	192,605	299,812
Unassigned	238,004	263,069	281,944	249,176	303,854	313,123	278,294	367,831	323,762	721,908
Total General Fund	\$ 1,328,947	\$ 1,561,910	\$ 1,343,377	\$ 1,471,761	\$ 1,840,886	\$ 2,310,164	\$ 2,237,912	\$ 1,647,299	\$ 2,345,654	\$ 3,474,454
All Other Governmental Funds										
Restricted			417,156	418,067	90,428				20,017,642	11,324,294
Committed										
Assigned										
Total all other governmental funds	\$ -	\$ -	\$ 417,156	\$ 418,067	\$ 90,428	\$ -	\$ -	\$ -	\$ 20,017,642	\$ 11,324,294

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

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Tax Levy	\$ 15,803,677	\$ 16,093,628	\$ 16,670,804	\$ 17,135,484	\$ 17,461,432	\$ 17,943,855	\$ 18,419,303	\$ 19,199,651	\$ 19,739,527	\$ 20,676,739
Tuition	360,237	283,367	204,974	136,134	42,000	66,500	70,000	57,685	102,938	93,724
Transportation Fees	100,618	100,523	95,578	123,417	173,840	199,199	197,128	153,444	166,569	34,663
Interest Earnings	6,182	5,653	6,442	7,396	6,930	10,751	38,627	55,089	141,636	59,774
Miscellaneous	127,803	102,034	112,886	189,921	194,085	133,315	144,460	205,467	200,567	189,359
State Sources	1,734,490	2,143,690	1,997,880	2,485,186	2,519,552	2,488,505	2,975,796	3,364,400	3,669,879	4,504,188
Federal Sources	280,011	258,729	241,136	251,670	280,855	257,919	257,390	267,925	274,057	340,491
Total Revenue	18,413,018	18,987,624	19,329,700	20,329,208	20,678,694	21,100,044	22,102,704	23,303,661	24,295,173	25,898,938
Expenditures										
Instruction										
Regular Instruction	6,247,254	6,807,333	6,842,650	7,154,541	7,086,683	7,098,579	7,744,442	8,081,603	8,553,144	8,908,998
Special Education Instruction	2,970,143	2,756,191	3,061,728	3,011,002	3,442,010	3,740,194	4,013,862	4,209,309	4,028,565	3,968,731
Other instruction	197,575	206,299	234,943	119,166	184,063	320,145	318,560	340,368	386,121	444,888
School Sponsored Activities/Athletics	156,927	153,681	174,848	172,524	206,900	182,553	213,981	198,252	237,341	96,927
Support Services:										
Student and Inst. Related Services	2,705,075	2,849,109	2,782,721	2,873,116	2,861,543	3,069,835	3,281,982	3,279,568	3,403,633	3,549,482
General Administrative Services	585,195	618,816	477,445	586,105	603,354	601,187	613,022	623,518	613,440	689,668
School Administrative Services	1,051,982	1,034,914	982,864	946,243	948,944	993,800	1,050,076	1,060,188	998,272	1,092,481
Central Services/Business Services	395,545	388,815	391,628	503,459	531,707	546,118	603,018	642,500	732,100	819,068
Plant Operations and Maintenance	1,614,160	1,713,187	1,863,465	1,928,045	2,120,754	2,029,487	2,130,813	2,133,199	2,289,100	2,329,766
Pupil Transportation	894,645	954,187	1,013,299	988,045	945,742	977,279	1,003,840	1,054,043	917,776	808,989
Capital Outlay	49,838	228,600	263,433	871,496	654,751	127,526	149,961	1,218,371	5,381,760	9,075,443
Debt Service										
Principal	670,000	695,000	710,000	730,000	760,000	791,666	832,624	872,784	907,954	943,134
Interest and Other Charges	369,666	347,719	331,731	313,056	287,156	253,740	214,132	175,860	139,362	735,911
Total Expenditures	17,908,005	18,753,851	19,130,755	20,196,798	20,633,607	20,732,109	22,170,313	23,889,563	28,588,568	33,463,486
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	505,013	233,773	198,945	132,410	45,087	367,935	(67,609)	(585,902)	(4,293,395)	(7,564,548)
Other Financing sources (uses)										
Serial Bond Proceeds									24,854,000	
Capital Lease Proceeds						14,249				
Transfers In			476,070	432,390	-	87,847			104,060	58,260
Transfers Out	(6,124)	(810)	(476,392)	(435,505)	(3,601)	(91,181)	(4,643)	(4,711)	(105,908)	(58,260)
Total Other Financing Sources (Uses)	(6,124)	(810)	(322)	(3,115)	(3,601)	10,915	(4,643)	(4,711)	24,852,152	-
Net Change in Fund Balances	\$ 498,889	\$ 232,963	\$ 198,623	\$ 129,295	\$ 41,486	\$ 378,850	\$ (72,252)	\$ (590,613)	\$ 20,558,757	\$ (7,564,548)
Debt Service as a Percentage of										
Noncapital Expenditures	5.82%	5.63%	5.52%	5.40%	5.24%	5.07%	4.75%	4.63%	4.51%	6.88%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Prior Year Reimbursements</u>	<u>Insurance Refunds</u>	<u>Prior Year Orders Canceled</u>	<u>Cancel Old Outstanding Checks</u>	<u>Facility Use</u>	<u>E-Rate</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 6,182	\$ 360,237	\$ 100,618	\$ 9,490			\$ 7,666	\$ 8,200		\$ 2,415	\$ 494,808
2013	5,653	283,367	100,523	10,299			2,315	2,377	\$ 16,367	5,884	426,785
2014	6,442	204,974	95,578	5,485	\$ 16,305		4,060		13,021	19,238	365,103
2015	7,396	136,134	123,417	69,664	2,777		1,523	34,465	33,426	3,647	412,449
2016	6,930	42,000	173,840	70,061	3,211	\$ 21,160	4,366	35,400	38,942	11,307	407,217
2017	10,751	66,500	199,199	4,849	27,625		5,499	37,909	26,368	12,507	391,207
2018	38,627	70,000	197,128	20,731			1,739	63,888	5,218	11,775	409,106
2019	55,089	57,685	153,444	22,815	23,645	6,000		68,032	7,282	35,187	429,179
2020	37,576	102,938	166,569	19,518	78,929			57,000	3,115	29,247	494,892
2021	1,514	93,724	34,663	19,275	6,379	90,119	17,846	5,000	16,033	7,764	292,317

