

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

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

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

**Prepared by**

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

NEW PROVIDENCE SCHOOL DISTRICT

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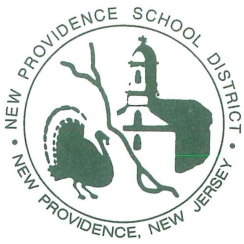
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# **INTRODUCTORY SECTION**



# NEW PROVIDENCE SCHOOL DISTRICT

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Superintendent of Schools  
908-464-9050 (ext. 4225)

**LAUREN ZIRPOLI**  
Assistant Superintendent  
of Educational Services  
908-464-9050 (ext. 4222)

**JAMES E. TESTA**  
School Business Administrator/  
Board Secretary  
908-464-9050 (ext. 4223)

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

March 1, 2022

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

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical sections include selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped students. The District completed the 2020-2021 fiscal year with an enrollment of 2,397 students, which is forty eight students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

| <u>School Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2016               | 2,437                     |                       |
| 2017               | 2,436                     | 0.0%                  |
| 2018               | 2,406                     | -1.2%                 |
| 2019               | 2,437                     | 1.3%                  |
| 2020               | 2,445                     | .3%                   |
| 2021               | 2,397                     | -1.96%                |

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

**3. MAJOR INITIATIVES:**

High School

- AP Computer Science
- AP Biology
- AP Studio Art
- Advanced Investigative Journalism

Middle School

- Financial Literacy
- French, 8th Grade
- Language Arts - Historical Fiction and Literary Nonfiction Units, 7th-8th Grades
- Math, 7th Grade

Elementary Schools

- 1 to 1 iPad Instruction, K-2nd grades
- Google Classroom and Seesaw Learning Platforms for instruction and assessment
- Physical Education, K-6th grades
- Theater, K-6th grades

District

- Social Emotional Learning, Mental Health, and Trauma-Informed Practices
- Curriculum template and writing process updated
- Curriculum revisions to implement N.J.S.A. 18A:35-4.35 LGBT and Disabilities Law
- Dance, K-12th grades
- Continuation of district professional development program
- Technology integration, including iPad, Google Applications, online platforms, and video conferencing for synchronous learning

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



reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

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

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

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

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

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

**7) DEBT ADMINISTRATION:** At June 30, 2021, the District's outstanding debt included \$18,315,000.00 of general obligation bonds. In 2006 and 2017, the district issued general obligation bonds. The proceeds of the bonds issued were placed in the District's capital projects fund for capital improvements to the District's buildings and grounds. These improvements include additions and various renovations at all three school locations. In 2014, the 2006 bonds were refunded and refinanced at a savings to the District.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**9) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, athletic accident, automobile liability/comprehensive/collision, cyber, property, school legal, and workers' compensation.

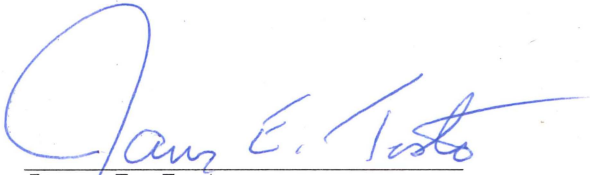
**10) OTHER INFORMATION:**

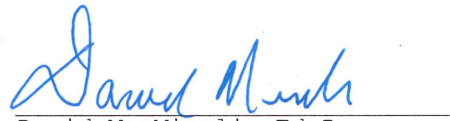
**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Donohue, Gironde, Doria & Tomkins, LLC CPA's, was recommended by the Board's Finance committee and approved by the Board. In addition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

**11) ACKNOWLEDGMENTS:**

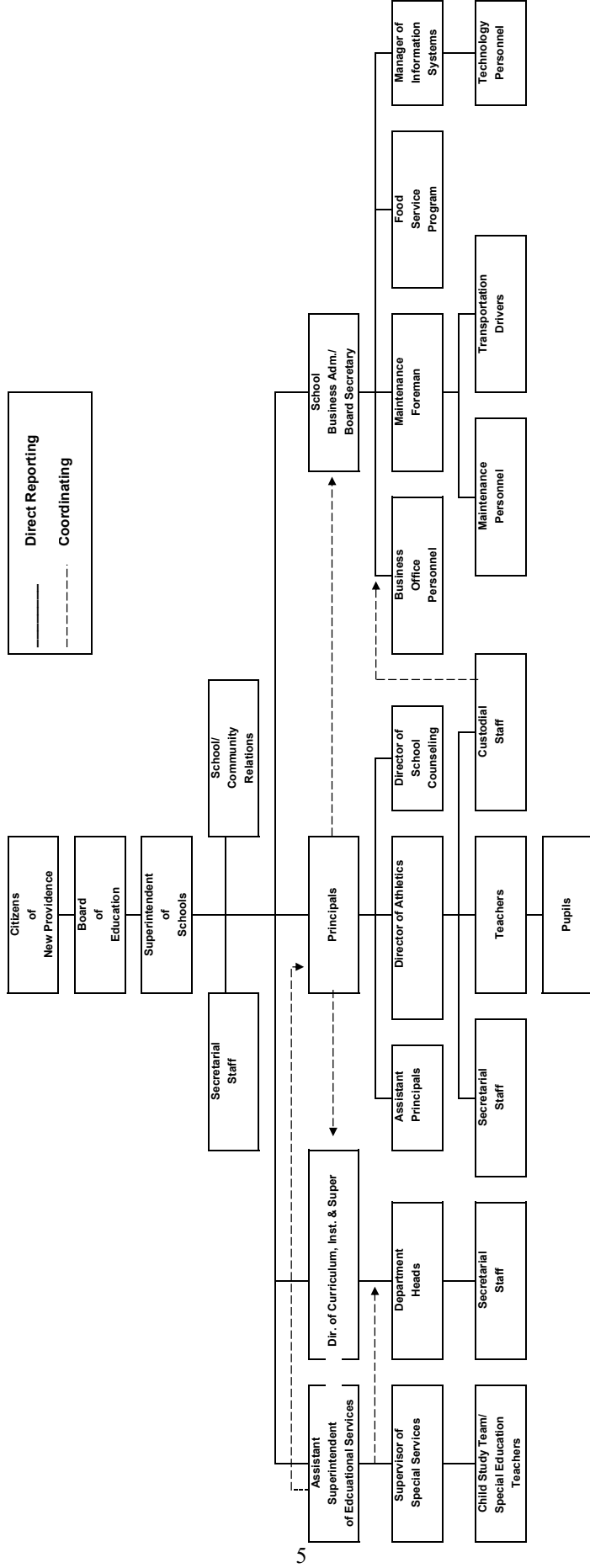
We would like to express our appreciation to the members of the New Providence School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

Respectfully submitted,

  
James E. Testa  
School Business Administrator/Board Secretary

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

# New Providence Public Schools Organizational Chart (Unit Control)



**NEW PROVIDENCE BOARD OF EDUCATION**  
**NEW PROVIDENCE, NEW JERSEY**

ROSTER OF OFFICIALS  
June 30, 2021

| <u>Members of the Board of Education</u>                      | <u>Term Expires</u> |
|---|---------------------|
| Mary Misiukiewicz, President                                  | 2023                |
| Bernadette Cuccaro, Vice President                            | 2022                |
| Rebecca Coniglio  | 2021                |
| Jennifer Killea   | 2021                |
| Amanda B. Marano  | 2023                |
| Adam M. Smith   | 2021                |
| Joseph F. Walsh   | 2022                |
| <br><u>Other Officials</u>                                    |                     |
| David M. Miceli, Ed.D., Superintendent of Schools             |                     |
| James E. Testa, Board Secretary/School Business Administrator |                     |

**NEW PROVIDENCE BOARD OF EDUCATION**

Consultants and Advisors

**AUDIT FIRM**

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

**ATTORNEY**

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, NJ 07091

**OFFICIAL DEPOSITORY**

Investors Savings Bank  
1260 Springfield Avenue  
New Providence, NJ 07974

## **FINANCIAL SECTION**

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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Robert A. Gironda, CPA  
Robert G. Doria, CPA (N.J. & N.Y.)  
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Jason R. Gironda, CPA  
Mauricio Canto, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the New Providence School District (the "District"), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

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

## ***Emphasis of Matter***

### *Change in Accounting Principle*

As discussed in Note 1 to the basic financial statements, in 2021, the District adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities (an Amendment of GASB Statement No. 34). Our opinions are 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, and pension and post-retirement medical benefits information on pages 11 through 19, pages 61 through 67, and pages 69 through 72 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 District's basic financial statements. The introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not required parts of the basic financial statements.

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

The introductory section and statistical sections 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 March 1, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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



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

Bayonne, New Jersey  
March 1, 2022

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The discussion and analysis of the New Providence School District's financial performance provides an overall review of the New Providence School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the New Providence School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the New Providence School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2021 are as follows:

- Total net position is \$1,123,907. Net position for governmental activities is \$1,000,596. Net position of the business-type activity, which represents food service, is \$123,311. This reflects an increase in net position in the amount of \$1,240,132.
- General revenues accounted for \$56,605,149 in revenue or 97.7 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,328,879 or 2.3 percent of total revenues of \$58,040,706. General revenues including property taxes of \$40,485,611 were used to offset the net expenses after program revenues.
- The School District had \$56,771,896 in expenses; \$1,328,879 of the expenses were offset by program specific charges for service, grants or contributions.
- The General Fund revenues exceeded expenditures and other financing sources of the School District by \$952,609. Revenue, in the amount of \$2,034,818 was reserved for tax relief in the 2021/2022 school year and \$1,277,388 will be reserved for tax relief in the 2022/2023 school year, as required by the State of New Jersey.

A review of the fiscal year 2020 financial highlights are as follows:

- Total net position is (\$116,225). Net position for governmental activities is (\$311,659). Net position of the business-type activity, which represents food service, is \$195,434. This reflects an increase in net position in the amount of \$862,711.
- General revenues accounted for \$51,021,259 in revenue or 97.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,375,443 or 2.6 percent of total revenues of \$52,396,702. General revenues including property taxes of \$39,641,961 were used to offset the net expenses after program revenues.
- The School District had \$51,533,991 in expenses; \$1,375,443 of the expenses were offset by program specific charges for service, grants or contributions.
- The General Fund revenues exceeded expenditures and other financing sources of the School District by \$1,227,177. Revenue, in the amount of \$1,600,000 was reserved for tax relief in the 2020/2021 school year and \$2,034,818 will be reserved for tax relief in the 2021/2022 school year, as required by the State of New Jersey.

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Using the Basic Financial Statements**

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

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

**Reporting the New Providence School District as a Whole**

**Statement of Net Position and Statement of Activities**

While this report contains the large number of funds used by the New Providence School District to provide programs and activities, the view of the New Providence School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the fiscal year 2021?” The statement of net position and the statement of activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting which, takes into consideration all of the current year’s revenues and expenses regardless of when cash was received or paid.

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

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

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

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

**Reporting the New Providence School District’s Most Significant Funds**

**Fund Financial Statements**

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

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Funds**

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

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, their statements are essentially the same.

**The New Providence School District**

The perspective of the statement of net position is of the New Providence School District as a whole. Table 1 provides a summary of the New Providence School District's net position for 2021.

Total assets equal \$32,710,567. Total assets for Governmental Activities is \$32,571,219. Total assets for Business Type Activities is \$139,348. The totals for 2020 are presented for comparative purposes.

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

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activity</b> | <b>Total</b> |              |
|---|------------------------------------|-----------------------------------|--------------|--------------|
|   | <b>2021</b>                        | <b>2021</b>                       | <b>2021</b>  | <b>2020*</b> |
| <b>ASSETS</b>                             |                                    |                                   |              |              |
| Current and Other Assets                  | \$ 8,352,909                       | \$ 30,973                         | \$ 8,383,882 | \$ 7,219,500 |
| Capital Assets, Net                       | 24,218,310                         | 108,375                           | 24,326,685   | 25,930,763   |
| Total Assets                              | 32,571,219                         | 139,348                           | 32,710,567   | 33,150,263   |
| <b>DEFERRED OUTFLOWS<br/>OF RESOURCES</b> |                                    |                                   |              |              |
|   | 1,638,848                          | -                                 | 1,638,848    | 2,312,657    |
| <b>LIABILITIES</b>                        |                                    |                                   |              |              |
| Current and Other Liabilities             | 1,784,523                          | 16,037                            | 1,800,560    | 1,496,262    |
| Long-Term Liabilities                     | 18,799,398                         | -                                 | 18,799,398   | 20,489,682   |
| Net Pension Liability                     | 8,562,621                          | -                                 | 8,562,621    | 9,847,684    |
| Total Liabilities                         | 29,146,542                         | 16,037                            | 29,162,579   | 31,833,628   |
| <b>DEFERRED INFLOWS<br/>OF RESOURCES</b>  |                                    |                                   |              |              |
|   | 4,062,929                          | -                                 | 4,062,929    | 3,745,517    |
| <b>NET POSITION</b>                       |                                    |                                   |              |              |
| Net Investment in Capital Assets          | 5,809,875                          | 108,375                           | 5,918,250    | 5,942,084    |
| Restricted                                | 1,781,140                          | -                                 | 1,781,140    | 2,532,658    |
| Unrestricted                              | (6,590,419)                        | 14,936                            | (6,575,483)  | (8,590,967)  |
| Total Net Position                        | \$ 1,000,596                       | \$ 123,311                        | \$ 1,123,907 | \$ (116,225) |

\*As restated

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Table 2 reflects the change in net position for fiscal year 2021 and 2020.

**Table 2  
Net Position**

|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activity</b> | <b>Total</b>        |                     |
|--|------------------------------------|-----------------------------------|---------------------|---------------------|
|  | <b>2021</b>                        | <b>2021</b>                       | <b>2021</b>         | <b>2020*</b>        |
| <b>REVENUES</b>  |                                    |                                   |                     |                     |
| Program Revenues:                                      |                                    |                                   |                     |                     |
| Charges for Services                                   | \$ 335,685                         | \$ 12,865                         | \$ 348,550          | \$ 997,090          |
| Operating Grants                                       | 980,274                            | -                                 | 980,274             | 691,228             |
| Total Program Revenues                                 | <u>1,315,959</u>                   | <u>12,865</u>                     | <u>1,328,824</u>    | <u>1,688,318</u>    |
| General Revenues:                                      |                                    |                                   |                     |                     |
| Property Taxes   | 40,485,611                         | -                                 | 40,485,611          | 39,641,961          |
| Grants and Entitlements                                | 15,914,045                         | -                                 | 15,914,045          | 11,110,016          |
| Interest   | 19,463                             | 55                                | 19,518              | 93,392              |
| Miscellaneous  | 292,708                            | -                                 | 292,708             | 177,222             |
| Total General Revenues                                 | <u>56,711,827</u>                  | <u>55</u>                         | <u>56,711,882</u>   | <u>51,022,591</u>   |
| Total Revenues   | <u>58,027,786</u>                  | <u>12,920</u>                     | <u>58,040,706</u>   | <u>52,710,909</u>   |
| <b>EXPENSES</b>  |                                    |                                   |                     |                     |
| Instruction  | 20,401,223                         | -                                 | 20,401,223          | 19,158,436          |
| Support Services:                                      |                                    |                                   |                     |                     |
| Tuition, Students<br>and Instructional Staff           | 7,148,011                          | -                                 | 7,148,011           | 6,626,668           |
| School Administrative Services                         | 1,543,849                          | -                                 | 1,543,849           | 1,641,040           |
| General and Business Admin Svcs                        | 22,538,225                         | -                                 | 22,538,225          | 17,664,315          |
| Operation and Maintenance of Plant                     | 2,170,897                          | -                                 | 2,170,897           | 2,228,700           |
| Pupil Transportation                                   | 1,185,926                          | -                                 | 1,185,926           | 1,209,101           |
| Unallocated Depreciation                               | 973,491                            | -                                 | 973,491             | 1,728,131           |
| Interest on Long-Term Debt                             | 647,231                            | -                                 | 647,231             | 698,913             |
| Food Service   | -                                  | 163,043                           | 163,043             | 658,714             |
| Total Expenses   | <u>56,608,853</u>                  | <u>163,043</u>                    | <u>56,771,896</u>   | <u>51,614,018</u>   |
| Excess (Deficit) Before Special Items<br>and Transfers | 1,418,933                          | (150,123)                         | 1,268,810           | 1,096,891           |
| Special Item Fixed Assets Disposal                     | (28,678)                           | -                                 | (28,678)            | (1,332)             |
| Transfers  | <u>(78,000)</u>                    | <u>78,000</u>                     | <u>-</u>            | <u>-</u>            |
| Change in Net Position                                 | 1,312,255                          | (72,123)                          | 1,240,132           | 1,095,559           |
| Net Position, July 1                                   | (311,659)                          | 195,434                           | (116,225)           | (1,211,784)         |
| Net Position, June 30                                  | <u>\$ 1,000,596</u>                | <u>\$ 123,311</u>                 | <u>\$ 1,123,907</u> | <u>\$ (116,225)</u> |

\*As restated

The total increase in Net Position for Governmental Activities is \$1,312,255. The total decrease in Net Position for Business-Type Activities is \$72,123. The total increase in Net Position is \$1,240,132.

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities**

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

**Table 3a.**  
**Governmental Activities**

|  | <b>Total Cost<br/>of Services<br/>2020-2021</b> | <b>Percent of<br/>Total</b> | <b>Total Cost<br/>of Services<br/>2019-2020</b> | <b>Percent of<br/>Total</b> |
|--|---|-----------------------------|---|-----------------------------|
| Instruction                                  | \$ 20,401,223                                   | 36.04%                      | \$ 19,158,436                                   | 37.60%                      |
| Support Services:                            |   |                             |   |                             |
| Tuition, Students<br>and Instructional Staff | 7,148,011                                       | 12.63%                      | 6,626,668                                       | 13.00%                      |
| School Administrative Services               | 1,543,849                                       | 2.73%                       | 1,641,040                                       | 3.22%                       |
| General and Business Admin Svcs              | 22,538,225                                      | 39.81%                      | 17,664,315                                      | 34.67%                      |
| Operation and Maintenance of Plant           | 2,170,897                                       | 3.83%                       | 2,228,700                                       | 4.37%                       |
| Pupil Transportation                         | 1,185,926                                       | 2.09%                       | 1,209,101                                       | 2.37%                       |
| Unallocated Depreciation                     | 973,491   | 1.72%                       | 1,728,131                                       | 3.39%                       |
| Interest on Long-Term Debt                   | 647,231   | 1.14%                       | 698,913   | 1.37%                       |
| <b>Total Expenditures</b>                    | <b>\$ 56,608,853</b>                            | <b>100%</b>                 | <b>\$ 50,955,304</b>                            | <b>100%</b>                 |

The Governmental Activities in the above schedule demonstrate \$20,401,223 are identified as Instruction. Additionally, Tuition, Students and Instructional Staff Activities are \$7,148,011. Combined resources from Instruction, Tuition Students and Instructional Staff total \$27,549,234.