FLORHAM PARK BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct Local School Tax Rate *
2012	\$ 110,392,500	\$ 2,031,401,150	\$ 748,300	\$ 119,800	\$ 890,441,900	\$ 97,324,800	\$ 151,215,500	\$ 3,281,643,950	\$ 4,576,711	\$ 3,286,220,661	\$ 3,335,769,352	\$ 0.480
2013	95,485,900	2,024,445,400	748,300	119,800	890,390,400	97,324,800	157,415,500	3,265,930,100	4,257,410	3,270,187,510	3,015,767,531	0.501
2014	98,799,800	1,985,991,600	748,300	119,800	882,320,700	96,354,600	168,609,300	3,232,944,100	3,854,835	3,236,798,935	2,839,810,971	0.523
2015	95,113,200	2,003,842,000	748,300	119,800	883,268,500	94,644,600	175,484,100	3,253,220,500	4,080,033	3,257,300,533	3,021,413,939	0.530
2016	98,191,900	2,014,682,600	748,300	119,800	903,530,300	92,180,200	175,484,100	3,284,937,200	4,079,867	3,289,017,067	3,126,935,377	0.540
2017	96,791,400	2,035,336,200	748,300	119,800	894,116,700	88,344,300	193,577,400	3,309,034,100	4,107,211	3,313,141,311	3,168,759,250	0.550
2018	64,953,700	2,050,951,700	748,300	119,800	929,394,900	88,344,300	245,944,100	3,380,456,800	3,974,458	3,384,431,258	3,503,649,795	0.560
2019	67,831,000	2,060,266,800	748,300	119,800	972,198,500	88,344,300	248,969,900	3,438,478,600	4,002,145	3,442,480,745	3,511,036,186	0.570
2020	82,509,400	2,070,552,600	748,300	119,800	985,194,200	85,544,300	272,985,400	3,497,654,000	4,089,215	3,501,743,215	3,622,796,572	0.580
2021	99,798,400	2,148,372,800	748,300	10,800	971,753,600	85,544,300	279,709,700	3,585,937,900	4,168,259	3,590,106,159	3,704,718,662	0.588

Source: County Abstract of Ratables

a Tax rates are per \$100

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

Calendar Year	Total Direct School Tax Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Florham Park Local School District	Hanover Park Regional High School District	Municipality of Florham Park	Morris County		
2012	\$ 0.480	\$ 0.220	\$ 0.380	\$ 0.250	\$ 1.330	
2013	0.501	0.227	0.387	0.233	1.348	
2014	0.523	0.233	0.398	0.230	1.384	
2015	0.530	0.240	0.400	0.230	1.400	
2016	0.540	0.250	0.410	0.230	1.430	
2017	0.550	0.260	0.410	0.250	1.470	
2018	0.560	0.270	0.410	0.270	1.510	
2019	0.570	0.280	0.420	0.270	1.540	
2020	0.580	0.290	0.430	0.270	1.570	
2021	0.588	0.303	0.440	0.269	1.600	

Source: County Abstract of Ratables

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

Taxpayer	2021		2012	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
KBSII 300-600 CAMPUS DRIVE, LLC	\$ 111,239,800	0.0309851		
SUN VALLEY PLAZA, LLC	93,517,700	0.026048728		
BASF CORP	68,000,000	0.018940944	\$ 37,072,100	1.13%
RG-KCI LLC%RGDC,ATTN:J CARLOMAGNO	63,500,000	0.017687499		
AVALONBAY COMMUNITIES INC	63,369,900	0.017651261	63,369,900	1.93%
KBSII 100-200 CAMPUS DRIVE, LLC	61,742,300	0.017197904	218,301,300	6.64%
WELLTOWER INC	52,511,000	0.014626587		
LIPT 140 PARK AVENUE LLC	35,014,200	0.009752971		
KBII 190-200 CAMPUS DRIVE LLC %CBRE	34,052,800	0.009485179		
AGNL EXERCISE LLC %LIFETIME FITNESS	33,900,000	0.009442618	33,900,000	1.03%
Rock GW LLC			52,637,300	1.60%
Wells Reit II			91,436,900	2.78%
SUN VALLEY PLAZA, LLC			46,995,600	1.43%
Advance at Park Place LLC			63,351,900	1.93%
LH Florham Holding			43,000,000	1.31%
Riverbend			30,000,000	0.91%
	<u>\$ 616,847,700</u>	<u>17.18%</u>	<u>\$ 680,065,000</u>	<u>20.69%</u>

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 15,803,667	\$ 15,803,667	100%	-
2013	16,093,628	16,093,628	100%	-
2014	16,670,804	16,670,804	100%	-
2015	17,135,484	17,135,484	100%	-
2016	17,461,432	17,461,432	100%	-
2017	17,943,855	17,943,855	100%	-
2018	18,419,303	18,419,303	100%	-
2019	19,199,651	19,199,651	100%	-
2020	19,739,527	19,739,527	100%	-
2021	20,676,739	20,676,739	100%	-