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

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Business-Type Activity**

**Table 3b.**  
**Business Activity**

|                                    | <b><u>Total Cost<br/>of Services<br/>2020-2021</u></b> | <b><u>Percent of<br/>Total</u></b> | <b><u>Total Cost<br/>of Services<br/>2019-2020</u></b> | <b><u>Percent of<br/>Total</u></b> |
|------------------------------------|--|------------------------------------|--|------------------------------------|
| <b>REVENUE</b>                     |  |                                    |  |                                    |
| Charges for Services               | \$ 12,865  | 99.57%                             | \$ 553,350   | 99.69%                             |
| Operating - Interest Income        | <u>55</u>  | <u>0.43%</u>                       | <u>1,730</u>   | <u>0.31%</u>                       |
| Total Revenue                      | <u>12,920</u>  | <u>100%</u>                        | <u>555,080</u>   | <u>100.00%</u>                     |
| <b>EXPENSES</b>                    |  |                                    |  |                                    |
| Food Service                       | <u>163,043</u>   | <u>100%</u>                        | <u>658,714</u>   | <u>100.00%</u>                     |
| Total Expense                      | <u>163,043</u>   | <u>100%</u>                        | <u>658,714</u>   | <u>100.00%</u>                     |
| Net (Loss) Before Transfers        | <u>(150,123)</u>                                       | <u>-</u>                           | <u>(103,634)</u>                                       | <u>-</u>                           |
| Operating Transfers - General Fund | <u>78,000</u>  | <u>100%</u>                        | <u>-</u>   | <u>-</u>                           |
| Change in Net Position             | <u>\$ (72,123)</u>                                     | <u>\$ -</u>                        | <u>\$ (103,634)</u>                                    | <u>\$ -</u>                        |

The business-type activity of the New Providence School District is the food service operation. This program had revenues of \$12,920 and expenses of \$163,043 for fiscal year 2021. During 2021, the District transferred \$78,000 from the general fund to the food service fund. For fiscal year 2021, the food service operation realized a decrease in net position of \$72,123.

Over the past two years, the Covid-19 pandemic has negatively affected the operations of the food service operation.

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



**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Sources of Revenue**

The local tax revenue has been stable for several years. For all governmental activities, state revenues support approximately 20.44%. The community, as a whole, 77.86% of the support and Federal revenue accounts for 1.70% of the total cost of programs for New Providence School District students. In 2021, the District received additional federal funding in response to the COVID-19 Pandemic.

**Table 4**  
**Sources of Revenue**

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b>Local Tax<br/>Levy</b> | <b>Other Local<br/>Revenue</b> | <b>Operating<br/>Grants</b> | <b>Federal &amp;<br/>State Aid<br/>Not Restricted</b> | <b>Total</b>  |
|---|---------------------------|--------------------------------|-----------------------------|---|---------------|
| 2021                                      | \$ 40,485,611             | \$ 312,171                     | \$ 1,315,959                | \$ 15,914,045   | \$ 58,027,786 |
| 2020                                      | 39,641,961                | 269,282                        | 820,363                     | 11,110,016  | 51,841,622    |

The total 2021 revenue from all sources is \$58,027,786.

**The School District's Funds**

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$52,844,930 and expenditures of \$51,957,039.

**General Fund Budgeting Highlights**

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

During the course of the fiscal year 2021, the School District amended its General Fund budget as needed. The School District uses a program-based budgeting model and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

A transfer of funds was needed to support technology, maintenance of school facilities, employee benefits, and the food service operation.

For the General Fund, budget basis revenue was \$49,588,819 compared to the final budgeted estimates of \$41,210,896. This difference was primarily due to the State's On-Behalf TPAF Pension Contributions, Post-Retirement Medical Contributions, the State's Reimbursed TPAF Social Security Contributions and additional extraordinary aid. All are non-budgeted income and expense items, except the additional extraordinary aid.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2021, the New Providence School District has \$24,218,310 in Capital Assets, net of depreciation, for governmental activities. This amount represents a net decrease of \$1,579,190 over last year, which is primarily due to depreciation. More detailed information about the Board's capital assets and depreciation is presented in Note 4 to the financial statements.

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Capital Assets and Debt Administration (continued)**

**Capital Assets (continued)**

**Table 5**  
**Capital Assets and Depreciation**

|  | Balance at<br>June 30, 2020 | Additions             | Disposals          | Balance at<br>June 30, 2021 |
|--|-----------------------------|-----------------------|--------------------|-----------------------------|
| <b>Governmental Activities:</b>                          |                             |                       |                    |                             |
| Land   | \$ 1,306,892                | \$ -                  | \$ -               | \$ 1,306,892                |
| Land Improvements  | 182,601                     | -                     | -                  | 182,601                     |
| Buildings and Improvements                               | 50,642,560                  | 54,179                | -                  | 50,696,739                  |
| Machinery, Equipment & Vehicles                          | 5,508,025                   | 664,673               | (452,514)          | 5,720,184                   |
| Total at Historical Cost                                 | 57,640,078                  | 718,852               | (452,514)          | 57,906,416                  |
| <b>Less: Accumulated Depreciation:</b>                   |                             |                       |                    |                             |
| Land Improvements  | (181,226)                   | (125)                 | -                  | (181,351)                   |
| Buildings and Improvements                               | (27,249,842)                | (1,677,684)           | -                  | (28,927,526)                |
| Machinery, Equipment & Vehicles                          | (4,411,510)                 | (591,555)             | 423,836            | (4,579,229)                 |
| Total Accumulated Depreciation                           | (31,842,578)                | (2,269,364) *         | 423,836            | (33,688,106)                |
| <b>Governmental Activities - Capital<br/>Assets, Net</b> | <b>\$ 25,797,500</b>        | <b>\$ (1,550,512)</b> | <b>\$ (28,678)</b> | <b>\$ 24,218,310</b>        |
|  | Balance at<br>June 30, 2020 | Additions             | Disposals          | Balance at<br>June 30, 2021 |
| <b>Business-type Activity:</b>                           |                             |                       |                    |                             |
| Machinery & Equipment                                    | \$ 352,041                  | \$ 2,480              | \$ -               | \$ 354,521                  |
| Total at Historical Cost                                 | 352,041                     | 2,480                 | -                  | 354,521                     |
| <b>Less: Accumulated Depreciation:</b>                   |                             |                       |                    |                             |
| Machinery & Equipment                                    | (218,778)                   | (27,368)              | -                  | (246,146)                   |
| Total Accumulated Depreciation                           | (218,778)                   | (27,368)              | -                  | (246,146)                   |
| <b>Business-type Activity - Capital<br/>Assets, Net</b>  | <b>\$ 133,263</b>           | <b>\$ (24,888)</b>    | <b>\$ -</b>        | <b>\$ 108,375</b>           |

\*Depreciation expense was charged to Governmental Activities as follows:

|                            |              |
|----------------------------|--------------|
| <b>Instruction:</b>        |              |
| Regular                    | \$ 1,295,873 |
| Total Instruction          | 1,295,873    |
| <b>Support Services:</b>   |              |
| Unallocated Depreciation   | 973,491      |
| Total Support Services     | 973,491      |
| Total Depreciation Expense | \$ 2,269,364 |

**NEW PROVIDENCE SCHOOL DISTRICT  
UNION COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Debt**

At June 30, 2021, the New Providence School District had no long-term debt payable from proprietary fund resources. Long-term liabilities include debt service, compensated absences and capital lease obligations. More detailed information about the Board's long-term liabilities is presented in Note 5 to the financial statements.

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2021:

|                              | Balance<br>June 30, 2020 | Additions         | Reductions            | Balance<br>June 30, 2021 |
|------------------------------|--------------------------|-------------------|-----------------------|--------------------------|
| Governmental Activities:     |                          |                   |                       |                          |
| Bonds Payable                | \$ 19,745,000            | \$ -              | \$ (1,430,000)        | \$ 18,315,000            |
| Net Pension Liability        | 9,847,684                | -                 | (1,285,063)           | 8,562,621                |
| Compensated Absences Payable | 501,003                  | 44,256            | (154,296)             | 390,963                  |
| Capital leases payable       | 243,679                  | 104,310           | (254,554)             | 93,435                   |
| <b>Total Liabilities</b>     | <b>\$ 30,337,366</b>     | <b>\$ 148,566</b> | <b>\$ (3,123,913)</b> | <b>\$ 27,362,019</b>     |

**Current Issues**

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

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

**Contacting the New Providence School District's Financial Management**

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

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2021**

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Totals</u>       |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS:</b>                                  |                                    |                                     |                     |
| Cash and cash equivalents                       | \$ 7,150,370                       | \$ 20,243                           | \$ 7,170,613        |
| Receivables, net                                | 806,870                            | 630                                 | 807,500             |
| Inventory                                       | -                                  | 10,100                              | 10,100              |
| Restricted assets:                              |                                    |                                     |                     |
| Restricted cash and cash equivalents            | 215,485                            | -                                   | 215,485             |
| Capital reserve account - cash                  | 180,184                            | -                                   | 180,184             |
| Capital assets, net of depreciation             | 24,218,310                         | 108,375                             | 24,326,685          |
| Total Assets                                    | <u>32,571,219</u>                  | <u>139,348</u>                      | <u>32,710,567</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                    |                                     |                     |
| Deferred pension liabilities                    | <u>1,638,848</u>                   | <u>-</u>                            | <u>1,638,848</u>    |
| <b>LIABILITIES</b>                              |                                    |                                     |                     |
| Accounts payable                                | 1,136,393                          | 16,037                              | 1,152,430           |
| Payroll deductions and withholdings payable     | 260,637                            | -                                   | 260,637             |
| Other liability for unemployment claims         | 296,902                            | -                                   | 296,902             |
| Payable to federal government                   | 709                                | -                                   | 709                 |
| Payable to state government                     | 30,640                             | -                                   | 30,640              |
| Unearned revenue                                | 59,242                             | -                                   | 59,242              |
| Non-current liabilities:                        |                                    |                                     |                     |
| Due within one year                             | 1,588,435                          | -                                   | 1,588,435           |
| Due beyond one year                             | 17,210,963                         | -                                   | 17,210,963          |
| Net pension liability                           | 8,562,621                          | -                                   | 8,562,621           |
| Total Liabilities                               | <u>29,146,542</u>                  | <u>16,037</u>                       | <u>29,162,579</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                                    |                                     |                     |
| Deferred pension liabilities                    | <u>4,062,929</u>                   | <u>-</u>                            | <u>4,062,929</u>    |
| <b>NET POSITION</b>                             |                                    |                                     |                     |
| Invested in capital assets, net of related debt | 5,809,875                          | 108,375                             | 5,918,250           |
| Restricted for:                                 |                                    |                                     |                     |
| Debt Service                                    | 323,568                            | -                                   | 323,568             |
| Other Purposes                                  | 1,457,572                          | -                                   | 1,457,572           |
| Unrestricted                                    | (6,590,419)                        | 14,936                              | (6,575,483)         |
| Total net position                              | <u>\$ 1,000,596</u>                | <u>\$ 123,311</u>                   | <u>\$ 1,123,907</u> |

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

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Activities**  
**for the Fiscal Year ended June 30, 2021**

| Functions/Programs<br>Governmental Activities:       | PROGRAM REVENUES |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                 |
|--|------------------|-------------------------|--|--|--|-----------------------------|-----------------|
|  | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total           |
| Instruction:   |                  |                         |  |  |  |                             |                 |
| Regular  | \$ 16,134,234    | \$ 129,180              | \$ 547,394                               | \$ -                                   | \$ (15,457,660)                                      | \$ -                        | \$ (15,457,660) |
| Special Education                                    | 2,936,826        | -                       | -  | -                                      | (2,936,826)  | -                           | (2,936,826)     |
| Other special instruction                            | 325,899          | -                       | -  | -                                      | (325,899)  | -                           | (325,899)       |
| Other instruction                                    | 1,004,264        | -                       | -  | -                                      | (1,004,264)  | -                           | (1,004,264)     |
| Support services:                                    |                  |                         |  |  |  |                             |                 |
| Tuition  | 2,538,261        | -                       | -  | -                                      | (2,538,261)  | -                           | (2,538,261)     |
| Student & instruction related services               | 4,609,750        | 206,505                 | 432,880                                  | -                                      | (3,970,365)  | -                           | (3,970,365)     |
| School administrative services                       | 1,543,849        | -                       | -  | -                                      | (1,543,849)  | -                           | (1,543,849)     |
| General and business administrative services         | 22,538,225       | -                       | -  | -                                      | (22,538,225)   | -                           | (22,538,225)    |
| Plant operation and maintenance                      | 2,170,897        | -                       | -  | -                                      | (2,170,897)  | -                           | (2,170,897)     |
| Pupil transportation                                 | 1,185,926        | -                       | -  | -                                      | (1,185,926)  | -                           | (1,185,926)     |
| Unallocated depreciation                             | 973,491          | -                       | -  | -                                      | (973,491)  | -                           | (973,491)       |
| Interest on Long Term Debt                           | 647,231          | -                       | -  | -                                      | (647,231)  | -                           | (647,231)       |
| Total governmental activities                        | 56,608,853       | 335,685                 | 980,274                                  | -                                      | (55,292,894)   | -                           | (55,292,894)    |
| Business-type activities:                            |                  |                         |  |  |  |                             |                 |
| Food service   | 163,043          | 12,865                  | 55                                       | -                                      | -  | (150,123)                   | (150,123)       |
| Total business-type activities                       | 163,043          | 12,865                  | 55                                       | -                                      | -  | (150,123)                   | (150,123)       |
| Total primary government                             | \$ 56,771,896    | \$ 348,550              | \$ 980,329                               | \$ -                                   | \$ (55,292,894)                                      | \$ (150,123)                | \$ (55,443,017) |
| General revenues:                                    |                  |                         |  |  |  |                             |                 |
| Property taxes, levied for general purposes          |                  |                         |  |  | 38,938,890   | -                           | 38,938,890      |
| Property taxes levied for debt service               |                  |                         |  |  | 1,546,721  | -                           | 1,546,721       |
| State aid not restricted                             |                  |                         |  |  | 15,914,045   | -                           | 15,914,045      |
| Investment earnings                                  |                  |                         |  |  | 19,463   | -                           | 19,463          |
| Miscellaneous income                                 |                  |                         |  |  | 292,708  | -                           | 292,708         |
| Special item - Loss on disposal of fixed assets      |                  |                         |  |  | (28,678)   | -                           | (28,678)        |
| Transfers  |                  |                         |  |  | (78,000)   | 78,000                      | -               |
| Total general revenues, special items, and transfers |                  |                         |  |  | 56,605,149   | 78,000                      | 56,683,149      |
| Change in Net Position                               |                  |                         |  |  | 1,312,255  | (72,123)                    | 1,240,132       |
| Net Position, July 1 (as restated)                   |                  |                         |  |  | (311,659)  | 195,434                     | (116,225)       |
| Net Position, June 30                                |                  |                         |  |  | \$ 1,000,596   | \$ 123,311                  | \$ 1,123,907    |

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

**FUND FINANCIAL STATEMENTS**



**GOVERNMENTAL FUNDS**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>ASSETS</b>  |                     |                            |                             |                         |                                |
| Cash and cash equivalents  | \$ 6,826,802        | \$ -                       | \$ -                        | \$ -                    | \$ 6,826,802                   |
| Intergovernmental accounts receivable:   |                     |                            |                             |                         |                                |
| Federal  | -                   | 141,037                    | -                           | -                       | 141,037                        |
| State  | 637,013             | -                          | -                           | -                       | 637,013                        |
| Other accounts receivable  | 28,820              | -                          | -                           | -                       | 28,820                         |
| Restricted assets:   |                     |                            |                             |                         |                                |
| Cash and cash equivalents  | 180,184             | 215,485                    | -                           | 323,568                 | 719,237                        |
| Total assets   | <u>\$ 7,672,819</u> | <u>\$ 356,522</u>          | <u>\$ -</u>                 | <u>\$ 323,568</u>       | <u>\$ 8,352,909</u>            |
| <b>LIABILITIES AND FUND BALANCES</b>   |                     |                            |                             |                         |                                |
| Liabilities:   |                     |                            |                             |                         |                                |
| Accounts payable   | 530,751             | 24,352                     | -                           | -                       | 555,103                        |
| Payroll deductions and withholdings payable                                    | 260,637             | -                          | -                           | -                       | 260,637                        |
| Other liability for unemployment claims  | 296,902             | -                          | -                           | -                       | 296,902                        |
| Payable to federal government  | -                   | 709                        | -                           | -                       | 709                            |
| Payable to state government  | -                   | 30,640                     | -                           | -                       | 30,640                         |
| Unearned revenue   | 7,040               | 52,202                     | -                           | -                       | 59,242                         |
| Total liabilities  | <u>1,095,330</u>    | <u>107,903</u>             | <u>-</u>                    | <u>-</u>                | <u>1,203,233</u>               |
| Fund balances:   |                     |                            |                             |                         |                                |
| Restricted for:  |                     |                            |                             |                         |                                |
| Excess surplus - prior year - designated<br>for subsequent year's expenditures | 2,034,818           | -                          | -                           | -                       | 2,034,818                      |
| Excess surplus - current year  | 1,277,388           | -                          | -                           | -                       | 1,277,388                      |
| Capital reserve  | 180,184             | -                          | -                           | -                       | 180,184                        |
| Student activities   | -                   | 99,018                     | -                           | -                       | 99,018                         |
| Scholarships   | -                   | 149,601                    | -                           | -                       | 149,601                        |
| Committed fund balance:  |                     |                            |                             |                         |                                |
| Year-end encumbrances  | 1,496,019           | -                          | -                           | -                       | 1,496,019                      |
| Assigned fund balance:   |                     |                            |                             |                         |                                |
| Designated for subsequent year's tax relief                                    | 127,682             | -                          | -                           | -                       | 127,682                        |
| Unassigned fund balance  | 1,461,398           | -                          | -                           | 323,568                 | 1,784,966                      |
| Total fund balances  | <u>6,577,489</u>    | <u>248,619</u>             | <u>-</u>                    | <u>323,568</u>          | <u>7,149,676</u>               |
| Total liabilities and fund balances  | <u>\$ 7,672,819</u> | <u>\$ 356,522</u>          | <u>\$ -</u>                 | <u>\$ 323,568</u>       | <u>\$ 8,352,909</u>            |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

**Reconciliation of the balance sheet to the statement of net position:**

**Total fund balances - governmental funds (from B-1)** \$ 7,149,676

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$57,906,416, and the accumulated depreciation is \$33,688,106.

24,218,310

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 pension outflows  
 Deferred pension inflows

|  |                    |             |
|--|--------------------|-------------|
|  | \$ 1,638,848       |             |
|  | <u>(4,062,929)</u> | (2,424,081) |

Additional accounts payable for pension contribution offset by deferred pension outflows.