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases	Grant Anticipation Notes			
2012	\$ 9,115,000			\$ 9,115,000	11,849	\$ 769
2013	8,420,000			8,420,000	11,865	710
2014	7,710,000			7,710,000	11,853	650
2015	6,980,000			6,980,000	11,781	592
2016	6,220,000			6,220,000	11,815	526
2017	5,430,000	\$ 12,583		5,442,583	11,755	463
2018	4,600,000	9,959		4,609,959	11,734	393
2019	3,730,000	7,175		3,737,175	11,657	321
2020	27,679,000	4,221		27,683,221	11,575	2,392
2021	26,739,000	1,087		26,740,087	11,824	2,262

(E) - Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 9,115,000		\$ 9,115,000	0.28	\$ 769
2013	8,420,000		8,420,000	0.26	710
2014	7,710,000		7,710,000	0.24	650
2015	6,980,000		6,980,000	0.21	592
2016	6,220,000		6,220,000	0.19	526
2017	5,430,000		5,430,000	0.16	462
2018	4,600,000		4,600,000	0.14	392
2019	3,730,000		3,730,000	0.11	320
2020	27,679,000		27,679,000	0.79	2,391
2021	26,739,000		26,739,000	0.74	2,261

**FLORHAM PARK BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
(Unaudited)**

	<u>Total Gross Debt</u>
Municipal Debt: (1)	
Florham Park Board of Education (as of June 30, 2021)	\$ 26,739,156
Regional High School - Florham Park's Share	4,523,952
Borough of Florham Park	<u>9,938,000</u>
Total Direct Municipal Debt	<u>41,201,108</u>
Overlapping Debt Apportioned to the Municipality:	
Morris County: (2)	
County of Morris (A)	<u>16,275,744</u>
Total Overlapping Debt Apportioned to the Municipality	<u>16,275,744</u>
Total Direct and Overlapping Debt	<u>\$ 57,476,852</u>

Source:

- (1) Borough of Florham Park's 2020 Annual Debt Statement
- (2) Morris County's 2020 Annual Debt Statement
- (A) The debt for this entity was apportioned by dividing the municipality's 2020 equalized value by the total 2020 equalized value for Morris County.

**FLORHAM PARK BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis
	2018 \$ 3,507,061,728
	2019 3,542,267,024
	2020 <u>3,594,711,202</u>
	<u>\$ 10,644,039,954</u>
Average equalized valuation of taxable property	<u>\$ 3,548,013,318</u>
Debt limit (3 % of average equalization value)	\$ 106,440,400
Total Net Debt Applicable to Limit	<u>26,739,156</u>
Legal debt margin	<u>\$ 79,701,244</u>

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 99,887,568	\$ 96,912,020	\$ 91,797,202	\$ 88,416,523	\$ 89,109,645	\$ 92,265,379	\$ 96,534,898	\$ 100,827,648	\$ 104,603,525	\$ 106,440,400
Total net debt applicable to limit	<u>9,115,000</u>	<u>8,420,000</u>	<u>7,710,000</u>	<u>6,980,000</u>	<u>6,220,000</u>	<u>5,430,000</u>	<u>4,600,000</u>	<u>3,730,000</u>	<u>27,679,156</u>	<u>26,739,156</u>
Legal debt margin	<u>\$ 90,772,568</u>	<u>\$ 88,492,020</u>	<u>\$ 84,087,202</u>	<u>\$ 81,436,523</u>	<u>\$ 82,889,645</u>	<u>\$ 86,835,379</u>	<u>\$ 91,934,898</u>	<u>\$ 97,097,648</u>	<u>\$ 76,924,369</u>	<u>\$ 79,701,244</u>
Total net debt applicable to the limit as a percentage of debt limit	9.13%	8.69%	8.40%	7.89%	6.98%	5.89%	4.77%	3.70%	26.46%	25.12%

Source: Annual Debt Statements

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

Borough of Florham Park

<u>Fiscal Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	11,849	\$ 79,775	5.7%
2013	11,865	80,815	5.4%
2014	11,853	84,278	4.7%
2015	11,781	88,335	4.0%
2016	11,815	91,148	3.7%
2017	11,755	93,633	3.5%
2018	11,734	97,819	3.1%
2019	11,657	101,646	2.7%
2020	11,575	N/A	7.3%
2021	11,824	N/A	N/A

N/A - Not Available

Source: New Jersey State Department of Education

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction	108.0	108.0	110.0	109.0	113.0	113.0	114.0	113.0	113.8	118.5
Support Services										
Student and Instruction Related Services	24.6	24.6	23.6	23.6	21.3	21.3	21.3	20.3	24.8	22.3
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School Administrative Services	7.0	6.0	6.0	6.0	6.3	6.3	6.3	6.3	6.3	6.3
Central Services	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.5	4.5
Plant Operations and Maintenance	11.3	11.3	11.3	11.3	11.8	11.3	11.3	11.3	11.3	11.3
Pupil Transportation	13.5	13.5	13.5	13.5	13.1	13.1	13.1	12.1	9.1	10.5
Total	<u>169.4</u>	<u>168.4</u>	<u>169.4</u>	<u>168.4</u>	<u>171.5</u>	<u>171.0</u>	<u>172.0</u>	<u>169.0</u>	<u>171.8</u>	<u>175.4</u>

Source: District Personnel Records

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

Teacher/Student Ratio

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	1,028	\$ 16,818,501	\$ 16,360	3.73%	89	1:12	1:12	1,026	980	-0.10%	95.52%
2013	1,029	17,482,532	16,990	3.85%	90	1:12	1:12	1,022	982	-0.39%	96.09%
2014	1,001	17,825,591	17,808	4.81%	89	1:12	1:12	1,003	964	-1.86%	96.11%
2015	986	18,282,246	18,542	4.12%	89	1:12	1:12	990	951	-1.30%	96.06%
2016	959	18,931,700	19,741	6.47%	90	1:10	1:10	966	927	-2.42%	95.96%
2017	954	19,559,177	20,502	3.86%	90	1:10	1:10	966	924	0.00%	95.65%
2018	971	20,973,596	21,600	5.35%	91	1:10	1:10	966	920	0.00%	95.24%
2019	982	21,622,548	22,019	1.94%	91	1:10	1:10	970	923	0.41%	95.15%
2020	991	22,159,492	22,361	1.55%	92	1:10	1:10	990	958	2.06%	96.77%
2021	967	22,708,998	23,484	5.02%	99	1:10	1:10	961	932	-2.93%	96.98%

Sources: District records

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>District Building</u>										
<u>Elementary</u>										
Brooklake										
Square Feet	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700	50,700
Enrollment	339	347	324	297	316	327	328	335	348	322
Briarwood										
Square Feet	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000
Enrollment	360	355	350	352	301	310	318	324	321	327
<u>Middle School</u>										
Ridgedale										
Square Feet	76,100	76,100	76,100	76,100	76,000	76,000	76,000	76,000	76,000	76,000
Enrollment	331	327	327	337	342	317	325	323	322	318

Number of Schools at June 30, 2021
 Elementary = 2
 Middle School = 1
3

Source: District Records

FLORHAM PARK 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Brooklake Elementary School	N/A	\$ 86,392	\$ 123,324	\$ 105,435	\$ 126,543	\$ 157,949	\$ 111,247	\$ 157,758	\$ 98,476	\$ 100,554	\$ 122,017
Briarwood Elementary School	N/A	76,142	83,628	96,050	117,308	146,422	103,576	151,218	97,202	101,111	113,113
Ridgedale Elementary School	N/A	<u>151,883</u>	<u>120,975</u>	<u>150,664</u>	<u>189,939</u>	<u>237,078</u>	<u>168,790</u>	<u>154,327</u>	<u>167,769</u>	<u>236,352</u>	<u>182,905</u>
Total School Facilities		<u>\$ 314,417</u>	<u>\$ 327,927</u>	<u>\$ 352,149</u>	<u>\$ 433,790</u>	<u>\$ 541,449</u>	<u>\$ 383,613</u>	<u>\$ 463,303</u>	<u>\$ 363,447</u>	<u>\$ 438,017</u>	<u>\$ 418,035</u>