(581,290)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Capital lease obligations  
 Compensated absences liability  
 Net pension liability  
 Bonds Payable

|  |                     |                     |
|--|---------------------|---------------------|
|  | (93,435)            |                     |
|  | (390,963)           |                     |
|  | (8,562,621)         |                     |
|  | <u>(18,315,000)</u> | <u>(27,362,019)</u> |

Net position of governmental activities:

\$ 1,000,596

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**for the Fiscal Year ended June 30, 2021**

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| <b>REVENUES</b>  |                     |                            |                             |                         |                                |
| Local tax levy   | \$ 38,938,890       | \$ -                       | \$ -                        | \$ 1,546,721            | \$ 40,485,611                  |
| Tuition  | 129,180             | -                          | -                           | -                       | 129,180                        |
| Interest earned  | 19,463              | -                          | -                           | -                       | 19,463                         |
| Miscellaneous  | 292,708             | -                          | -                           | -                       | 292,708                        |
| Private sources  | -                   | 218,288                    | -                           | -                       | 218,288                        |
| State sources  | 10,200,679          | 69,722                     | -                           | 530,510                 | 10,800,911                     |
| Federal sources  | -                   | 898,769                    | -                           | -                       | 898,769                        |
| Total revenues   | <u>49,580,920</u>   | <u>1,186,779</u>           | <u>-</u>                    | <u>2,077,231</u>        | <u>52,844,930</u>              |
| <b>EXPENDITURES</b>  |                     |                            |                             |                         |                                |
| Current  |                     |                            |                             |                         |                                |
| Regular instruction  | 14,290,967          | 547,394                    | -                           | -                       | 14,838,361                     |
| Special education instruction                                | 2,936,826           | -                          | -                           | -                       | 2,936,826                      |
| Other special instruction                                    | 325,899             | -                          | -                           | -                       | 325,899                        |
| Other instruction  | 1,004,264           | -                          | -                           | -                       | 1,004,264                      |
| Support services and undistributed costs:                    |                     |                            |                             |                         |                                |
| Tuition  | 2,538,261           | -                          | -                           | -                       | 2,538,261                      |
| Student & instruction related services                       | 3,986,136           | 623,614                    | -                           | -                       | 4,609,750                      |
| School administrative services                               | 1,543,849           | -                          | -                           | -                       | 1,543,849                      |
| Other administrative services                                | 2,049,129           | -                          | -                           | -                       | 2,049,129                      |
| Operation and maintenance of plant services                  | 2,425,451           | -                          | -                           | -                       | 2,425,451                      |
| Student transportation                                       | 1,185,926           | -                          | -                           | -                       | 1,185,926                      |
| Employee benefits  | 15,703,240          | -                          | -                           | -                       | 15,703,240                     |
| Capital outlay   | 664,673             | -                          | 54,179                      | -                       | 718,852                        |
| Debt Service:  |                     |                            |                             |                         |                                |
| Principal  | -                   | -                          | -                           | 1,430,000               | 1,430,000                      |
| Interest   | -                   | -                          | -                           | 647,231                 | 647,231                        |
| Total expenditures   | <u>48,654,621</u>   | <u>1,171,008</u>           | <u>54,179</u>               | <u>2,077,231</u>        | <u>51,957,039</u>              |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>926,299</u>      | <u>15,771</u>              | <u>(54,179)</u>             | <u>-</u>                | <u>887,891</u>                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                            |                             |                         |                                |
| Transfer to Debt Service                                     | -                   | -                          | (323,568)                   | 323,568                 | -                              |
| Transfer to Enterprise Fund                                  | (78,000)            | -                          | -                           | -                       | (78,000)                       |
| Capital leases (Nonbudgeted)                                 | 104,310             | -                          | -                           | -                       | 104,310                        |
| Total other financing sources (uses)                         | <u>26,310</u>       | <u>-</u>                   | <u>(323,568)</u>            | <u>323,568</u>          | <u>26,310</u>                  |
| Net changes in fund balance                                  | 952,609             | 15,771                     | (377,747)                   | 323,568                 | 914,201                        |
| Fund balances, July 1 (as restated)                          | 5,624,880           | 232,848                    | 377,747                     | -                       | 6,235,475                      |
| Fund balances, June 30                                       | <u>\$ 6,577,489</u> | <u>\$ 248,619</u>          | <u>\$ -</u>                 | <u>\$ 323,568</u>       | <u>\$ 7,149,676</u>            |

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

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**for the Fiscal Year ended June 30, 2021**

Total net change in fund balances - governmental funds (from B-2) \$ 914,201

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

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

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

|                      |                |             |
|----------------------|----------------|-------------|
| Depreciation expense | \$ (2,269,364) |             |
| Capital outlays      | <u>718,852</u> | (1,550,512) |

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

|                                    |                |           |
|------------------------------------|----------------|-----------|
| Repayment of bond principal        | 1,430,000      |           |
| Issuance of capital leases         | (104,310)      |           |
| Payments of capital leases payable | <u>254,554</u> | 1,580,244 |

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

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

|  |                  |         |
|--|------------------|---------|
| Compensated absences                           | 110,040          |         |
| Additional PERS pension expense recognized     | 286,960          |         |
| Additional on-behalf TPAF pension expense      | (1,827,553)      |         |
| Additional on-behalf TPAF pension contribution | 1,827,553        |         |
| Additional on-behalf OPEB expense              | (3,355,303)      |         |
| Additional on-behalf OPEB contribution         | <u>3,355,303</u> | 397,000 |

Special item - Loss on disposal of fixed assets (28,678)

**Change in net position of governmental activities** \$ 1,312,255

**PROPRIETARY FUND**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2021**

|                                | Business-type<br>Activity -<br><u>Enterprise Fund</u><br><u>Food Service</u> |
|--------------------------------|--|
| <b>ASSETS:</b>                 |  |
| Current assets:                |  |
| Cash and cash equivalents      | \$ 20,243  |
| Accounts receivable - other    | 630  |
| Inventories                    | 10,100   |
| Total current assets           | <u>30,973</u>  |
| <br>                           |  |
| Noncurrent assets:             |  |
| Equipment                      | 354,521  |
| Less: Accumulated depreciation | <u>(246,146)</u>   |
| Total noncurrent assets        | <u>108,375</u>   |
| <br>                           |  |
| Total assets                   | <u>139,348</u>   |
| <br>                           |  |
| <b>LIABILITIES</b>             |  |
| Current liabilities:           |  |
| Accounts payable               | <u>16,037</u>  |
| <br>                           |  |
| <b>NET POSITION:</b>           |  |
| Investment in capital assets   | 108,375  |
| Unrestricted                   | 14,936   |
| Total net position             | <u><u>\$ 123,311</u></u>   |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**for the Fiscal Year ended June 30, 2021**

|                                       | Business-type<br>Activities -<br><u>Enterprise Fund</u><br><u>Food Service</u> |
|---------------------------------------|--|
| <b>OPERATING REVENUES</b>             |  |
| Charges for Services                  | \$ 12,865  |
| Total operating revenues              | <u>12,865</u>  |
| <b>OPERATING EXPENSES:</b>            |  |
| Labor costs                           | 61,439   |
| Costs of sales                        | 59,302   |
| Direct expenses                       | 14,934   |
| Depreciation                          | <u>27,368</u>  |
| Total operating expenses              | <u>163,043</u>   |
| Operating loss                        | <u>(150,178)</u>   |
| <b>NON-OPERATING REVENUES:</b>        |  |
| Interest Income                       | <u>55</u>  |
| Net income before operating transfers | (150,123)  |
| Operating transfers:                  |  |
| Operating transfers in - General fund | <u>78,000</u>  |
| Change in net position                | (72,123)   |
| Net position, July 1                  | <u>195,434</u>   |
| Net position, June 30                 | <u><u>\$ 123,311</u></u>   |



**NEW PROVIDENCE SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Fiscal Year ended June 30, 2021**

|   | <u>Business-type<br/>Activities -<br/>Enterprise Fund<br/>Food Service</u> |
|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |  |
| Receipts from customers   | \$ 15,705  |
| Payments to employees   | (61,439)   |
| Payments to suppliers   | <u>(52,077)</u>  |
| Net cash (used for) operating activities  | <u>(97,811)</u>  |
| <br><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |  |
| Transfer In - General Fund  | <u>78,000</u>  |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                     |  |
| Acquisition and construction of capital assets  | <u>(2,480)</u>   |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |
| Interest on investments   | <u>55</u>  |
| Net decrease in cash and cash equivalents   | (22,236)   |
| Cash and cash equivalents, July 1   | <u>42,479</u>  |
| Cash and cash equivalents, June 30  | <u><u>\$ 20,243</u></u>  |
| <br><b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED FOR)<br/>PROVIDED BY OPERATING ACTIVITIES</b> |  |
| Operating loss  | \$ (150,178)   |
| Adjustment to reconcile operating income to net cash (used for)<br>provided by operating activities:    |  |
| Decrease in accounts receivable   | 2,840  |
| Decrease in inventories   | 6,812  |
| Increase in accounts payable  | 15,347   |
| Depreciation  | <u>27,368</u>  |
| Total adjustments   | <u>52,367</u>  |
| Net cash (used) for operating activities  | <u><u>\$ (97,811)</u></u>  |

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity:**

The reporting entity is composed of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight, responsibility and control over all activities related to the New Providence School District, in New Providence, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The New Providence School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of seven members elected to three-year terms. The purpose of the District is to educate students in grades K-12. The New Providence School District had an enrollment at June 30, 2021, of 2,397 students.

Component units are legally separate organizations for which the District is financially accountable. Based on the foregoing criteria, the District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of GASB Codification of Governmental Accounting and Financial Reporting Standards. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. Basic Financial Statements - Government-wide Statements:**

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

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. Program revenues include 1) charges to customers, students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds and the proprietary fund are reported as separate columns in the fund financial statements. The New Jersey Department of Education requires that all funds be reported as major to promote consistency among school districts in the State of New Jersey.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**C. Basic Financial Statements - Fund Financial Statements:**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and capital leases are recorded only when payment is due.

Property taxes, interest, and state equalization monies 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 year. All other revenues are considered to be measurable and available only when the District receives cash.

The District has reported the following major funds:

**GOVERNMENTAL FUNDS**

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

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

**PROPRIETARY FUND**

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

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

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

The Proprietary Fund is accounted for on a cost of services or "economic resource" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their statements of net position. Their reported net position (net total assets) are segregated into net investment in capital asset or unrestricted. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

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

The estimated useful lives are as follows:

Food Service Fund:

|           |          |
|-----------|----------|
| Equipment | 10 Years |
|-----------|----------|

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

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

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) fees charged to customers or applicants for goods, services, or privileges 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 taxes.

**NEW PROVIDENCE SCHOOL DISTRICT  
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):**

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 District enterprise funds are charges for sales of food, tuition, and program fees. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its balance sheets and statements of net position. Unearned revenue arises when resources are received by the District before revenue recognition criteria are met, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, the liability for unearned revenue is removed from the balance sheet and statement of net position and revenue is recognized.

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

The County Board of Taxation is responsible for the assessment of properties and the City Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1, and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County Office of the Commissioner of Education for approval. Budgets, except for the special revenue fund which is prepared using a non-budgetary basis, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item units are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. The District must approve all budget amendments. The District did make transfers during the year which are identified on exhibits C-1, C-1a and C-2. Some of the transfers made were in significant amounts, but all were in the normal course of operations and properly approved. Budgetary transfers were made during the current year in accordance with statutory guidelines.

Effective December 2004, line-item transfers to an advertised appropriation account identified as either general administration, school administration, central services, and administrative information technology or other support services that, on a cumulative basis, exceed 10% of the amount included in the original budget require county superintendent approval.

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

Prior to April 1, a school board may petition the Commissioner for appropriation of surplus or other unbudgeted or under-budgeted revenue (Except for those exempted under N.J.A.C. 6A:23A-2.3(c) an "emergent circumstance." Such petition must be submitted by a two-thirds affirmative vote of the authorized membership of the Board and include the items listed and demonstrate the need pursuant to N.J.A.C. 6A:23A-2.3(b).

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**E. Budgets/Budgetary Control (Continued):**

Due to the inclusion of the non-budgeted on-behalf payment made by the State of New Jersey as District expenditures, the District shows an over-expenditure in the General Fund. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures. 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 with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the accounting for the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

|                                  |                    |
|----------------------------------|--------------------|
|                                  | <u>2020 - 2021</u> |
| Total Revenues (Budgetary Basis) | \$ 1,178,086       |
| Adjustments:                     |                    |
| Add: Prior Year Encumbrances     | 60,894             |
| Less: Current Year Encumbrances  | (52,201)           |
| Total Revenues (GAAP) Basis      | \$ 1,186,779       |

**F. Encumbrances:**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds, other than the Special Revenue Fund, are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**G. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and Statement No. 72, "Fair Value Measurement and Application." The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**H. Tuition Receivable:**

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

**I. Payables:**

*Tuition Payable* - Tuition charges for the fiscal years 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

*Payroll deductions and withholdings payable* - Funds held for unemployment claims do not meet the definition of a fiduciary activity prescribed in GASB Statement No. 84. *Fiduciary Activities* and are therefore reported in the general fund. Any unremitted balances at year-end are reported as a liability.

**J. Inventories and Prepaid Expenses:**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

**K. Restricted Assets:**

Restricted assets include cash for capital reserve, unemployment compensation insurance, workmen's compensation self-insurance, grant programs, private scholarships, student activities, and capital projects.

**L. Short-Term Interfund Receivables/Payables:**

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

**M. Capital Assets:**

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

**Government-Wide Statements**

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

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

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



**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**M. Capital Assets (continued):**

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

**N. Unearned Revenue:**

Unearned revenue in the Special Revenue Fund represents cash that has been received but not yet earned.

**O. Funds Held for Unemployment Claims:**

Funds held for unemployment claims do not meet the definition of a fiduciary activity prescribed in GASB Statement No. 84, *Fiduciary Activities* and are therefore reported in the general fund. As these funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)* any employee contributions held for unemployment claims are classified as an other liability and any employer contributions held for unemployment claims are classified as restricted fund balance. Funds used for the payment for claims will reduce the outstanding liability before use of the restricted fund balance.

**P. Compensated Absences**

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

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

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

**Q. Long-Term Debt:**

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**R. Pensions**

In the government-wide 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.

The general fund typically has been used in prior years to liquidate the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions.

**S. Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report separate sections for deferred outflows and/or inflows of resources. These separate financial statement elements, deferred outflows and/or inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) and/or outflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category which is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the government-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.

**T. Equity Classifications:**

**District-Wide Statements**

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

*Net Investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that do not meet the definition of "restricted" or "net invested in capital assets."

**Governmental Fund Statements**

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**T. Equity Classifications (continued):**

*Restricted – Excess Surplus – Designated for Subsequent Year’s Tax Relief* – This reserve was created to represent the June 30, 2020 audited excess surplus that will be appropriated in the 2021-2022 original budget certified for taxes.

*Restricted – Reserve for Excess Surplus* – This reserve was created to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022-2023 original budget certified for taxes.

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

*Restricted – Scholarships* – Represents fund balance restricted specifically for scholarships funded by private contributions solely for such purpose.

*Restricted – Student Activities* – Represents fund balance restricted specifically for student activities funded by fees and dues collected solely for such purposes.

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

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

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

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

**U. Operating and Non-operating Revenue:**

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

**V. Expenditures/Expenses:**

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

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

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

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

**W. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension benefits for members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased \$7,831,847 to adjust to the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**X. Use of Estimates:**

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

**Y. GASB Pronouncements**

**Recently Adopted Accounting Pronouncements**

Beginning with the year ended June 30, 2021, the District has implemented GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. As a result of the implementation of this Statement, the New Jersey Department of Education has made the following determinations as to the reporting of certain funds which, in prior years, have been reported as Fiduciary Activities:

| Activity                            | Prior to Implementation | After Implementation |
|-------------------------------------|-------------------------|----------------------|
| Private Purpose Scholarship         | Fiduciary Fund          | Special Revenue Fund |
| Unemployment Compensation Insurance | Fiduciary Fund          | General Fund         |
| Student Activity                    | Fiduciary Fund          | Special Revenue Fund |
| Payroll Agency                      | Fiduciary Fund          | General Fund         |

**Recently Issued Accounting Pronouncements to be implemented in future years**

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Y. GASB Pronouncements (continued)**

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

The requirements related to the application of these topics were to be effective for the fiscal year ending June 30, 2021, unless specifically noted to be effective upon issuance, but have been postponed to the succeeding fiscal year.

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

**NOTE 2. CASH AND CASH EQUIVALENTS AND DEPOSITS**

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under Federal Deposit Insurance Corporation (“FDIC”), Securities Investor Protection Corporation (“SIPC”) or the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

**Deposits**

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

GASB Statement No. 40 requires that the District disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the District would not be able to recover the value of its deposit or investment). Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

The District does not have a policy for management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

As of June 30, 2021, the District's deposits which are displayed on the balance sheets and statements of net position as "cash and cash equivalents" are summarized as follows:

|   |    |           |
|---|----|-----------|
| Insured - FDIC  | \$ | 250,000   |
| Insured - GUDPA   |    | 7,316,282 |
|   |    | 7,566,282 |
|   |    | 7,566,282 |
| Reconciliation to Government-wide Statement of<br>Net Position: |    |           |
| Unrestricted Cash   | \$ | 6,847,045 |
| Restricted Cash   |    | 719,237   |
|   |    | 7,566,282 |
|   |    | 7,566,282 |

**Investments**

The District 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, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**NOTE 3. CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follow:

|                                 |    |         |
|---------------------------------|----|---------|
| Beginning balance, July 1, 2020 | \$ | 120,093 |
| Deposits:                       |    |         |
| Interest earnings               |    | 91      |
| Approved by Board Resolution    |    | 60,000  |
| Total Deposits                  |    | 60,091  |
| Ending balance, June 30, 2021   | \$ | 180,184 |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION**

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

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

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

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

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

|  | <u>Balance at<br/>June 30, 2020</u> | <u>Additions</u>      | <u>Disposals</u>   | <u>Balance at<br/>June 30, 2021</u> |
|--|-------------------------------------|-----------------------|--------------------|-------------------------------------|
| <b>Governmental Activities:</b>                          |                                     |                       |                    |                                     |
| Land   | \$ 1,306,892                        | \$ -                  | \$ -               | \$ 1,306,892                        |
| Land Improvements  | 182,601                             | -                     | -                  | 182,601                             |
| Buildings and Improvements                               | 50,642,560                          | 54,179                | -                  | 50,696,739                          |
| Machinery, Equipment & Vehicles                          | 5,508,025                           | 664,673               | (452,514)          | 5,720,184                           |
| Total at Historical Cost                                 | <u>57,640,078</u>                   | <u>718,852</u>        | <u>(452,514)</u>   | <u>57,906,416</u>                   |
| <b>Less: Accumulated Depreciation:</b>                   |                                     |                       |                    |                                     |
| Land Improvements  | (181,226)                           | (125)                 | -                  | (181,351)                           |
| Buildings and Improvements                               | (27,249,842)                        | (1,677,684)           | -                  | (28,927,526)                        |
| Machinery, Equipment & Vehicles                          | (4,411,510)                         | (591,555)             | 423,836            | (4,579,229)                         |
| Total Accumulated Depreciation                           | <u>(31,842,578)</u>                 | <u>(2,269,364)*</u>   | <u>423,836</u>     | <u>(33,688,106)</u>                 |
| <b>Governmental Activities - Capital<br/>Assets, Net</b> | <u>\$ 25,797,500</u>                | <u>\$ (1,550,512)</u> | <u>\$ (28,678)</u> | <u>\$ 24,218,310</u>                |
|  | <u>Balance at<br/>June 30, 2020</u> | <u>Additions</u>      | <u>Disposals</u>   | <u>Balance at<br/>June 30, 2021</u> |
| <b>Business-type Activity:</b>                           |                                     |                       |                    |                                     |
| Machinery & Equipment                                    | \$ 352,041                          | \$ 2,480              | \$ -               | \$ 354,521                          |
| Total at Historical Cost                                 | <u>352,041</u>                      | <u>2,480</u>          | <u>-</u>           | <u>354,521</u>                      |
| <b>Less: Accumulated Depreciation:</b>                   |                                     |                       |                    |                                     |
| Machinery & Equipment                                    | (218,778)                           | (27,368)              | -                  | (246,146)                           |
| Total Accumulated Depreciation                           | <u>(218,778)</u>                    | <u>(27,368)</u>       | <u>-</u>           | <u>(246,146)</u>                    |
| <b>Business-type Activity - Capital<br/>Assets, Net</b>  | <u>\$ 133,263</u>                   | <u>\$ (24,888)</u>    | <u>\$ -</u>        | <u>\$ 108,375</u>                   |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)**

\* Depreciation expense was charged to Governmental Activities as follows:

|                            |    |           |
|----------------------------|----|-----------|
| Instruction:               |    |           |
| Regular                    | \$ | 1,295,873 |
| Total Instruction          |    | 1,295,873 |
| Support Services:          |    |           |
| Unallocated Depreciation   |    | 973,491   |
| Total Support Services     |    | 973,491   |
| Total Depreciation Expense | \$ | 2,269,364 |

**NOTE 5. LONG-TERM LIABILITIES**

Changes in Long-Term Liabilities

During the year ended June 30, 2021, the following changes occurred in governmental activities long-term liabilities.

|                               | Balance<br>June 30, 2020 | Additions  | Reductions     | Balance<br>June 30, 2021 | Amounts<br>Due within<br>One Year | Long-Term<br>Portion |
|-------------------------------|--------------------------|------------|----------------|--------------------------|-----------------------------------|----------------------|
| Governmental Activities:      |                          |            |                |                          |                                   |                      |
| Bonds Payable                 | \$ 19,745,000            | \$ -       | \$ (1,430,000) | \$ 18,315,000            | \$ 1,495,000                      | \$ 16,820,000        |
| Capital leases payable        | 243,679                  | 104,310    | (254,554)      | 93,435                   | 93,435                            | -                    |
| Compensated Absences Payable  | 501,003                  | 44,256     | (154,296)      | 390,963                  | -                                 | 390,963              |
| sub-total                     | 20,489,682               | 148,566    | (1,838,850)    | 18,799,398               | 1,588,435                         | 17,210,963           |
| Net Pension Liability         | 9,847,684                | -          | (1,285,063)    | 8,562,621                | -                                 | 8,562,621            |
| Total Governmental Activities |                          |            |                |                          |                                   |                      |
| Long-Term Liabilities         | \$ 30,337,366            | \$ 148,566 | \$ (3,123,913) | \$ 27,362,019            | \$ 1,588,435                      | \$ 25,773,584        |

Capital lease obligations, compensated absences, and net pension liability are expected to be paid from budgetary appropriations in the general fund. Bonds payable is expected to be paid from budgetary appropriations in the debt service fund.

**A. Bonds Payable:**

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

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



**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5. LONG-TERM DEBT (Continued)**

**A. Bonds Payable (Continued):**

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

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

| <u>Year Ending<br/>June 30,</u> | Refunding School Bonds<br>Series 2014 |            |
|---------------------------------|---------------------------------------|------------|
|                                 | Principal                             | Interest   |
|                                 | 2022                                  | \$ 870,000 |
| 2023                            | 930,000                               | 111,250    |
| 2024                            | 935,000                               | 78,625     |
| 2025                            | 920,000                               | 50,800     |
| 2026                            | 925,000                               | 18,500     |
|                                 | \$ 4,580,000                          | \$ 406,425 |

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

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

| <u>Year Ending<br/>June 30,</u> | Refunding School Bonds<br>Series 2017 |              |
|---------------------------------|---------------------------------------|--------------|
|                                 | Principal                             | Interest     |
|                                 | 2022                                  | \$ 625,000   |
| 2023                            | 650,000                               | 425,263      |
| 2024                            | 675,000                               | 403,731      |
| 2025                            | 760,000                               | 380,412      |
| 2026                            | 800,000                               | 355,062      |
| 2027                            | 825,000                               | 328,656      |
| 2028                            | 850,000                               | 301,438      |
| 2029                            | 875,000                               | 273,407      |
| 2030                            | 900,000                               | 244,563      |
| 2031                            | 925,000                               | 214,907      |
| 2032                            | 975,000                               | 184,032      |
| 2033                            | 975,000                               | 151,735      |
| 2034                            | 975,000                               | 118,828      |
| 2035                            | 975,000                               | 85,313       |
| 2036                            | 975,000                               | 51,187       |
| 2037                            | 975,000                               | 17,063       |
|                                 | \$ 13,735,000                         | \$ 3,981,578 |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5. LONG-TERM DEBT (Continued)**

**B. Capital Leases Payable:**

The District is leasing computer and copier equipment with an original cost of \$236,406 under capital leases. All capital leases are for terms of two or four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

| Year Ending<br>June 30,                        |           |
|--|-----------|
| 2022   | 93,435    |
| Total Minimum Lease Payments                   | 93,435    |
| Less: Amount Representing Interest             | -         |
| Present Value of Net Minimum<br>Lease Payments | \$ 93,435 |

**NOTE 6. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Description of Plans and Benefits Provided**

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

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

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

The following represents the membership tiers for PERS and TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each service credit available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for their respective tier. With PERS, tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

**Defined Contribution Retirement Program (DCRP)** - established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 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 \$65.99 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

**Actuarial Methods and Assumptions**

In the July 1, 2019 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.00% and (b) projected salary increases applied through the year 2026 of 2.00-7.00% based on years of service for the PERS and 1.55-5.65% based on years of service for TPAF.

**Employer and Employee Contribution Requirements**

The contribution policy is set by laws of the State of New Jersey and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contribution by the State of New Jersey contingent upon the Annual Appropriations Act. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate for PERS and TPAF increased from 5.5% of annual compensation to 6.5 plus an additional 1% phased-in over 7 years beginning July 2012. The member contribution for PERS and TPAF was 7.50% in fiscal year 2021. The member contribution for DCRP was 5.5% the fiscal year 2021.

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

**Annual Pension Costs (APC)**

For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2021, 2020 and 2019 the District paid the required contributions to PERS of \$546,644, \$574,408, and \$535,317, respectively. During the year ended June 30, 2021 the District paid the required contributions to DCRP of \$5,079.

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

**Reimbursed TPAF Social Security Contributions**

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,322,045 during the 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 government-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date – an amendment of GASB No. 68* require participating employers in pension plans to recognize their proportionate share of their collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan. To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 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 \$8,562,621 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, District's PERS proportion was .0525%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2019.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

For the year ended June 30, 2021, the District recognized in the government-wide statement of activities (accrual basis) pension expense of \$291,925 for PERS. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and accrual experience  | \$ 155,911                                    | \$ 30,281                                    |
| Changes in assumptions   | 277,781                                       | 3,585,251                                    |
| Net differences between projected and actual investment earnings on pension plan investments | 292,677                                       | -  |
| Changes in proportion  | 331,189                                       | 447,397                                      |
| District contributions subsequent to measurement date  | 581,290                                       | -  |
| <b>Total</b>   | <b>\$ 1,638,848</b>                           | <b>\$ 4,062,929</b>                          |

\$581,290 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June 30, |                       |
|-------------------------|-----------------------|
| 2022                    | \$ (1,117,669)        |
| 2023                    | (1,018,975)           |
| 2024                    | (582,318)             |
| 2025                    | (235,480)             |
| 2026                    | (50,929)              |
|                         | <b>\$ (3,005,371)</b> |

*Actuarial Assumptions*

The collective 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:

|                           |   |
|---------------------------|---|
| Inflation rate:           |   |
| Price                     | 2.75%                                     |
| Wage                      | 3.25%                                     |
| Salary increases:         |   |
| Through 2026              | 2.00 – 6.00%<br>Based on years of service |
| Thereafter                | 3.00 – 7.00%<br>Based on years of service |
| Investment rate of return | 7.00%                                     |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

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

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in 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> |
|----------------------------------|--------------------------|---|
| U.S. Equity                      | 27.00%                   | 7.71%   |
| Non-U.S. Developed Market Equity | 13.50%                   | 8.57%   |
| Emerging Market Equity           | 5.50%                    | 10.23%  |
| Private Equity                   | 13.00%                   | 11.42%  |
| Real Assets                      | 3.00%                    | 9.73%   |
| Real Estate                      | 8.00%                    | 9.56%   |
| High Yield                       | 2.00%                    | 5.95%   |
| Private Credit                   | 8.00%                    | 7.59%   |
| Investment Grade Credit          | 8.00%                    | 2.67%   |
| Cash Equivalents                 | 4.00%                    | 0.50%   |
| U.S. Treasuries                  | 5.00%                    | 1.94%   |
| Risk Mitigation Strategies       | 3.00%                    | 3.40%   |

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

|   | <b>1%<br/>Decrease<br/>(6.00%)</b> | <b>Current<br/>Discount Rate<br/>(7.00%)</b> | <b>1%<br/>Increase<br/>(8.00%)</b> |
|---|------------------------------------|--|------------------------------------|
| District's proportionate share of<br>PERS net pension liability | \$ 10,863,671                      | \$ 8,562,621                                 | \$ 6,734,582                       |

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

*Pension Plan fiduciary net position*

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

*Payable to the pension plan*

At June 30, 2021 the District reported accounts payable to the PERS of \$581,290 for the required actuarially determined contribution to PERS for the year ended June 30, 2021.

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to, presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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



**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

At June 30, 2021 the State’s net pension liability for TPAF associated with the District was \$109,056,651. The nonemployer allocation percentages are based on the ratio of the State’s contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. At June 30, 2020 the State’s proportionate share of the TPAF net pension liability associated with the District was 0.1656%, which was a decrease of 0.0081% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021 the District recognized in the government-wide statement of activities (accrual basis) pension expense of \$6,781,607 for TPAF. This amount has been included in the government-wide statement of activities (accrual basis) as a revenue an expense in accordance with GASB No. 85.

*Actuarial Assumptions*

The total TPAF pension liability for the June 30, 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:

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

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

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

*Long-Term Expected Rate of Return (continued)*

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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

*Discount Rate*

The discount rate used to measure the total pension liability for TPAF was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contributions rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

|   | <b>At 1%<br/>Decrease<br/>(4.40%)</b> | <b>At Current<br/>Discount Rate<br/>(5.40%)</b> | <b>At 1%<br/>Increase<br/>(6.40%)</b> |
|---|---------------------------------------|---|---------------------------------------|
| States proportionate share of the TPAF net pension liability attributable to the District | \$ 128,099,809                        | \$ 109,056,651                                  | \$ 93,244,505                         |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

*Pension Plan Fiduciary Net Position*

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

**NOTE 7. POST-RETIREMENT MEDICAL BENEFITS**

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the State Health Benefit Local Education Retired Employees Plan (Local Education Retired Plan) covering certain local school district employees, including those District employees and retirees eligible for coverage.

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

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retired from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

**Employees Covered by Benefit Terms**

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

|   |                       |
|---|-----------------------|
| Active Plan Members   | 216,804               |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments | <u>149,304</u>        |
| Total   | <u><u>366,108</u></u> |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Employees Covered by Benefit Terms (continued)**

The financial statements of the post-retirement 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 terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using economic resources measurement focus.

**Investment Valuation**

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

**Collective Net OPEB Liability**

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

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

**Actuarial Methods and Assumptions**

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

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

**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 and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020, and 2019 were \$4,873,934, \$4,399,629 and \$4,835,967, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

**Post-Retirement Medical Benefits Contributions (Continued)**

GASB Statement No. 75 requires participating employers in the State Health Benefits Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows or resources, collective deferred inflows of resources and collective OPEB expense excluding the attributable to retiree-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State’s contributions made as a non-employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2019. Non-employer 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 non-employer 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.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$94,957,944. 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 2020, the State’s share of the OPEB liability attributable to the District was 0.1400% which was an increase of 0.0012% from its proportion measured as of June 30, 2019 of 0.1389%.

*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. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate: 2.50%

|                                   | TPAF/ABP                               | PERS                                   |
|-----------------------------------|--|--|
| Salary Increases:<br>Through 2026 | 1.55 – 4.45%<br>based on service years | 2.00 – 6.00%<br>based on service years |
| Thereafter                        | 1.55 – 4.45%<br>based on service years | 3.00 – 7.00%<br>based on service years |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate 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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

*Discount Rate*

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Change 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:

|  | <u>Total OPEB<br/>Liability<br/>(State Share 100%)</u> |
|--|--|
| Balance, June 30, 2019 measurement date              | \$ 57,943,587  |
| Changes reconized for the fiscal year:               |  |
| Service cost   | 2,594,880  |
| Interest on the total OPEB liability                 | 2,091,035  |
| Difference between expected and<br>actual experience | 16,585,922   |
| Changes in assumptions                               | 17,345,553   |
| Gross benefit payments                               | (1,653,140)  |
| Contributions from the member                        | 50,107   |
| Net changes  | <u>37,014,357</u>                                      |
| Balance, June 30, 2020 measurement date              | <u>\$ 94,957,944</u>                                   |

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. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 was not provided by the pension system.

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Sensitivity of OPEB Liability to Changes in the Discount Rate*

The following presents the State's proportionate share of the OPEB liability attributable to the District as of June 30, 2021, calculated using the discount rate 2.21%, as well as the State's proportionate share of the OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

|  | <b>At 1%<br/>Decrease<br/>(1.21%)</b> | <b>At Current<br/>Discount Rate<br/>(2.21%)</b> | <b>At 1%<br/>Increase<br/>(3.21%)</b> |
|--|---------------------------------------|---|---------------------------------------|
| State's Proportionate Share of<br>the OPEB Liability Attributable<br>to the District | \$ 114,476,703                        | \$ 94,957,944                                   | \$ 79,696,154                         |

**Sensitivity of total OPEB liability to changes in the healthcare cost trend rates**

The following presents the State's proportionate share of the OPEB liability attributable to the District as of June 30, 2021, calculated using the previously disclosed healthcare trend rate as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1% point lower or 1% point higher than the current rate:

|  | <b>1 % Decrease</b> | <b>Healthcare Cost<br/>Trend Rate</b> | <b>1% Increase</b> |
|--|---------------------|---------------------------------------|--------------------|
| State's Proportionate Share of<br>the OPEB Liability Attributable<br>to the District | \$ 76,653,255       | \$ 94,957,944                         | \$ 116,754,761     |

**NOTE 8. DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
AIG Retirement  
The Legend Group  
Fidelity Investments  
MetLife

**NOTE 9. RISK MANAGEMENT**

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

**A. Property and Liability Insurance:**

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9. RISK MANAGEMENT (Continued)**

**B. New Jersey Unemployment Compensation Insurance:**

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

| <u>Fiscal Year</u> | <u>District<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Interest<br/>Earned</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|--------------------|-----------------------------------|-----------------------------------|----------------------------|------------------------------|---------------------------|
| 2020-2021          | \$ -                              | \$ 62,593                         | \$ 496                     | \$ 12,340                    | \$ 296,902                |
| 2019-2020          | -                                 | 12,915                            | 2,797                      | 34,007                       | 246,153                   |
| 2018-2019          | -                                 | 33,360                            | 3,780                      | 69,889                       | 264,448                   |

All of the District’s funds held for unemployment claims are comprised of employee contributions and classified as an other liability.

**NOTE 10. INTERFUND RECEIVABLES AND PAYABLES**

There were no interfund balances remaining on the balance sheet at June 30, 2021. During the course of the year, the general fund transferred \$78,000 to the enterprise fund.

**NOTE 11. INVENTORY**

Inventory in the Food Service Fund at June 30, 2021, consisted of the following:

|          |           |
|----------|-----------|
| Food     | \$ 6,431  |
| Supplies | 3,669     |
|          | \$ 10,100 |

**NOTE 12. FUND BALANCE APPROPRIATED**

**Governmental Funds’ Statements:**

General Fund - Of the \$6,577,489 General Fund fund balance at June 30, 2021, \$3,312,206 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$2,034,818 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2022); \$180,184 has been restricted in the Capital Reserve Account; \$1,496,019 is committed for year-end encumbrances; \$127,682 is assigned and designated for subsequent year’s tax relief; and \$1,461,398 is unassigned.

Special Revenue Fund – Of the \$248,619 Special Revenue Fund fund balance at June 30, 2021, \$149,601 is restricted for scholarships and \$99,018 is restricted for student activities.

Debt Service Fund – The \$323,568 Debt Service Fund fund balance at June 30, 2021 is unassigned.

The total Governmental Funds balance is \$7,149,676.



**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 12. FUND BALANCE APPROPRIATED (Continued)**

**Government-wide Statements:**

The following is a summary of adjustments made to the fund statements to arrive at the total net position per the Government-wide Statement of Net Position:

|   | Governmental<br>Activities | Business-Type<br>Activity | Total        |
|---|----------------------------|---------------------------|--------------|
| Fund Balance/Net Position                               | \$ 7,149,676               | \$ 123,311                | \$ 7,272,987 |
| Add: Capital Assets, Net of<br>Accumulated Depreciation | 24,218,310                 | -                         | 24,218,310   |
| Deferred Outflows of Resources                          | 1,638,848                  | -                         | 1,638,848    |
| Less: Accounts Payable for Pension                      | (581,290)                  | -                         | (581,290)    |
| Long-Term Liabilities                                   | (27,362,019)               | -                         | (27,362,019) |
| Deferred Inflows of Resources                           | (4,062,929)                | -                         | (4,062,929)  |
| Total Net Position                                      | \$ 1,000,596               | \$ 123,311                | \$ 1,123,907 |

**NOTE 13. CALCULATION OF EXCESS SURPLUS**

The designation for Restricted Fund Balance – Reserve for excess surplus is a required calculation pursuant to N.J.S.A 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. The Reserve for excess surplus for the year ended June 30, 2021 is \$1,277,388. This amount will be reserved for tax relief in the 2023 school year.