Source: District Records

**FLORHAM PARK BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2021
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building & Contents	\$ 500,000,000	\$ 5,000
Extra Expense	50,000,000	
Increased Cost of Construction	25,000,000	
Flood	75,000,000	
Computer Equipment	300,000	
Energy Systems - Property Damage	500,000,000	
Commercial Liability - Bodily Injury/Property Damage	31,000,000	
Workers Compensation	3,000,000	
School Leaders Errors and Omissions	31,000,000	5,000
Business Auto	31,000,000	1,000
Public Employee Dishonesty	100,000	
Money and Security	25,000	
Computer Fraud	100,000	
Depositor Forgery	100,000	
Student Accident	5,000,000	
Public Official Bond - Board Secretary	100,000	
Public Official Bond - Treasurer of School Monies	230,000	

Source: School District's records

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Florham Park Board of Education
Florham Park, 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 Florham Park Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Florham Park Board of Education's basic financial statements and have issued our report thereon dated February 3, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Florham Park Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Florham Park Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Florham Park 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 Florham Park Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

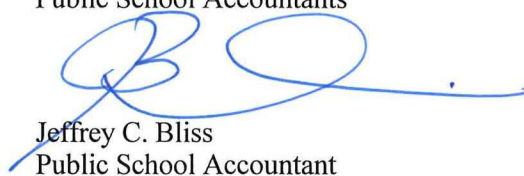
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Florham Park Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 3, 2022.

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 Florham Park 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 Florham Park Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Florham Park Board of Education
Florham Park, New Jersey

Report on Compliance for Each Major State Program

We have audited the Florham Park 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 Florham Park Board of Education’s major state programs for the fiscal year ended June 30, 2021. The Florham Park Board of Education’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Florham Park Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Florham Park 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 Florham Park Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Florham Park Board of Education's internal control over compliance.

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

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

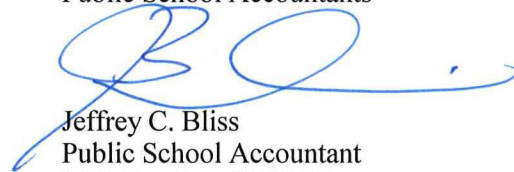
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Florham Park Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 3, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
February 3, 2022