**NOTE 14. CONTINGENT LIABILITIES**

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

**COVID-19 Pandemic and State of Emergency**

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 15. PRIOR PERIOD RESTATEMENT**

Implementation of New Accounting Pronouncement

The District restated the financial statements for the year ended June 30, 2020 to reflect a prior period adjustment due to the implementation of GASB Statement No. 84. Net position at June 30, 2020 has been adjusted as follows:

|   | Government-<br>wide<br>Statements | Governmental Fund Statements |                            |                             | Total<br>Governmental<br>Funds |
|---|-----------------------------------|------------------------------|----------------------------|-----------------------------|--------------------------------|
|   | Governmental<br>Activities        | General<br>Fund              | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund |                                |
| Net position, June 30, 2020               | \$ (544,507)                      | \$ 5,624,880                 | \$ -                       | \$ 377,747                  | \$ 6,002,627                   |
| Prior Period adjustments:                 |                                   |                              |                            |                             |                                |
| Scholarships                              | 150,964                           | -                            | 150,964                    | -                           | 150,964                        |
| Student activities                        | 81,884                            | -                            | 81,884                     | -                           | 81,884                         |
| Net position, June 30, 2020 (as restated) | <u>\$ (311,659)</u>               | <u>\$ 5,624,880</u>          | <u>\$ 232,848</u>          | <u>\$ 377,747</u>           | <u>\$ 6,235,475</u>            |

**NOTE 16. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 through March 1, 2022, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items, other than those already included in Note 15, contingent liabilities, have come to the attention of the District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**BUDGETARY COMPARISON SCHEDULES**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|   | <u>Budget</u>     | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------|-----------------------------|-------------------------|-------------------|---|
| <b>REVENUES:</b>  |                   |                             |                         |                   |   |
| Local sources:  |                   |                             |                         |                   |   |
| Local tax levy  | \$ 38,938,890     | \$ -                        | \$ 38,938,890           | \$ 38,938,890     | \$ -  |
| Tuition   | 62,600            | -                           | 62,600                  | 129,180           | 66,580  |
| Interest earned   | 104,000           | -                           | 104,000                 | 19,463            | (84,537)  |
| Miscellaneous   | 131,000           | -                           | 131,000                 | 292,708           | 161,708   |
| Total - local sources   | <u>39,236,490</u> | <u>-</u>                    | <u>39,236,490</u>       | <u>39,380,241</u> | <u>143,751</u>                                  |
| State sources:  |                   |                             |                         |                   |   |
| Transportation aid  | 250,347           | -                           | 250,347                 | 250,347           | -   |
| Special education aid   | 1,257,118         | -                           | 1,257,118               | 1,257,118         | -   |
| Security categorical aid  | 186,941           | -                           | 186,941                 | 186,941           | -   |
| Extraordinary aid   | 280,000           | -                           | 280,000                 | 682,325           | 402,325   |
| On-behalf TPAF contributions (Non-budgeted)                     |                   |                             |                         |                   |   |
| Pension contribution  | -                 | -                           | -                       | 4,954,054         | 4,954,054                                       |
| Post-retirement medical contributions                           | -                 | -                           | -                       | 1,552,523         | 1,552,523                                       |
| Long term disability insurance premium                          | -                 | -                           | -                       | 3,225             | 3,225   |
| Reimbursed TPAF Social Security contributions<br>(Non-budgeted) | -                 | -                           | -                       | 1,322,045         | 1,322,045                                       |
| Total - State sources   | <u>1,974,406</u>  | <u>-</u>                    | <u>1,974,406</u>        | <u>10,208,578</u> | <u>8,234,172</u>                                |
| Total revenues  | <u>41,210,896</u> | <u>-</u>                    | <u>41,210,896</u>       | <u>49,588,819</u> | <u>8,377,923</u>                                |
| <b>EXPENDITURES -</b>   |                   |                             |                         |                   |   |
| <b>CURRENT EXPENSE</b>  |                   |                             |                         |                   |   |
| Regular programs - instruction:                                 |                   |                             |                         |                   |   |
| Salaries of teachers:   |                   |                             |                         |                   |   |
| Preschool   | 84,035            | -                           | 84,035                  | 84,035            | -   |
| Kindergarten  | 406,512           | -                           | 406,512                 | 406,512           | -   |
| Grades 1-5  | 5,091,795         | -                           | 5,091,795               | 5,060,107         | 31,688  |
| Grades 6-8  | 3,135,711         | -                           | 3,135,711               | 3,135,711         | -   |
| Grades 9-12   | 4,611,359         | -                           | 4,611,359               | 4,509,279         | 102,080   |
| Total regular programs - instruction                            | <u>13,329,412</u> | <u>-</u>                    | <u>13,329,412</u>       | <u>13,195,644</u> | <u>133,768</u>                                  |
| Regular programs - home instruction:                            |                   |                             |                         |                   |   |
| Salaries of teachers  | 12,739            | -                           | 12,739                  | 4,568             | 8,171   |
| Purchased professional - educational services                   | 53,212            | 44,000                      | 97,212                  | 87,343            | 9,869   |
| General supplies  | 538               | -                           | 538                     | 138               | 400   |
| Textbooks   | 200               | -                           | 200                     | -                 | 200   |
| Total regular programs - home instruction                       | <u>66,689</u>     | <u>44,000</u>               | <u>110,689</u>          | <u>92,049</u>     | <u>18,640</u>                                   |
| Regular programs - undistributed instruction:                   |                   |                             |                         |                   |   |
| Other purchased services (400-500 series)                       | 107,099           | 43,552                      | 150,651                 | 97,035            | 53,616  |
| General supplies  | 1,129,438         | (111,127)                   | 1,018,311               | 866,613           | 151,698   |
| Textbooks   | 64,678            | -                           | 64,678                  | 39,047            | 25,631  |
| Miscellaneous expenditures                                      | 4,880             | -                           | 4,880                   | 579               | 4,301   |
| Total regular programs - undistributed instruction              | <u>1,306,095</u>  | <u>(67,575)</u>             | <u>1,238,520</u>        | <u>1,003,274</u>  | <u>235,246</u>                                  |
| Total regular programs  | <u>14,702,196</u> | <u>(23,575)</u>             | <u>14,678,621</u>       | <u>14,290,967</u> | <u>387,654</u>                                  |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|  | <b>Budget</b>     | <b>Budget<br/>Transfers</b> | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|--|-------------------|-----------------------------|-------------------------|-------------------|---|
| Special education:                         |                   |                             |                         |                   |   |
| Learning/language disabilities:            |                   |                             |                         |                   |   |
| Salaries of teachers                       | \$ 435,511        | \$ -                        | \$ 435,511              | \$ 433,080        | \$ 2,431  |
| Other salaries for instruction             | 209,984           | -                           | 209,984                 | 209,984           | -   |
| General supplies                           | 15,358            | -                           | 15,358                  | 4,211             | 11,147  |
| Textbooks                                  | 3,000             | -                           | 3,000                   | 377               | 2,623   |
| Total learning/language disabilities       | <u>663,853</u>    | <u>-</u>                    | <u>663,853</u>          | <u>647,652</u>    | <u>16,201</u>                                   |
| Resource room/resource center:             |                   |                             |                         |                   |   |
| Salaries of teachers                       | 1,938,309         | -                           | 1,938,309               | 1,858,616         | 79,693  |
| Other salaries for instruction             | 143,781           | -                           | 143,781                 | 143,780           | 1   |
| General supplies                           | 6,200             | -                           | 6,200                   | 3,526             | 2,674   |
| Textbooks                                  | 5,500             | -                           | 5,500                   | 2,093             | 3,407   |
| Total resource room/resource center        | <u>2,093,790</u>  | <u>-</u>                    | <u>2,093,790</u>        | <u>2,008,015</u>  | <u>85,775</u>                                   |
| Preschool disabilities - part - time:      |                   |                             |                         |                   |   |
| Salaries of teachers                       | 64,143            | -                           | 64,143                  | 61,811            | 2,332   |
| Other salaries for instruction             | 26,048            | -                           | 26,048                  | 25,416            | 632   |
| General supplies                           | 1,100             | -                           | 1,100                   | 1,088             | 12  |
| Total preschool disabilities - part - time | <u>91,291</u>     | <u>-</u>                    | <u>91,291</u>           | <u>88,315</u>     | <u>2,976</u>                                    |
| Preschool disabilities - full - time:      |                   |                             |                         |                   |   |
| Salaries of teachers                       | 86,832            | -                           | 86,832                  | 83,915            | 2,917   |
| Other salaries for instruction             | 110,625           | -                           | 110,625                 | 108,074           | 2,551   |
| General supplies                           | 1,100             | -                           | 1,100                   | 855               | 245   |
| Total preschool disabilities - full - time | <u>198,557</u>    | <u>-</u>                    | <u>198,557</u>          | <u>192,844</u>    | <u>5,713</u>                                    |
| Total special education - instruction      | <u>3,047,491</u>  | <u>-</u>                    | <u>3,047,491</u>        | <u>2,936,826</u>  | <u>110,665</u>                                  |
| Basic skills/remedial:                     |                   |                             |                         |                   |   |
| Salaries of teachers                       | 228,662           | -                           | 228,662                 | 223,567           | 5,095   |
| General supplies                           | 800               | -                           | 800                     | 791               | 9   |
| Textbooks                                  | 900               | -                           | 900                     | -                 | 900   |
| Total basic skills/remedial                | <u>230,362</u>    | <u>-</u>                    | <u>230,362</u>          | <u>224,358</u>    | <u>6,004</u>                                    |
| Bilingual education:                       |                   |                             |                         |                   |   |
| Salaries of teachers                       | 162,608           | -                           | 162,608                 | 101,541           | 61,067  |
| General supplies                           | 900               | -                           | 900                     | -                 | 900   |
| Textbooks                                  | 300               | -                           | 300                     | -                 | 300   |
| Total bilingual education                  | <u>163,808</u>    | <u>-</u>                    | <u>163,808</u>          | <u>101,541</u>    | <u>62,267</u>                                   |
| Other instructional:                       |                   |                             |                         |                   |   |
| School-sponsored cocurricular activities:  |                   |                             |                         |                   |   |
| Salaries                                   | 286,749           | -                           | 286,749                 | 235,518           | 51,231  |
| Supplies and materials                     | 28,387            | -                           | 28,387                  | 27,336            | 1,051   |
| Other Objects                              | 5,190             | -                           | 5,190                   | 3,400             | 1,790   |
| School-sponsored athletics:                |                   |                             |                         |                   |   |
| Salaries                                   | 562,955           | -                           | 562,955                 | 531,628           | 31,327  |
| Purchased services (300-500 series)        | 162,034           | -                           | 162,034                 | 119,978           | 42,056  |
| Supplies and materials                     | 91,419            | -                           | 91,419                  | 70,899            | 20,520  |
| Other objects                              | 39,235            | -                           | 39,235                  | 15,505            | 23,730  |
| Supplementary instruction:                 |                   |                             |                         |                   |   |
| Salaries of teachers                       | 6,000             | -                           | 6,000                   | -                 | 6,000   |
| Supplies and materials                     | 320               | -                           | 320                     | -                 | 320   |
| Textbooks                                  | 200               | -                           | 200                     | -                 | 200   |
| Total other instructional                  | <u>1,182,489</u>  | <u>-</u>                    | <u>1,182,489</u>        | <u>1,004,264</u>  | <u>178,225</u>                                  |
| Total - instruction                        | <u>19,326,346</u> | <u>(23,575)</u>             | <u>19,302,771</u>       | <u>18,557,956</u> | <u>744,815</u>                                  |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|   | <u>Budget</u>    | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------|-----------------------------|-------------------------|------------------|---|
| Undistributed expenditures - instruction:                   |                  |                             |                         |                  |   |
| Tuition to other LEA's within the state - special           | \$ 753,018       | \$ (28,000)                 | \$ 725,018              | \$ 684,601       | \$ 40,417                                       |
| Tuition to county vocational school district - regular      | 570,600          | -                           | 570,600                 | 497,100          | 73,500  |
| Tuition to county vocational school district - special      | 29,100           | -                           | 29,100                  | 14,000           | 15,100  |
| Tuition to private schools for the handicapped-within state | 1,624,775        | -                           | 1,624,775               | 1,342,560        | 282,215   |
| Total undistributed expenditures - instruction              | <u>2,977,493</u> | <u>(28,000)</u>             | <u>2,949,493</u>        | <u>2,538,261</u> | <u>411,232</u>                                  |
| Attendance and social work services:                        |                  |                             |                         |                  |   |
| Salaries  | 36,792           | -                           | 36,792                  | 34,288           | 2,504   |
| Total attendance and social work services                   | <u>36,792</u>    | <u>-</u>                    | <u>36,792</u>           | <u>34,288</u>    | <u>2,504</u>                                    |
| Health services:  |                  |                             |                         |                  |   |
| Salaries  | 282,815          | -                           | 282,815                 | 282,815          | -   |
| Purchased professional and technical services               | 10,000           | -                           | 10,000                  | 8,153            | 1,847   |
| General supplies  | 3,239            | -                           | 3,239                   | 2,313            | 926   |
| Other objects   | 2,000            | -                           | 2,000                   | 1,111            | 889   |
| Total health services                                       | <u>298,054</u>   | <u>-</u>                    | <u>298,054</u>          | <u>294,392</u>   | <u>3,662</u>                                    |
| Other support services - students-related services:         |                  |                             |                         |                  |   |
| Salaries  | 596,438          | -                           | 596,438                 | 547,173          | 49,265  |
| Purchased professional - educational services               | 289,419          | (11,000)                    | 278,419                 | 186,309          | 92,110  |
| Supplies and materials                                      | 4,650            | -                           | 4,650                   | 4,645            | 5   |
| Other objects   | 3,873            | -                           | 3,873                   | 1,680            | 2,193   |
| Total other support services - students-related services    | <u>894,380</u>   | <u>(11,000)</u>             | <u>883,380</u>          | <u>739,807</u>   | <u>143,573</u>                                  |
| Other support services - students-extra services:           |                  |                             |                         |                  |   |
| Purchased professional - educational services               | 193,110          | (5,000)                     | 188,110                 | 25,931           | 162,179   |
| Total other support services - students-extra services      | <u>193,110</u>   | <u>(5,000)</u>              | <u>188,110</u>          | <u>25,931</u>    | <u>162,179</u>                                  |
| Other support services - students-regular:                  |                  |                             |                         |                  |   |
| Salaries of other professional staff                        | 699,392          | (2,545)                     | 696,847                 | 692,825          | 4,022   |
| Salaries of secretarial and clerical assistants             | 141,820          | -                           | 141,820                 | 117,944          | 23,876  |
| Other salaries  | 51,666           | -                           | 51,666                  | 51,383           | 283   |
| Unused vacation payment to retired staff                    | -                | 2,545                       | 2,545                   | 2,545            | -   |
| Other purchased services (400-500 series)                   | 5,145            | -                           | 5,145                   | 1,605            | 3,540   |
| Supplies and materials                                      | 2,240            | -                           | 2,240                   | 1,403            | 837   |
| Total other support services - students-regular             | <u>900,263</u>   | <u>-</u>                    | <u>900,263</u>          | <u>867,705</u>   | <u>32,558</u>                                   |
| Other support services - students - special services:       |                  |                             |                         |                  |   |
| Salaries of other professional staff                        | 976,059          | (12,994)                    | 963,065                 | 958,869          | 4,196   |
| Salaries of secretarial and clerical assistants             | 55,343           | -                           | 55,343                  | 53,872           | 1,471   |
| Unused vacation payment to retired staff                    | -                | 12,994                      | 12,994                  | 12,994           | -   |
| Purchased professional - educational services               | 64,068           | -                           | 64,068                  | 38,237           | 25,831  |
| Supplies and materials                                      | 3,400            | -                           | 3,400                   | 1,645            | 1,755   |
| Other objects   | 4,200            | -                           | 4,200                   | 4,199            | 1   |
| Total other support services - students-special services    | <u>1,103,070</u> | <u>-</u>                    | <u>1,103,070</u>        | <u>1,069,816</u> | <u>33,254</u>                                   |
| Improvement of instructional services:                      |                  |                             |                         |                  |   |
| Salaries of supervisors of instructions                     | 205,338          | -                           | 205,338                 | 205,338          | -   |
| Salaries of other professional staff                        | 60,807           | -                           | 60,807                  | 59,176           | 1,631   |
| Salaries of secretarial and clerical assistants             | 113,808          | -                           | 113,808                 | 105,990          | 7,818   |
| Other salaries  | 207,299          | (11,369)                    | 195,930                 | 119,384          | 76,546  |
| Unused vacation payment to retired staff                    | -                | 11,369                      | 11,369                  | 11,369           | -   |
| Travel  | 4,000            | -                           | 4,000                   | 4,000            | -   |
| General Supplies  | 2,432            | -                           | 2,432                   | 803              | 1,629   |
| Miscellaneous expenditures                                  | 4,073            | -                           | 4,073                   | 1,853            | 2,220   |
| Total improvement of instructional services                 | <u>597,757</u>   | <u>-</u>                    | <u>597,757</u>          | <u>507,913</u>   | <u>89,844</u>                                   |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|  | <b>Budget</b>    | <b>Budget<br/>Transfers</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|--|------------------|-----------------------------|-------------------------|------------------|---|
| <b>Educational media services/school library:</b>        |                  |                             |                         |                  |   |
| Salaries   | \$ 342,043       | \$ -                        | \$ 342,043              | \$ 339,165       | \$ 2,878  |
| Other purchased services (400-500 series)                | 58,680           | -                           | 58,680                  | 46,530           | 12,150  |
| Supplies and materials                                   | 30,512           | -                           | 30,512                  | 28,195           | 2,317   |
| <b>Total educational media services/school library</b>   | <b>431,235</b>   | <b>-</b>                    | <b>431,235</b>          | <b>413,890</b>   | <b>17,345</b>                                   |
| <b>Instruction staff training services:</b>              |                  |                             |                         |                  |   |
| Salaries of supervisors of instruction                   | 15,735           | -                           | 15,735                  | 15,735           | -   |
| Salaries of other professional staff                     | 6,755            | -                           | 6,755                   | 6,576            | 179   |
| Salaries of secretarial and clerical assistants          | 5,493            | -                           | 5,493                   | 4,474            | 1,019   |
| Other purchased professional services - educational      | 14,794           | -                           | 14,794                  | 2,150            | 12,644  |
| Travel   | 5,000            | -                           | 5,000                   | 3,254            | 1,746   |
| Other objects  | 320              | -                           | 320                     | 205              | 115   |
| <b>Total instruction staff training services</b>         | <b>48,097</b>    | <b>-</b>                    | <b>48,097</b>           | <b>32,394</b>    | <b>15,703</b>                                   |
| <b>Support services - general administration:</b>        |                  |                             |                         |                  |   |
| Salaries   | 507,973          | -                           | 507,973                 | 507,973          | -   |
| Legal services   | 208,925          | (24,500)                    | 184,425                 | 64,694           | 119,731   |
| Audit Fees   | 34,892           | -                           | 34,892                  | 33,875           | 1,017   |
| Architectural/engineering services                       | 5,000            | 24,500                      | 29,500                  | 24,530           | 4,970   |
| Other purchased professional services                    | 1,000            | -                           | 1,000                   | -                | 1,000   |
| Communications/telephone                                 | 99,454           | -                           | 99,454                  | 72,560           | 26,894  |
| Board of education other purchased services              | 4,500            | -                           | 4,500                   | 3,877            | 623   |
| Miscellaneous purchased services                         | 146,040          | 12,491                      | 158,531                 | 153,290          | 5,241   |
| General Supplies   | 6,803            | -                           | 6,803                   | 6,799            | 4   |
| Miscellaneous expenditures                               | 9,575            | -                           | 9,575                   | 7,517            | 2,058   |
| Board of education membership dues and fees              | 15,560           | -                           | 15,560                  | 15,559           | 1   |
| <b>Total support services - general administration</b>   | <b>1,039,722</b> | <b>12,491</b>               | <b>1,052,213</b>        | <b>890,674</b>   | <b>161,539</b>                                  |
| <b>Support services - school administration:</b>         |                  |                             |                         |                  |   |
| Salaries of principals/assistant principals              | 1,084,815        | (8,120)                     | 1,076,695               | 1,001,632        | 75,063  |
| Salaries of secretarial and clerical assistants          | 453,015          | (7,123)                     | 445,892                 | 425,123          | 20,769  |
| Unused vacation payment to retired staff                 | 34,804           | 15,243                      | 50,047                  | 50,047           | -   |
| Travel   | 10,609           | -                           | 10,609                  | 9,455            | 1,154   |
| Supplies and materials                                   | 54,002           | -                           | 54,002                  | 37,405           | 16,597  |
| Miscellaneous expenditures                               | 20,570           | -                           | 20,570                  | 20,187           | 383   |
| <b>Total support services - school administration</b>    | <b>1,657,815</b> | <b>-</b>                    | <b>1,657,815</b>        | <b>1,543,849</b> | <b>113,966</b>                                  |
| <b>Central services:</b>                                 |                  |                             |                         |                  |   |
| Salaries   | 416,925          | (16,000)                    | 400,925                 | 377,496          | 23,429  |
| Purchased professional services - public relations costs | 800              | -                           | 800                     | -                | 800   |
| Purchased technical services                             | 15,334           | -                           | 15,334                  | 12,670           | 2,664   |
| Miscellaneous purchased services (300-500 series)        | 10,879           | -                           | 10,879                  | 5,775            | 5,104   |
| Supplies and materials                                   | 5,394            | -                           | 5,394                   | 5,222            | 172   |
| Miscellaneous expenditures                               | 2,630            | -                           | 2,630                   | 2,629            | 1   |
| <b>Total central services:</b>                           | <b>451,962</b>   | <b>(16,000)</b>             | <b>435,962</b>          | <b>403,792</b>   | <b>32,170</b>                                   |
| <b>Administrative Information Technology:</b>            |                  |                             |                         |                  |   |
| Salaries   | 380,808          | 16,000                      | 396,808                 | 396,016          | 792   |
| Purchased technical services                             | 239,612          | -                           | 239,612                 | 235,293          | 4,319   |
| Other purchased services (400-500 series)                | 2,700            | -                           | 2,700                   | 99               | 2,601   |
| Supplies and materials                                   | 142,997          | -                           | 142,997                 | 123,255          | 19,742  |
| <b>Total administrative information technology:</b>      | <b>766,117</b>   | <b>16,000</b>               | <b>782,117</b>          | <b>754,663</b>   | <b>27,454</b>                                   |



**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|  | <b>Budget</b>    | <b>Budget<br/>Transfers</b> | <b>Final<br/>Budget</b> | <b>Actual</b>    | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|--|------------------|-----------------------------|-------------------------|------------------|---|
| <b>Required maintenance for school facilities:</b>                         |                  |                             |                         |                  |   |
| Salaries   | \$ 520,926       | \$ (6,314)                  | \$ 514,612              | \$ 465,362       | \$ 49,250                                       |
| Unused vacation payment to retired staff                                   | -                | 6,314                       | 6,314                   | 6,314            | -   |
| Cleaning, repair and maintenance services                                  | 113,101          | (12,000)                    | 101,101                 | 83,968           | 17,133  |
| General supplies   | 48,482           | 34,000                      | 82,482                  | 77,429           | 5,053   |
| Other objects  | 10,329           | -                           | 10,329                  | 8,486            | 1,843   |
| <b>Total required maintenance for school facilities</b>                    | <b>692,838</b>   | <b>22,000</b>               | <b>714,838</b>          | <b>641,559</b>   | <b>73,279</b>                                   |
| <b>Other operating and maintenance of plant services:</b>                  |                  |                             |                         |                  |   |
| Salaries   | 927,598          | -                           | 927,598                 | 920,308          | 7,290   |
| Salaries of non-instructional aides  | 142,909          | -                           | 142,909                 | 105,364          | 37,545  |
| Unused vacation payment to retired staff                                   | -                | 8,957                       | 8,957                   | 8,957            | -   |
| Purchased professional and technical services                              | 44,780           | -                           | 44,780                  | 34,188           | 10,592  |
| Cleaning, repair and maintenance services                                  | 138,235          | (15,000)                    | 123,235                 | 90,763           | 32,472  |
| Other purchased property   | 45,230           | -                           | 45,230                  | 39,947           | 5,283   |
| Insurance  | 76,075           | 209                         | 76,284                  | 76,284           | -   |
| General supplies   | 61,982           | -                           | 61,982                  | 52,952           | 9,030   |
| Natural gas  | 164,824          | -                           | 164,824                 | 122,626          | 42,198  |
| Electricity  | 226,774          | -                           | 226,774                 | 141,938          | 84,836  |
| Other objects  | 7,850            | -                           | 7,850                   | 7,519            | 331   |
| <b>Total other operating and maintenance of plant services:</b>            | <b>1,836,257</b> | <b>(5,834)</b>              | <b>1,830,423</b>        | <b>1,600,846</b> | <b>229,577</b>                                  |
| <b>Care and upkeep of grounds:</b>   |                  |                             |                         |                  |   |
| Salaries   | 54,278           | -                           | 54,278                  | 53,590           | 688   |
| Cleaning, repair and maintenance services                                  | 35,290           | -                           | 35,290                  | 26,550           | 8,740   |
| General supplies   | 13,268           | -                           | 13,268                  | 7,566            | 5,702   |
| <b>Total care and upkeep of grounds</b>                                    | <b>102,836</b>   | <b>-</b>                    | <b>102,836</b>          | <b>87,706</b>    | <b>15,130</b>                                   |
| <b>Security:</b>   |                  |                             |                         |                  |   |
| Purchased professional and technical services                              | 118,687          | -                           | 118,687                 | 94,162           | 24,525  |
| General supplies   | 20,000           | (7,000)                     | 13,000                  | 1,178            | 11,822  |
| <b>Total security</b>  | <b>138,687</b>   | <b>(7,000)</b>              | <b>131,687</b>          | <b>95,340</b>    | <b>36,347</b>                                   |
| <b>Student transportation services:</b>                                    |                  |                             |                         |                  |   |
| Salaries for pupil transportation -<br>(between home and school) - special | 178,952          | -                           | 178,952                 | 151,258          | 27,694  |
| Salaries for pupil transportation -<br>(other than bet. home & school)     | 94,299           | -                           | 94,299                  | 86,691           | 7,608   |
| Cleaning, repair and maintenance services                                  | 17,000           | -                           | 17,000                  | 4,126            | 12,874  |
| Contracted services -<br>(other than between home and school) - vendors    | 54,400           | (11,681)                    | 42,719                  | 5,055            | 37,664  |
| Contracted services -<br>(Special education students) - joint agreement    | 1,233,212        | (137,097)                   | 1,096,115               | 902,992          | 193,123   |
| Miscellaneous purchased services - transportation                          | 12,025           | 1,495                       | 13,520                  | 13,520           | -   |
| Transportation supplies  | 46,993           | -                           | 46,993                  | 19,899           | 27,094  |
| Miscellaneous purchased services   | 1,500            | 900                         | 2,400                   | 2,385            | 15  |
| <b>Total student transportation services</b>                               | <b>1,638,381</b> | <b>(146,383)</b>            | <b>1,491,998</b>        | <b>1,185,926</b> | <b>306,072</b>                                  |
| <b>Unallocated employee benefits:</b>                                      |                  |                             |                         |                  |   |
| Social Security contribution   | 459,375          | 38,000                      | 497,375                 | 497,375          | -   |
| Other retirement contributions - regular                                   | 569,075          | 12,321                      | 581,396                 | 581,395          | 1   |
| Workers' compensation  | 195,000          | (13,859)                    | 181,141                 | 181,140          | 1   |
| Health benefits  | 6,649,691        | (202,221)                   | 6,447,470               | 6,197,889        | 249,581   |
| Tuition reimbursement  | 157,972          | 76,200                      | 234,172                 | 226,324          | 7,848   |
| Unused sick payment to retired staff                                       | 35,000           | 151,621                     | 186,621                 | 186,514          | 107   |
| Other employee benefits  | 800              | -                           | 800                     | 756              | 44  |
| <b>Total unallocated employee benefits</b>                                 | <b>8,066,913</b> | <b>62,062</b>               | <b>8,128,975</b>        | <b>7,871,393</b> | <b>257,582</b>                                  |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**for the Fiscal Year ended June 30, 2021**

|   | <u>Budget</u>       | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|---------------------|-----------------------------|-------------------------|---------------------|---|
| On-behalf TPAF contributions (Non-budgeted)   |                     |                             |                         |                     |   |
| Pension contribution  | \$ -                | \$ -                        | \$ -                    | \$ 4,954,054        | \$ (4,954,054)                                  |
| Post-retirement medical contributions   | -                   | -                           | -                       | 1,552,523           | (1,552,523)                                     |
| Long term disability insurance premium  | -                   | -                           | -                       | 3,225               | (3,225)   |
| Reimbursed TPAF Social Security contributions<br>(Non-budgeted)   | <u>-</u>            | <u>-</u>                    | <u>-</u>                | <u>1,322,045</u>    | <u>(1,322,045)</u>                              |
| Total on-behalf contributions   | <u>-</u>            | <u>-</u>                    | <u>-</u>                | <u>7,831,847</u>    | <u>(7,831,847)</u>                              |
| Total undistributed expenditures  | <u>23,871,779</u>   | <u>(106,664)</u>            | <u>23,765,115</u>       | <u>29,431,992</u>   | <u>(5,666,877)</u>                              |
| Total expenditures - current expense  | <u>43,198,125</u>   | <u>(130,239)</u>            | <u>43,067,886</u>       | <u>47,989,948</u>   | <u>(4,922,062)</u>                              |
| <b>CAPITAL OUTLAY</b>   |                     |                             |                         |                     |   |
| Equipment:  |                     |                             |                         |                     |   |
| Grades 1 - 5  | 4,199               | -                           | 4,199                   | -                   | 4,199   |
| Grades 6 - 8  | 9,575               | -                           | 9,575                   | -                   | 9,575   |
| Grades 9 - 12   | 165,768             | -                           | 165,768                 | 17,038              | 148,730   |
| School-sponsored athletic   | 65,425              | -                           | 65,425                  | 65,425              | -   |
| Undistributed expenditures:   |                     |                             |                         |                     |   |
| Administrative information technology   | 68,200              | 52,239                      | 120,439                 | 52,371              | 68,068  |
| Required maintenance for school facilities  | 256,392             | -                           | 256,392                 | 139,525             | 116,867   |
| Operation and maintenance of plant services   | 34,700              | -                           | 34,700                  | 34,528              | 172   |
| Student transportation - school bus special   | 173,515             | -                           | 173,515                 | 173,514             | 1   |
| Total equipment   | <u>777,774</u>      | <u>52,239</u>               | <u>830,013</u>          | <u>482,401</u>      | <u>347,612</u>                                  |
| Facilities acquisition and construction services:   |                     |                             |                         |                     |   |
| Construction services   | <u>77,962</u>       | <u>-</u>                    | <u>77,962</u>           | <u>77,962</u>       | <u>-</u>  |
| Total facilities acquisition and construction services  | <u>77,962</u>       | <u>-</u>                    | <u>77,962</u>           | <u>77,962</u>       | <u>-</u>  |
| Assets acquired under capital leases (Non-budgeted)   | <u>-</u>            | <u>-</u>                    | <u>-</u>                | <u>104,310</u>      | <u>(104,310)</u>                                |
| Total capital outlay  | <u>855,736</u>      | <u>52,239</u>               | <u>907,975</u>          | <u>664,673</u>      | <u>243,302</u>                                  |
| Total expenditures  | <u>44,053,861</u>   | <u>(78,000)</u>             | <u>43,975,861</u>       | <u>48,654,621</u>   | <u>(4,678,760)</u>                              |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                     |                             |                         |                     |   |
| Capital leases (Non-budgeted)   | -                   | -                           | -                       | 104,310             | -   |
| Transfer to food service  | -                   | 78,000                      | 78,000                  | (78,000)            | -   |
| Total other financing sources (uses)  | <u>-</u>            | <u>78,000</u>               | <u>78,000</u>           | <u>26,310</u>       | <u>-</u>  |
| Excess (deficiency) of revenues and other financing sources<br>over (under) expenditures and other financing uses | <u>(2,842,965)</u>  | <u>-</u>                    | <u>(2,842,965)</u>      | <u>960,508</u>      | <u>13,056,683</u>                               |
| Fund balances, July 1   | <u>5,784,322</u>    | <u>-</u>                    | <u>5,784,322</u>        | <u>5,784,322</u>    | <u>-</u>  |
| Fund balances, June 30  | <u>\$ 2,941,357</u> | <u>\$ -</u>                 | <u>\$ 2,941,357</u>     | <u>\$ 6,744,830</u> | <u>\$ 13,056,683</u>                            |
| Restricted for:   |                     |                             |                         |                     |   |
| Excess Surplus - prior year - designated for<br>subsequent year's expenditures                                    |                     |                             |                         | \$ 2,034,818        |   |
| Excess Surplus - current year   |                     |                             |                         | 1,277,388           |   |
| Capital reserve   |                     |                             |                         | 180,184             |   |
| Committed Fund Balance:   |                     |                             |                         |                     |   |
| Year-end encumbrances   |                     |                             |                         | 1,496,019           |   |
| Assigned to:  |                     |                             |                         |                     |   |
| Designated for subsequent year's expenditures   |                     |                             |                         | 127,682             |   |
| Unassigned  |                     |                             |                         | <u>1,628,739</u>    |   |
|   |                     |                             |                         | 6,744,830           |   |
| Reconciliation to Government Funds (GAAP)   |                     |                             |                         |                     |   |
| Last State Aid Payment not recognized on GAAP Basis   |                     |                             |                         | (167,341)           |   |
| Fund Balance per Government Funds (GAAP)  |                     |                             |                         | <u>\$ 6,577,489</u> |   |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**for the Fiscal Year ended June 30, 2021**

|  | <u>Budget</u>     | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|-------------------|-----------------------------|-------------------------|---------------------|---|
| <b>REVENUES</b>  |                   |                             |                         |                     |   |
| State sources  | \$ 59,459         | \$ 40,903                   | \$ 100,362              | \$ 69,722           | \$ (30,640)                                     |
| Federal sources  | 416,965           | 894,097                     | 1,311,062               | 901,859             | (409,203)                                       |
| Private sources  | -                 | 190,734                     | 190,734                 | 206,505             | 15,771  |
| Total revenues   | <u>\$ 476,424</u> | <u>\$ 1,125,734</u>         | <u>\$ 1,602,158</u>     | <u>\$ 1,178,086</u> | <u>\$ (424,072)</u>                             |
| <b>EXPENDITURES</b>  |                   |                             |                         |                     |   |
| Instruction:   |                   |                             |                         |                     |   |
| Salaries of teachers   | \$ 24,797         | \$ 250,271                  | \$ 275,068              | \$ 19,479           | \$ 255,589                                      |
| Purchased prof. & tech. services                             | 18,517            | 40,424                      | 58,941                  | 19,991              | 38,950  |
| Other purchased services (400-500 series)                    | 335,944           | 143,222                     | 479,166                 | 476,188             | 2,978   |
| General supplies   | 5,292             | 30,739                      | 36,031                  | 15,932              | 20,099  |
| Textbooks  | 6,326             | 1,555                       | 7,881                   | 7,111               | 770   |
| Total instruction  | <u>390,876</u>    | <u>466,211</u>              | <u>857,087</u>          | <u>538,701</u>      | <u>318,386</u>                                  |
| Support services:  |                   |                             |                         |                     |   |
| Personal services-employee benefits                          | 7,178             | 21,044                      | 28,222                  | 1,772               | 26,450  |
| Purchased professional - educational services                | 31,649            | 51,339                      | 82,988                  | 47,145              | 35,843  |
| Other purchased professional services                        | 11,786            | 658                         | 12,444                  | 9,390               | 3,054   |
| Other purchased services (400-500 series)                    | 10,357            | 11,252                      | 21,609                  | 4,588               | 17,021  |
| Supplies and materials                                       | 1,014             | 66,915                      | 67,929                  | 36,292              | 31,637  |
| Other objects  | 23,564            | 317,581                     | 341,145                 | 333,693             | 7,452   |
| Student activities   | -                 | 183,234                     | 183,234                 | 183,234             | -   |
| Scholarship activities                                       | -                 | 7,500                       | 7,500                   | 7,500               | -   |
| Total support services                                       | <u>85,548</u>     | <u>659,523</u>              | <u>745,071</u>          | <u>623,614</u>      | <u>121,457</u>                                  |
| Total expenditures   | <u>476,424</u>    | <u>1,125,734</u>            | <u>1,602,158</u>        | <u>1,162,315</u>    | <u>439,843</u>                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                 | -                           | -                       | 15,771              | 15,771  |
| Fund balance, July 1, (as restated)                          | -                 | -                           | 232,848                 | 232,848             | -   |
| Fund balance, June 30  | <u>-</u>          | <u>-</u>                    | <u>232,848</u>          | <u>248,619</u>      | <u>15,771</u>                                   |

**Recapitulation:**

|                    |  |  |  |                   |  |
|--------------------|--|--|--|-------------------|--|
| Restricted for:    |  |  |  |                   |  |
| Student activities |  |  |  | \$ 99,018         |  |
| Scholarships       |  |  |  | <u>149,601</u>    |  |
| Fund balance       |  |  |  | <u>\$ 248,619</u> |  |

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to RSI**  
**for the Fiscal Year ended June 30, 2021**

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

|   | <u>General<br/>Fund</u>    |  | <u>Special<br/>Revenue<br/>Fund</u> |
|---|----------------------------|--|-------------------------------------|
| <b>Sources /Inflows of resources</b>  |                            |  |                                     |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule   | [C-1] \$ 49,588,819        |  | [C-2] \$ 1,178,086                  |
| Difference - budget to GAAP:  |                            |  |                                     |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized   | -                          |  | 8,693                               |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.   | 159,442                    |  | -                                   |
| State Aid Payment recognized for budgetary purposes, not recognized for GAAP statements   | <u>(167,341)</u>           |  | <u>-</u>                            |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds   | [B-2] \$ <u>49,580,920</u> |  | [B-2] \$ <u>1,186,779</u>           |
| <b>Uses/Outflows of resources</b>   |                            |  |                                     |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule  | [C-1] \$ 48,654,621        |  | [C-2] \$ 1,162,315                  |
| Difference - budget to GAAP:  |                            |  |                                     |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | <u>-</u>                   |  | <u>8,693</u>                        |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds  | [B-2] \$ <u>48,654,621</u> |  | [B-2] \$ <u>1,171,008</u>           |

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART III**

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

|   | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| District's proportion of the net pension liability  | 0.0525076310%        | 0.0546532363%        | 0.0548079471%        | 0.0531562623%        | 0.050487079%         | 0.052275837%         | 0.049894129%         |
| District's proportionate share of the net pension liability   | \$ 8,562,621         | \$ 9,847,684         | \$ 10,791,412        | \$ 12,373,928        | \$ 14,952,825        | \$ 11,734,878        | \$ 9,341,545         |
| District's covered-employee payroll   | \$ 3,761,161         | \$ 3,602,107         | \$ 3,754,995         | \$ 3,830,708         | \$ 3,743,132         | \$ 3,525,748         | \$ 3,450,671         |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 43.93%               | 36.58%               | 34.80%               | 30.96%               | 25.03%               | 30.05%               | 36.94%               |
| 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%               |

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

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

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

|  | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution                                  | \$ 574,407           | \$ 531,615           | \$ 545,162           | \$ 492,436           | \$ 448,520           | \$ 449,432           | \$ 411,320           |
| Contributions in relation to the contractually required contribution | <u>574,407</u>       | <u>531,615</u>       | <u>545,162</u>       | <u>492,436</u>       | <u>448,520</u>       | <u>449,432</u>       | <u>411,320</u>       |
| Contribution deficiency (excess)                                     | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| District's covered-employee payroll                                  | \$ 3,761,161         | \$ 3,602,107         | \$ 3,754,995         | \$ 3,830,708         | \$ 3,742,132         | \$ 3,525,748         | \$ 3,450,671         |
| Contributions as a percentage of covered-employee payroll            | 15.27%               | 14.13%               | 14.52%               | 12.85%               | 11.98%               | 12.75%               | 11.92%               |

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



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

|   | June 30, 2021  | June 30, 2020 | June 30, 2019  | June 30, 2018  | June 30, 2017  | June 30, 2016  | June 30, 2015 |
|---|----------------|---------------|----------------|----------------|----------------|----------------|---------------|
| District's proportion of the net pension liability  | 0.000%         | 0.000%        | 0.000%         | 0.000%         | 0.000%         | 0.000%         | 0.000%        |
| State's proportion of the net pension liability associated with the District                                      | 0.1656167709%  | 0.1574935577% | 0.1613976830%  | 0.1587421913%  | 0.162199991%   | 0.1585036970%  | 0.1604503759% |
| District's proportionate share of the net pension liability   | \$ -           | \$ -          | \$ -           | \$ -           | \$ -           | \$ -           | \$ -          |
| State's proportionate share of the net pension liability associated with the District                             | 109,056,651    | 96,655,283    | 102,677,739    | 107,029,709    | 127,596,840    | 100,181,105    | 85,755,504    |
| Total proportionate share of the net pension liability associated with the District                               | \$ 109,056,651 | \$ 96,655,283 | \$ 102,677,739 | \$ 107,029,709 | \$ 127,596,840 | \$ 100,181,105 | \$ 85,755,504 |
| District proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.000%         | 0.000%        | 0.000%         | 0.000%         | 0.000%         | 0.000%         | 0.000%        |
| 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%        |