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Unearned Revenue Carryover Amount	Accounts Receivable Carryover Amount	Cash Received	Budgetary Expenditures	June 30, 2021		MEMO GAAP Receivable	
											(Account Receivable)	Unearned Revenue		
U.S. Department of Education														
Passed-through State Department of Education														
I.D.E.I.A. Part B, Basic Regular	84.027	H027A200100	FT-1530-08	7/1/20-9/30/21	\$ 234,653		\$ 8,117	\$ (8,117)	\$ 216,448	\$ 242,770	\$ (26,322)	-	*	\$ (26,322)
I.D.E.I.A. Part B, Basic Regular	84.027	H027A190100	FT-1530-08	7/1/19-9/30/20	203,057	\$ (47,657)	(8,117)	8,117	47,657				*	-
I.D.E.I.A. Preschool	84.173	H027A200114	PS-1530-08	7/1/20-9/30/21	9,077				7,517	9,077	(1,560)	-	*	(1,560)
I.D.E.I.A. Preschool	84.173	H027A190114	PS-1530-08	7/1/19-9/30/20	8,777	(13,855)	-	-	13,855	-	-	-	*	-
Total Special Education Cluster (IDEA)						(61,512)	-	-	285,477	251,847	(27,882)	-	*	(27,882)
611 Title I Part A														
Title I Part A	84.010	S010A200030	NCLB153008	7/1/20-9/30/21	23,033		726	(726)		22,937	(23,759)	\$ 822	*	(22,937)
Title I Part A	84.010	S010A190030	NCLB153008	7/1/19-9/30/20	22,940	(22,610)	(726)	726	22,610				*	-
Title II Part A	84.367A	S010A200029	NCLB153008	7/1/20-9/30/21	12,531		7,324	(7,324)		16,975	(19,855)	2,880	*	(16,975)
Title II Part A	84.367A	S010A190029	NCLB153008	7/1/19-9/30/20	13,171	(13,171)	(7,324)	7,324	13,171				*	-
Title III Immigrant	84.365	S365A190030	NCLB153008	7/1/19-9/30/20	2,455	(2,455)			2,455				*	-
Title IV	84.424	S365A200031	NCLB153008	7/1/20-9/30/21	10,000		13,783	(13,783)		23,783	(23,783)	-	*	(23,783)
Title IV	84.424	S365A190031	NCLB153008	7/1/19-9/30/20	10,000	(4,100)	(13,783)	13,783	4,100	-	-	-	*	-
Total ESEA						(42,336)	-	-	42,336	63,695	(67,397)	3,702	*	(63,695)
Elementary and Secondary School Emergency Relief Fund (ESSER):														
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425D	S425D200027	N/A	3/13/20-9/30/22	20,248	(18,358)			18,358	1,520	(1,890)	370	*	(1,520)
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	N/A	3/13/20-9/30/23	75,515						(75,515)	75,515	*	-
ESSER II - Learning Acceleration	84.425D	S425D200027	N/A	3/13/20-9/30/23	25,000						(25,000)	25,000	*	-
ESSER II - Mental Health	84.425D	S425D200027	N/A	3/13/20-9/30/23	45,000	-	-	-	-	-	(45,000)	45,000	*	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)						(18,358)	-	-	18,358	1,520	(147,405)	145,885	*	(1,520)
Nonpublic Digital Divide														
Nonpublic Digital Divide	21.019	S377A130031	N/A	7/16/20-10/31/20	2,045				2,045	2,045	-	-	*	-
Coronavirus Relief Fund Grant	21.019	S425D200027	N/A	3/13/20-12/30/21	24,759	-	-	-	24,759	24,759	-	-	*	-
Total Coronavirus Relief Fund Grant CARES Cluster						-	-	-	26,804	26,804	-	-	*	-
Total U.S. Department of Education						\$ (122,206)	\$ -	\$ -	\$ 372,975	\$ 343,866	\$ (242,684)	\$ 149,587	*	\$ (93,097)
Total Federal Financial Assistance - Special Revenue Fund						\$ (122,206)	\$ -	\$ -	\$ 372,975	\$ 343,866	\$ (242,684)	\$ 149,587	*	\$ (93,097)