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

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

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

|  | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| OPEB liability, July 1   | \$ 57,943,587        | \$ 63,153,987        | \$ 73,862,523        | \$ 79,718,689        |
| Changes reconized for the fiscal year:   |                      |                      |                      |                      |
| Service cost   | 2,594,880            | 2,453,406            | 2,763,119            | 3,337,071            |
| Interest on the total OPEB liability   | 2,091,035            | 2,505,926            | 2,714,271            | 2,343,773            |
| Difference between expected and actual experience  | 16,585,922           | (9,307,706)          | (7,308,340)          |                      |
| Changes in assumptions   | 17,345,553           | 863,944              | (7,247,236)          | (9,889,193)          |
| Gross benefit payments   | (1,653,140)          | (1,778,695)          | (1,688,715)          | (1,710,813)          |
| Contributions from the member  | 50,107               | 52,725               | 58,365               | 62,996               |
| Net changes  | <u>37,014,357</u>    | <u>(5,210,400)</u>   | <u>(10,708,536)</u>  | <u>(5,856,166)</u>   |
| OPEB liability, June 30  | <u>\$ 94,957,944</u> | <u>\$ 57,943,587</u> | <u>\$ 63,153,987</u> | <u>\$ 73,862,523</u> |
| District's proportionate share of OPEB liability   | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| State's proportionate share of OPEB liability  | <u>94,957,944</u>    | <u>57,943,587</u>    | <u>63,153,987</u>    | <u>73,862,523</u>    |
| Total OPEB liability   | <u>\$ 94,957,944</u> | <u>\$ 57,943,587</u> | <u>\$ 63,153,987</u> | <u>\$ 73,862,523</u> |
| District's covered employee payroll  | \$ 22,625,066        | \$ 22,317,394        | \$ 21,637,770        | \$ 20,238,200        |
| District proportionate share of the OPEB Liability as a percentage of its covered employee payroll | 0.000%               | 0.000%               | 0.000%               | 0.000%               |

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

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

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

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information**  
**for the Fiscal Year ended June 30, 2021**

|   | <b>Public Employees'<br/>Retirement System<br/>(PERS)</b> | <b>Teachers Pension<br/>and Annuity Fund<br/>(TPAF)</b> | <b>State Health Benefit<br/>Local Education<br/>Retired Employees<br/>OPEB Plan</b> |
|---|---|---|---|
| Change in benefits  | None  | None  | None  |
| Changes in assumptions:   |   |   |   |
| Discount rate:  |   |   |   |
| As of June 30, 2020   | 7.00%   | 5.40%   | 2.21%   |
| As of June 30, 2019   | 6.28%   | 5.60%   | 3.50%   |
| Municipal bond rate:  |   |   |   |
| As of June 30, 2020   | 2.21%   | 2.21%   | 2.21%   |
| As of June 30, 2019   | 3.50%   | 3.50%   | 3.50%   |
| Inflation rate:   |   |   |   |
| As of June 30, 2020   |   |   | 2.50%   |
| Price   | 2.75%   | 2.75%   |   |
| Wage  | 3.25%   | 3.25%   |   |
| As of June 30, 2019   |   |   | 2.50%   |
| Price   | 2.75%   | 2.75%   |   |
| Wage  | 3.25%   | 3.25%   |   |
| Long-term expected rate of return<br>on pension plan investments: |   |   |   |
| As of June 30, 2020   | 7.00%   | 7.00%   | Not Applicable  |
| As of June 30, 2019   | 7.00%   | 7.00%   | Not Applicable  |

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures - Budgetary Basis**  
**for the Fiscal Year ended June 30, 2021**

|  | Total<br>Brought<br>Forward<br>(ex. E-1a) | N.J. Nonpublic<br>Handicapped Aid Ch. 193 |                       |                             | N.J. Nonpublic<br>Auxiliary Services<br>Aid Ch 192 | N.J. Nonpublic<br>Textbook<br>Aid | N.J. Nonpublic<br>Nursing<br>Services Aid |
|--|---|---|-----------------------|-----------------------------|--|-----------------------------------|---|
|  |   | Exam &<br>Classification                  | Speech<br>Instruction | Supplemental<br>Instruction | Compensatory<br>Education                          |                                   |   |
|  |   |   |                       |                             |  |                                   |   |
| <b>REVENUES</b>  |   |   |                       |                             |  |                                   |   |
| State sources  | \$ -                                      | \$ 15,041                                 | \$ 3,372              | \$ 6,637                    | \$ 9,232   | \$ 7,111                          | \$ 9,390                                  |
| Federal sources  | 347,645                                   | -   | -                     | -                           | -  | -                                 | -   |
| Private sources  | 206,505                                   | -   | -                     | -                           | -  | -                                 | -   |
| Total revenues   | <u>554,150</u>                            | <u>15,041</u>                             | <u>3,372</u>          | <u>6,637</u>                | <u>9,232</u>                                       | <u>7,111</u>                      | <u>9,390</u>                              |
| <b>EXPENDITURES:</b>   |   |   |                       |                             |  |                                   |   |
| Instruction:   |   |   |                       |                             |  |                                   |   |
| Salaries of teachers   | -   | -   | -                     | -                           | -  | -                                 | -   |
| Purchased prof. & tech. services                             | 500                                       | -   | -                     | -                           | -  | -                                 | -   |
| Other purchased services (400-500 series)                    | -   | -   | -                     | -                           | -  | -                                 | -   |
| General supplies   | -   | -   | -                     | -                           | -  | -                                 | -   |
| Textbooks  | -   | -   | -                     | -                           | -  | 7,111                             | -   |
| Total instruction  | <u>500</u>                                | <u>-</u>                                  | <u>-</u>              | <u>-</u>                    | <u>-</u>   | <u>7,111</u>                      | <u>-</u>                                  |
| Support services:  |   |   |                       |                             |  |                                   |   |
| Personal services-employee benefits                          | -   | -   | -                     | -                           | -  | -                                 | -   |
| Purchased professional - educational services                | -   | 15,041                                    | 3,372                 | 6,637                       | 9,232  | -                                 | -   |
| Other purchased professional services                        | -   | -   | -                     | -                           | -  | -                                 | 9,390                                     |
| Other purchased services (400-500 series)                    | -   | -   | -                     | -                           | -  | -                                 | -   |
| Supplies and materials                                       | 36,292                                    | -   | -                     | -                           | -  | -                                 | -   |
| Other objects  | 310,853                                   | -   | -                     | -                           | -  | -                                 | -   |
| Student activities   | 183,234                                   | -   | -                     | -                           | -  | -                                 | -   |
| Scholarship activities                                       | 7,500                                     | -   | -                     | -                           | -  | -                                 | -   |
| Total support services                                       | <u>537,879</u>                            | <u>15,041</u>                             | <u>3,372</u>          | <u>6,637</u>                | <u>9,232</u>                                       | <u>-</u>                          | <u>9,390</u>                              |
| Total expenditures   | <u>538,379</u>                            | <u>15,041</u>                             | <u>3,372</u>          | <u>6,637</u>                | <u>9,232</u>                                       | <u>7,111</u>                      | <u>9,390</u>                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | 15,771                                    | -   | -                     | -                           | -  | -                                 | -   |
| Fund balance, July 1 (as restated)                           | 232,848                                   | -   | -                     | -                           | -  | -                                 | -   |
| Fund balance, June 30  | <u>\$ 248,619</u>                         | <u>\$ -</u>                               | <u>\$ -</u>           | <u>\$ -</u>                 | <u>\$ -</u>  | <u>\$ -</u>                       | <u>\$ -</u>                               |

| N.J. Nonpublic<br>Security<br>Aid | Elementary and Secondary<br>Education Act |                    |              |              | IDEA<br>Basic  | IDEA<br>Pre-<br>School | Totals<br>2021    |
|-----------------------------------|---|--------------------|--------------|--------------|----------------|------------------------|-------------------|
|                                   | Title I<br>Part A                         | Title II<br>Part A | Title III    | Title IV     |                |                        |                   |
| \$ 18,939                         | \$ -                                      | \$ -               | \$ -         | \$ -         | \$ -           | \$ -                   | \$ 69,722         |
| -                                 | 22,326                                    | 12,786             | 3,346        | 6,561        | 499,558        | 9,637                  | 901,859           |
| -                                 | -   | -                  | -            | -            | -              | -                      | 206,505           |
| <u>18,939</u>                     | <u>22,326</u>                             | <u>12,786</u>      | <u>3,346</u> | <u>6,561</u> | <u>499,558</u> | <u>9,637</u>           | <u>1,178,086</u>  |
| -                                 | 19,479                                    | -                  | -            | -            | -              | -                      | 19,479            |
| -                                 | -   | -                  | -            | -            | 19,491         | -                      | 19,991            |
| -                                 | -   | -                  | -            | 950          | 473,208        | 2,030                  | 476,188           |
| -                                 | 1,075                                     | -                  | -            | 391          | 6,859          | 7,607                  | 15,932            |
| -                                 | -   | -                  | -            | -            | -              | -                      | 7,111             |
| -                                 | <u>20,554</u>                             | -                  | -            | <u>1,341</u> | <u>499,558</u> | <u>9,637</u>           | <u>538,701</u>    |
| -                                 | 1,772                                     | -                  | -            | -            | -              | -                      | 1,772             |
| -                                 | -   | 7,643              | -            | 5,220        | -              | -                      | 47,145            |
| -                                 | -   | -                  | -            | -            | -              | -                      | 9,390             |
| -                                 | -   | 4,588              | -            | -            | -              | -                      | 4,588             |
| -                                 | -   | -                  | -            | -            | -              | -                      | 36,292            |
| 18,939                            | -   | 555                | 3,346        | -            | -              | -                      | 333,693           |
| -                                 | -   | -                  | -            | -            | -              | -                      | 183,234           |
| -                                 | -   | -                  | -            | -            | -              | -                      | 7,500             |
| <u>18,939</u>                     | <u>1,772</u>                              | <u>12,786</u>      | <u>3,346</u> | <u>5,220</u> | -              | -                      | <u>623,614</u>    |
| <u>18,939</u>                     | <u>22,326</u>                             | <u>12,786</u>      | <u>3,346</u> | <u>6,561</u> | <u>499,558</u> | <u>9,637</u>           | <u>1,162,315</u>  |
| -                                 | -   | -                  | -            | -            | -              | -                      | 15,771            |
| -                                 | -   | -                  | -            | -            | -              | -                      | 232,848           |
| <u>\$ -</u>                       | <u>\$ -</u>                               | <u>\$ -</u>        | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>    | <u>\$ -</u>            | <u>\$ 248,619</u> |



**NEW PROVIDENCE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures - Budgetary Basis**  
**for the Fiscal Year ended June 30, 2021**

|  | CARES<br>County<br>Relief | CARES<br>Emergency<br>Relief | (CRF)<br>Coronavirus<br>Relief Fund | CARES - ESSER<br>Nonpublic<br>Digital Divide | ESSER II<br>Non-Title I | Scholarship<br>Activities |
|--|---------------------------|------------------------------|-------------------------------------|--|-------------------------|---------------------------|
| <b>REVENUES</b>  |                           |                              |                                     |  |                         |                           |
| State sources  | \$ -                      | \$ -                         | \$ -                                | \$ -   | \$ -                    | \$ -                      |
| Federal sources  | 120,150                   | 118,799                      | 66,599                              | 5,305  | 36,792                  | -                         |
| Local sources  | -                         | -                            | -                                   | -  | -                       | 6,137                     |
| Total revenues   | <u>120,150</u>            | <u>118,799</u>               | <u>66,599</u>                       | <u>5,305</u>                                 | <u>36,792</u>           | <u>6,137</u>              |
| <b>EXPENDITURES:</b>   |                           |                              |                                     |  |                         |                           |
| Instruction:   |                           |                              |                                     |  |                         |                           |
| Salaries of teachers   | -                         | -                            | -                                   | -  | -                       | -                         |
| Purchased prof. & tech. services                             | -                         | -                            | -                                   | -  | 500                     | -                         |
| Other purchased services (400-500 series)                    | -                         | -                            | -                                   | -  | -                       | -                         |
| General supplies   | -                         | -                            | -                                   | -  | -                       | -                         |
| Textbooks  | -                         | -                            | -                                   | -  | -                       | -                         |
| Total instruction  | <u>-</u>                  | <u>-</u>                     | <u>-</u>                            | <u>-</u>                                     | <u>500</u>              | <u>-</u>                  |
| Support services:  |                           |                              |                                     |  |                         |                           |
| Personal services-employee benefits                          | -                         | -                            | -                                   | -  | -                       | -                         |
| Purchased professional - educational services                | -                         | -                            | -                                   | -  | -                       | -                         |
| Other purchased professional services                        | -                         | -                            | -                                   | -  | -                       | -                         |
| Other purchased services (400-500 series)                    | -                         | -                            | -                                   | -  | -                       | -                         |
| Supplies and materials                                       | -                         | -                            | -                                   | -  | 36,292                  | -                         |
| Other objects  | 120,150                   | 118,799                      | 66,599                              | 5,305  | -                       | -                         |
| Student activities   | -                         | -                            | -                                   | -  | -                       | -                         |
| Scholarship activities                                       | -                         | -                            | -                                   | -  | -                       | 7,500                     |
| Total support services                                       | <u>120,150</u>            | <u>118,799</u>               | <u>66,599</u>                       | <u>5,305</u>                                 | <u>36,292</u>           | <u>7,500</u>              |
| Total expenditures   | <u>120,150</u>            | <u>118,799</u>               | <u>66,599</u>                       | <u>5,305</u>                                 | <u>36,792</u>           | <u>7,500</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                         | -                            | -                                   | -  | -                       | (1,363)                   |
| Fund balance, July 1 (as restated)                           | -                         | -                            | -                                   | -  | -                       | 150,964                   |
| Fund balance, June 30  | <u>\$ -</u>               | <u>\$ -</u>                  | <u>\$ -</u>                         | <u>\$ -</u>                                  | <u>\$ -</u>             | <u>\$ 149,601</u>         |

| <u>Student<br/>Activities</u> | <u>Total<br/>Carried<br/>Forward</u> |
|-------------------------------|--------------------------------------|
| \$ -                          | \$ -                                 |
| -                             | 347,645                              |
| <u>200,368</u>                | <u>206,505</u>                       |
| <u>200,368</u>                | <u>554,150</u>                       |
| -                             | -                                    |
| -                             | 500                                  |
| -                             | -                                    |
| -                             | -                                    |
| -                             | -                                    |
| <u>-</u>                      | <u>500</u>                           |
| -                             | -                                    |
| -                             | -                                    |
| -                             | -                                    |
| -                             | 36,292                               |
| -                             | 310,853                              |
| 183,234                       | 183,234                              |
| -                             | 7,500                                |
| <u>183,234</u>                | <u>537,879</u>                       |
| <u>183,234</u>                | <u>538,379</u>                       |
| 17,134                        | 15,771                               |
| <u>81,884</u>                 | <u>232,848</u>                       |
| <u>\$ 99,018</u>              | <u>\$ 248,619</u>                    |

**CAPITAL PROJECTS FUND**

**NEW PROVIDENCE SCHOOL DISTRICT  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
for the Fiscal Year ended June 30, 2021**

| <u>Issue/Project Title</u>   | <u>Original<br/>Date</u> | <u>Appropriations</u> | <u>Expenditures to Date</u> |                     | <u>Unexpended<br/>Balance<br/>June 30, 2021</u> |
|--|--------------------------|-----------------------|-----------------------------|---------------------|---|
|  |                          |                       | <u>Prior Years</u>          | <u>Current Year</u> |   |
| Improvements, Renovations and Additions to the<br>School District Facilities and the Acquisition<br>of Equipment | 1/11/2017                | \$ 16,018,969         | \$ 15,641,222               | \$ 377,747          | \$ -  |
|  |                          | <u>\$ 16,018,969</u>  | <u>\$ 15,641,222</u>        | <u>\$ 377,747</u>   | <u>\$ -</u>                                     |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures and Changes in Fund Balance-Budgetary Basis**  
**for the Fiscal Year ended June 30, 2021**

|   |           |
|---|-----------|
| <b>EXPENDITURES AND OTHER FINANCING USES</b>              |           |
| Purchased professional and technical services             | \$ 5,552  |
| Construction Services                                     | 48,627    |
| Transfer to Debt service fund                             | 323,568   |
| Total Expenditures and Other Financing Uses               | 377,747   |
| Excess (deficiency) of revenues over (under) expenditures | (377,747) |
| Fund Balance, July 1                                      | 377,747   |
| Fund Balance, June 30                                     | \$ -      |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status-Budgetary Basis**  
**Improvements, Renovations and Additions to the School District Facilities**  
**from inception and for the Fiscal Year ended June 30, 2021**

|   | <u>Prior Periods</u> | <u>Current Year</u> | <u>Totals</u>     | <u>Revised<br/>Authorized<br/>Cost</u> |
|---|----------------------|---------------------|-------------------|--|
| <b>Revenues and Other Financing Sources:</b>  |                      |                     |                   |  |
| Bond Proceeds and transfers   | \$ 15,885,000        | \$ -                | \$ 15,885,000     | \$ 15,885,000                          |
| Interest income   | 133,904              | -                   | 133,904           | 133,904                                |
| Miscellaneous   | <u>65</u>            | <u>-</u>            | <u>65</u>         | <u>65</u>                              |
| Total Revenues and Other Financing Sources  | <u>16,018,969</u>    | <u>-</u>            | <u>16,018,969</u> | <u>16,018,969</u>                      |
| <b>Expenditures and Other Financing Uses:</b>   |                      |                     |                   |  |
| Purchased professional and technical services   | 1,290,728            | 5,552               | 1,296,280         | 1,296,280                              |
| Construction Services   | 14,282,914           | 48,627              | 14,331,541        | 14,331,541                             |
| Other - Miscellaneous   | 67,580               | -                   | 67,580            | 67,580                                 |
| Transfer to Debt service fund   | <u>-</u>             | <u>323,568</u>      | <u>323,568</u>    | <u>323,568</u>                         |
| Total Expenditures and Other Financing Uses   | <u>15,641,222</u>    | <u>377,747</u>      | <u>16,018,969</u> | <u>16,018,969</u>                      |
| Excess (Deficiency) of Revenues and Other Financing Sources Over<br>(Under) Expenditures and Other Financing Uses | <u>\$ 377,747</u>    | <u>\$ (377,747)</u> | <u>\$ -</u>       | <u>\$ -</u>                            |
| Additional project information:   |                      |                     |                   |  |
| Project Number  | N/A                  |                     |                   |  |
| Grant Date  | N/A                  |                     |                   |  |
| Bond Authorization Date   | 01/11/2017           |                     |                   |  |
| Bonds Authorized  | \$ 15,885,000        |                     |                   |  |
| Bonds Issued  | \$ 15,885,000        |                     |                   |  |
| Original Authorized Cost  | \$ 15,885,000        |                     |                   |  |
| Additional Authorized Cost  | \$ 133,969           |                     |                   |  |
| Revised Authorized Cost   | \$ 16,018,969        |                     |                   |  |
| Percentage Increase over Original   |                      |                     |                   |  |
| Authorized Cost   | 0.84%                |                     |                   |  |
| Percentage Completion   | 100.00%              |                     |                   |  |
| Original target completion date   | 12/01/2017           |                     |                   |  |
| Revised target completion date  | 06/30/2021           |                     |                   |  |