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

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Cash Received	Budgetary Expenditures	Refunded to State	June 30, 2021			MEMO	
								(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Combined Total Expenditures
State Department of Education												
General Fund:												
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 558,682		\$ 505,585	\$ 558,682		\$ (53,097)			*	\$ 558,682
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	519,689	\$ (48,898)	48,898						*	-
Security Aid	21-495-034-5120-089	7/1/20-6/30/21	19,487		17,635	19,487		(1,852)			*	19,487
Security Aid	20-495-034-5120-089	7/1/19-6/30/20	19,487	(1,834)	1,834	-		-	-	-	*	-
Total State Aid - Public Cluster				(50,732)	573,952	578,169	-	(54,949)	-	-	*	578,169
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	161,007		145,705	161,007		(15,302)			*	161,007
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	161,007	(15,149)	15,149						*	-
Additional Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	19,751	-	-	19,751	-	(19,751)	-	-	*	(19,751)
Total Transportation Aid Cluster				(15,149)	160,854	180,758	-	(35,053)	-	-	*	180,758
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	260,447			260,447		(260,447)			*	260,447
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	116,356	(116,356)	116,356						*	-
TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	577,300		577,300	577,300					*	577,300
TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	2,072,350		2,072,350	2,072,350					*	2,072,350
TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	39,429		39,429	39,429					*	39,429
TPAF Post Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	661,799		661,799	661,799					*	661,799
TPAF Long-Term Disability Insurance Contributions	21-495-034-5094-004	7/1/20-6/30/21	1,168	-	1,168	1,168	-	-	-	-	*	1,168
Total General Fund				(182,237)	4,203,208	4,371,420	-	(350,449)	-	-	*	(19,751)
Special Revenue Fund:												
New Jersey Nonpublic Aid												
Nursing	21-100-034-5120-070	7/1/20-6/30/21	4,794		4,794	4,195				\$ 599	*	4,195
Nursing	20-100-034-5120-070	7/1/19-6/30/20	3,201	284			\$ 284				*	-
Textbooks	21-100-034-5120-064	7/1/20-6/30/21	2,871		2,871	2,682				189	*	2,682
Security	21-100-034-5120-509	7/1/20-6/30/21	8,225	-	8,225	8,225	-	-	-	-	*	8,225
Total Nonpublic Aid Cluster				284	15,890	15,102	284	-	-	788	*	15,102
New Jersey Clean Energy SmartStarts Program	N/A	7/1/20-6/30/21	49,600	-	49,600	49,600	-	-	-	-	*	49,600
Total Special Revenue Fund				284	65,490	64,702	284	-	-	788	*	64,702
Debt Service Fund:												
Debt Service Aid	21-495-034-5120-075	7/1/20-6/30/21	216,527	-	216,527	216,527	-	-	-	-	*	216,527
Total Debt Service Fund				-	216,527	216,527	-	-	-	-	*	216,527
Total State Financial Assistance Subject to Single Audit Determination				(181,953)	4,485,225	4,652,649	284	(350,449)	-	788	*	(19,751)
State Financial Assistance Not Subject to Major Program Determination												
General Fund												
TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	2,072,350		(2,072,350)	(2,072,350)					*	(2,072,350)
TPAF Pension - NCGI Premium	21-495-034-5094-004	7/1/20-6/30/21	39,429		(39,429)	(39,429)					*	(39,429)
TPAF Post Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	661,799		(661,799)	(661,799)					*	(661,799)
TPAF Long-Term Disability Insurance Contributions	21-495-034-5094-004	7/1/20-6/30/21	1,168	-	(1,168)	(1,168)	-	-	-	-	*	(1,168)
Total State Financial Assistance For Major Program Determination				\$ (181,953)	\$ 1,710,479	\$ 1,877,903	\$ 284	\$ (350,449)	\$ -	\$ 788	*	\$ (19,751)

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$148,461 for the general fund and a decrease of \$3,375 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,222,959	\$ 4,222,959
Special Revenue Fund	\$ 340,491	64,702	405,193
Debt Service Fund	-	216,527	216,527
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 340,491	\$ 4,504,188	\$ 4,844,679

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$577,300 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$2,111,779, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$661,779 and TPAF Long-Term Disability Insurance in the amount of \$1,168 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Significant deficiency identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section Not Applicable

**FLORHAM PARK BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

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

(2) Significant deficiency identified that are not considered to be material weakness(es)? _____ yes X 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 X no

Identification of major state programs:

GMIS Number(s)	Name of State Program
21-495-034-5094-003	Reimbursed TPAF Social Security Contributions

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

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

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

Part 2 – Schedule of Financial Statement Findings

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

THERE ARE NONE.

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

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

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

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

CURRENT YEAR STATE AWARDS

There are none.

**FLORHAM PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

There were none.