**PROPRIETARY FUND**

**ENTERPRISE FUND**



**NEW PROVIDENCE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Net Position**  
**June 30, 2021**

|                                | <b>Food Service<br/>Fund</b> |
|--------------------------------|------------------------------|
| <b>ASSETS</b>                  |                              |
| Current assets:                |                              |
| Cash and cash equivalents      | \$ 20,243                    |
| Accounts receivable - other    | 630                          |
| Inventory                      | 10,100                       |
| Total current assets           | 30,973                       |
| Noncurrent assets:             |                              |
| Equipment                      | 354,521                      |
| Less: Accumulated depreciation | (246,146)                    |
| Total noncurrent assets        | 108,375                      |
| Total assets                   | 139,348                      |
| <b>LIABILITIES</b>             |                              |
| Current liabilities:           |                              |
| Accounts payable               | 16,037                       |
| <b>NET POSITION</b>            |                              |
| Investment in capital assets   | 108,375                      |
| Unrestricted                   | 14,936                       |
| Total net position             | \$ 123,311                   |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**for the Fiscal Year ended June 30, 2021**

|                                       | <u><b>Food Service<br/>Fund</b></u> |
|---------------------------------------|-------------------------------------|
| <b>OPERATING REVENUES</b>             |                                     |
| Charges for services                  | \$ 12,865                           |
| Total operating revenue               | <u>12,865</u>                       |
| <b>OPERATING EXPENSES:</b>            |                                     |
| Labor costs                           | 61,439                              |
| Cost of sales                         | 59,302                              |
| Direct expenses                       | 14,934                              |
| Depreciation                          | <u>27,368</u>                       |
| Total operating expenses              | <u>163,043</u>                      |
| Operating loss                        | <u>(150,178)</u>                    |
| Non-operating revenues:               |                                     |
| Interest Income                       | <u>55</u>                           |
| Net income before operating transfers | (150,123)                           |
| Operating transfers:                  |                                     |
| Operating transfers in - General fund | <u>78,000</u>                       |
| Change in net position                | (72,123)                            |
| Net position, July 1                  | <u>195,434</u>                      |
| Net position, June 30                 | <u><u>\$ 123,311</u></u>            |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Enterprise Fund**  
**Statement of Cash Flows**  
**for the Fiscal Year ended June 30, 2021**

|   | <b>Food Service<br/>Fund</b> |
|---|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                              |
| Receipts from customers   | \$ 15,705                    |
| Payments to employees   | (61,439)                     |
| Payments to suppliers   | (52,077)                     |
| Net cash (used for) operating activities  | (97,811)                     |
| <br><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                              |
| Transfer In - General Fund  | 78,000                       |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                     |                              |
| Acquisition and construction of capital assets  | (2,480)                      |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                              |
| Interest on investments   | 55                           |
| Net decrease in cash and cash equivalents   | (22,236)                     |
| Cash and cash equivalents, July 1   | 42,479                       |
| Cash and cash equivalents, June 30  | \$ 20,243                    |
| <br><b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED FOR)<br/>PROVIDED BY OPERATING ACTIVITIES</b> |                              |
| Operating loss  | (150,178)                    |
| Adjustment to reconcile operating income to net cash (used for)<br>provided by operating activities:    |                              |
| Decrease in accounts receivable   | 2,840                        |
| Decrease in inventories   | 6,812                        |
| Increase in accounts payable  | 15,347                       |
| Depreciation  | 27,368                       |
| Total adjustments   | 52,367                       |
| Net cash (used) for operating activities  | \$ (97,811)                  |

**LONG-TERM DEBT**

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Long Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2021**

| Purpose                                | Original Issue |              | Maturities of Bonds Outstanding<br>June 30, 2021 |                     | Interest<br>Rate | Balance<br>July 1, 2020 | Retired      | Balance<br>June 30, 2021 |
|--|----------------|--------------|--|---------------------|------------------|-------------------------|--------------|--------------------------|
|  | Date           | Amount       | Maturity<br>Date                                 | Principal<br>Amount |                  |                         |              |                          |
| Refunding School Bonds,<br>Series 2014 | 09/17/2014     | \$ 7,615,000 | 08/15/20   | \$ 855,000          | 4.000%           | \$ 5,435,000            | \$ 855,000   | \$ 4,580,000             |
|  |                |              | 08/15/21   | 870,000             | 4.000%           |                         |              |                          |
|  |                |              | 08/15/22   | 930,000             | 4.000%           |                         |              |                          |
|  |                |              | 08/15/23   | 935,000             | 3.000%           |                         |              |                          |
|  |                |              | 08/15/24   | 920,000             | 3.000%           |                         |              |                          |
|  |                | 08/15/25     | 925,000  | 4.000%              |                  |                         |              |                          |
| School Bonds, Series 2017              | 01/11/2017     | 15,885,000   | 08/15/20   | 575,000             | 3.250%           | \$ 14,310,000           | \$ 575,000   | \$ 13,735,000            |
|  |                |              | 08/15/21   | 625,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/22   | 650,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/23   | 675,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/24   | 760,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/25   | 800,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/26   | 825,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/27   | 850,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/28   | 875,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/29   | 900,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/30   | 925,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/31   | 975,000             | 3.250%           |                         |              |                          |
|  |                |              | 08/15/32   | 975,000             | 3.375%           |                         |              |                          |
|  |                | 08/15/33     | 975,000  | 3.375%              |                  |                         |              |                          |
|  |                | 08/15/34     | 975,000  | 3.375%              |                  |                         |              |                          |
|  |                | 08/15/35     | 975,000  | 3.375%              |                  |                         |              |                          |
|  |                | 08/15/36     | 975,000  | 3.375%              |                  |                         |              |                          |
|  |                |              |  |                     |                  | \$ 19,745,000           | \$ 1,430,000 | \$ 18,315,000            |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Long Term Debt**  
**Schedule of Obligations Under Capital Leases**  
**for the Fiscal Year ended June 30, 2021**

| Purpose                     | Date of Lease | Term of Lease | Amount of Original Lease |          | Interest Rate | Balance June 30, 2020 | Issued     | Retired    | Balance June 30, 2021 |
|-----------------------------|---------------|---------------|--------------------------|----------|---------------|-----------------------|------------|------------|-----------------------|
|                             |               |               | Principal                | Interest |               |                       |            |            |                       |
| Leaf Copy Machine Equipment | 07/01/18      | 4 years       | 132,096                  | -        | 0.000%        | \$ 74,304             | \$ -       | \$ 33,024  | \$ 41,280             |
| Apple Computer Equipment    | 07/01/19      | 2 years       | 78,800                   | -        | 0.000%        | 39,400                | -          | 39,400     | -                     |
| Apple Computer Equipment    | 04/25/20      | 2 years       | 71,370                   | -        | 0.000%        | 35,685                | -          | 35,685     | -                     |
| Apple Computer Equipment    | 05/25/20      | 2 years       | 188,580                  | -        | 0.000%        | 94,290                | -          | 94,290     | -                     |
| Apple Computer Equipment    | 07/15/20      | 2 years       | 104,310                  | -        | 0.000%        | -                     | 104,310    | 52,155     | 52,155                |
|                             |               |               |                          |          |               | \$ 243,679            | \$ 104,310 | \$ 254,554 | \$ 93,435             |

**NEW PROVIDENCE SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**for the Fiscal Year ended June 30, 2021**

|   | <u>Budget</u>    | <u>Budget<br/>Transfers</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|------------------|-----------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>   |                  |                             |                         |                   |   |
| Local sources:  |                  |                             |                         |                   |   |
| Local tax levy  | \$ 1,546,721     | \$ -                        | \$ 1,546,721            | \$ 1,546,721      | \$ -  |
| State sources:  |                  |                             |                         |                   |   |
| Debt service type II aid  | 530,510          | -                           | 530,510                 | 530,510           | -   |
| Total revenues  | <u>2,077,231</u> | <u>-</u>                    | <u>2,077,231</u>        | <u>2,077,231</u>  | <u>-</u>  |
| <b>EXPENDITURES</b>   |                  |                             |                         |                   |   |
| Regular debt service:   |                  |                             |                         |                   |   |
| Interest  | 647,231          | -                           | 647,231                 | 647,231           | -   |
| Redemption of principal   | 1,430,000        | -                           | 1,430,000               | 1,430,000         | -   |
| Total regular debt service  | <u>2,077,231</u> | <u>-</u>                    | <u>2,077,231</u>        | <u>2,077,231</u>  | <u>-</u>  |
| Total expenditures  | <u>2,077,231</u> | <u>-</u>                    | <u>2,077,231</u>        | <u>2,077,231</u>  | <u>-</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures  | -                | -                           | -                       | -                 | -   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                  |                             |                         |                   |   |
| Transfer from capital projects fund   | -                | -                           | -                       | 323,568           | -   |
| Excess (deficiency) of revenue &<br>other financing sources over<br>(under) expenditures and<br>other financing sources | -                | -                           | -                       | 323,568           | -   |
| Fund balance, July 1  | -                | -                           | -                       | -                 | -   |
| Fund balance, June 30   | <u>\$ -</u>      | <u>\$ -</u>                 | <u>\$ -</u>             | <u>\$ 323,568</u> | <u>\$ -</u>                                     |

**STATISTICAL SECTION**  
**(Unaudited)**



## **FINANCIAL TRENDS**

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

|   | 2012         | 2013 (1)      | 2014          | 2015 (2)       | 2016           | 2017           | 2018           | 2019           | 2020          | 2021         |
|---|--------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|---------------|--------------|
| <b>Governmental activities</b>                  |              |               |               |                |                |                |                |                |               |              |
| Invested in capital assets, net of related debt | \$ 6,605,963 | \$ 6,544,399  | \$ 6,493,378  | \$ 6,585,446   | \$ 6,501,130   | \$ (6,888,943) | \$ 4,040,654   | \$ 5,196,934   | \$ 5,808,821  | \$ 5,809,875 |
| Restricted                                      | 1,305,425    | 1,477,069     | 938,156       | 451,947        | 640,863        | 15,606,408     | 4,618,825      | 2,727,475      | 2,532,658     | 1,781,140    |
| Unrestricted                                    | 569,315      | 388,548       | 1,057,581     | (8,399,198)    | (8,528,831)    | (10,068,983)   | (10,411,341)   | (9,435,261)    | (8,653,138)   | (6,590,419)  |
| Total governmental activities net position      | \$ 8,480,703 | \$ 8,410,016  | \$ 8,489,115  | \$ (1,361,805) | \$ (1,386,838) | \$ (1,321,518) | \$ (1,751,862) | \$ (1,510,832) | \$ (311,659)  | \$ 1,000,596 |
| <b>Business-type activities</b>                 |              |               |               |                |                |                |                |                |               |              |
| Invested in capital assets, net of related debt | \$ 86,074.00 | \$ 118,998.00 | \$ 146,883.00 | \$ 151,844     | \$ 135,059     | \$ 120,362     | \$ 123,512     | \$ 131,000     | \$ 133,263.00 | \$ 108,375   |
| Unrestricted                                    | 204,336      | 199,103       | 171,378       | 137,929        | 138,100        | 151,441        | 166,107        | 168,068        | 62,171        | 14,936       |
| Total business-type activities net position     | \$ 290,410   | \$ 318,101    | \$ 318,261    | \$ 289,773     | \$ 273,159     | \$ 271,803     | \$ 289,619     | \$ 299,068     | \$ 195,434    | \$ 123,311   |
| <b>District-wide</b>                            |              |               |               |                |                |                |                |                |               |              |
| Invested in capital assets, net of related debt | \$ 6,692,037 | \$ 6,663,397  | \$ 6,640,261  | \$ 6,737,290   | \$ 6,636,189   | \$ (6,738,581) | \$ 4,164,166   | \$ 5,327,934   | \$ 5,942,084  | \$ 5,918,250 |
| Restricted                                      | 1,305,425    | 1,477,069     | 938,156       | 451,947        | 640,863        | 15,606,408     | 4,618,825      | 2,727,475      | 2,532,658     | 1,781,140    |
| Unrestricted                                    | 773,651      | 587,651       | 1,228,959     | (8,261,269)    | (8,390,731)    | (9,917,542)    | (10,245,234)   | (9,267,193)    | (8,590,967)   | (6,575,483)  |
| Total district net position                     | \$ 8,771,113 | \$ 8,728,117  | \$ 8,807,376  | \$ (1,072,032) | \$ (1,113,679) | \$ (1,049,715) | \$ (1,462,243) | \$ (1,211,784) | \$ (116,225)  | \$ 1,123,907 |

Source: District Records

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

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

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

|   | 2012            | 2013 (1)        | 2014            | 2015 (2)        | 2016            | 2017            | 2018 (3)        | 2019            | 2020            | 2021            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Expenses</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities</b>                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Regular   | \$ 12,335,790   | \$ 12,756,402   | \$ 12,859,042   | \$ 13,122,201   | \$ 13,232,521   | \$ 13,732,314   | \$ 14,236,542   | \$ 14,710,003   | \$ 14,935,994   | \$ 16,134,234   |
| Special education   | 2,057,283       | 2,147,308       | 2,254,729       | 2,227,478       | 2,481,345       | 2,585,876       | 2,636,119       | 2,764,946       | 2,824,255       | 2,936,826       |
| Other special education                                   | 364,337         | 319,472         | 331,131         | 293,590         | 292,636         | 339,473         | 297,663         | 347,426         | 317,658         | 325,899         |
| Other instruction   | 820,004         | 854,463         | 845,087         | 973,365         | 861,353         | 932,935         | 983,825         | 1,061,011       | 1,090,089       | 1,004,264       |
| Support Services:   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Tuition   | 2,222,754       | 2,400,456       | 2,505,200       | 2,466,291       | 2,638,139       | 2,566,033       | 2,477,479       | 2,612,032       | 2,656,322       | 2,538,261       |
| Student & instruction related services                    | 3,307,821       | 3,487,202       | 3,517,719       | 3,536,076       | 3,570,885       | 3,661,895       | 3,721,839       | 4,031,584       | 3,960,786       | 4,609,750       |
| School administrative services                            | 1,357,608       | 1,348,559       | 1,397,300       | 1,411,511       | 1,377,108       | 1,398,769       | 1,442,372       | 1,435,530       | 1,561,013       | 1,543,849       |
| General & business administrative services                | 9,604,871       | 10,356,077      | 9,650,286       | 11,557,805      | 11,851,219      | 13,643,633      | 21,752,416      | 18,913,850      | 17,664,315      | 22,538,225      |
| Plant operations and maintenance                          | 2,204,773       | 2,081,424       | 2,139,359       | 2,189,103       | 2,223,541       | 2,195,207       | 2,350,526       | 2,594,141       | 2,228,700       | 2,170,897       |
| Pupil transportation                                      | 862,271         | 1,011,679       | 999,670         | 910,256         | 1,058,768       | 1,335,666       | 1,301,539       | 1,414,324       | 1,209,101       | 1,185,926       |
| Unallocated depreciation                                  | -               | -               | -               | -               | -               | 974,257         | 1,642,856       | 1,666,661       | 1,728,131       | 973,491         |
| Interest on long-term debt                                | 556,430         | 520,178         | 481,537         | 395,516         | 353,610         | 304,240         | 833,031         | 744,053         | 698,913         | 647,231         |
| Unallocated depreciation                                  | 1,183,034       | 1,175,798       | 1,145,407       | 1,118,929       | 1,064,016       | -               | -               | -               | -               | -               |
| Total governmental activities expenses                    | \$ 36,876,976   | \$ 38,459,018   | \$ 38,126,467   | \$ 40,302,121   | \$ 41,005,141   | \$ 43,670,298   | \$ 53,676,207   | \$ 52,295,561   | \$ 50,875,277   | \$ 56,608,853   |
| <b>Business-type activities:</b>                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Food service  | 695,518         | 735,942         | 796,956         | 761,197         | 772,120         | 779,985         | 808,649         | 766,627         | 658,714         | 163,043         |
| Total business-type activities expense                    | 695,518         | 735,942         | 796,956         | 761,197         | 772,120         | 779,985         | 808,649         | 766,627         | 658,714         | 163,043         |
| Total district expenses                                   | \$ 37,572,494   | \$ 39,194,960   | \$ 38,923,423   | \$ 41,063,318   | \$ 41,777,261   | \$ 44,450,283   | \$ 54,484,856   | \$ 53,062,188   | \$ 51,533,991   | \$ 56,771,896   |
| <b>Program Revenues</b>                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities:</b>                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                                     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Instruction (tuition)                                     | \$ 170,110      | \$ 167,212      | \$ 239,857      | \$ 143,328      | \$ 104,632      | \$ 86,506       | \$ 78,982       | \$ 71,532       | \$ 130,865      | \$ 335,685      |
| Operating grants and contributions                        | 738,769         | 721,711         | 629,969         | 616,777         | 721,265         | 764,226         | 714,170         | 721,714         | 689,498         | 980,274         |
| Total governmental activities program revenues            | 908,879         | 888,923         | 869,826         | 760,105         | 825,897         | 850,732         | 793,152         | 793,246         | 820,363         | 1,315,959       |
| <b>Business-type activities:</b>                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Charges for services                                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Food service  | 611,679         | 642,108         | 688,532         | 732,136         | 754,858         | 777,529         | 823,782         | 773,194         | 553,350         | 12,865          |
| Operating grants and contributions                        | 107,365         | 121,525         | 108,584         | 573             | 648             | 1,100           | 2,683           | 2,882           | 1,730           | 55              |
| Total business-type activities program revenues           | 719,044         | 763,633         | 797,116         | 732,709         | 755,506         | 778,629         | 826,465         | 776,076         | 555,080         | 12,920          |
| Total district program revenues                           | \$ 1,627,923    | \$ 1,652,556    | \$ 1,666,942    | \$ 1,492,814    | \$ 1,581,403    | \$ 1,629,361    | \$ 1,619,617    | \$ 1,569,322    | \$ 1,375,443    | \$ 1,328,879    |
| <b>Net (Expense)/Revenue</b>                              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities</b>                            | \$ (35,968,097) | \$ (37,570,095) | \$ (37,256,641) | \$ (39,542,016) | \$ (40,179,244) | \$ (42,819,566) | \$ (52,883,055) | \$ (51,502,315) | \$ (50,054,914) | \$ (55,292,894) |
| <b>Business-type activities</b>                           | 23,526          | 27,691          | 160             | (28,488)        | (16,614)        | (1,356)         | 17,816          | 9,449           | (103,634)       | (150,123)       |
| <b>Total district-wide net expense</b>                    | \$ (35,944,571) | \$ (37,542,404) | \$ (37,256,481) | \$ (39,570,504) | \$ (40,195,858) | \$ (42,820,922) | \$ (52,865,239) | \$ (51,492,866) | \$ (50,158,548) | \$ (55,443,017) |
| <b>General Revenues and Other Changes in Net Position</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities:</b>                           |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property taxes levied for general purposes, net           | \$ 30,722,298   | \$ 31,198,662   | \$ 31,441,208   | \$ 32,479,298   | \$ 33,241,004   | \$ 34,643,702   | \$ 35,448,844   | \$ 37,269,826   | \$ 38,105,152   | \$ 38,938,890   |
| Taxes levied for debt service                             | 1,194,061       | 1,201,069       | 1,194,140       | 1,197,638       | 1,324,897       | 1,012,409       | 1,498,204       | 1,525,788       | 1,536,809       | 1,546,721       |
| Federal and State aid not restricted                      | 3,908,619       | 4,839,827       | 4,484,398       | 4,910,899       | 5,430,312       | 6,217,067       | 15,227,360      | 12,539,696      | 11,110,016      | 15,914,045      |
| Investment earnings                                       | 63,568          | 66,418          | 17,086          | 15,558          | 18,867          | 86,028          | 137,915         | 130,231         | 93,392          | 19,463          |
| Special item - Appraisal of capital asset adjustment      | 195,002         | 94,878          | 40,742          | 107,272         | 15,602          | 144,039         | -               | -               | -               | -               |
| Miscellaneous income                                      | 105,295         | 98,965          | 178,071         | 190,350         | 126,424         | 783,808         | 147,241         | 291,444         | 177,222         | 292,708         |
| Special item - Loss on disposal of fixed assets           | (2,208)         | (411)           | (19,905)        | (1,647)         | (2,895)         | (2,167)         | (6,853)         | (13,660)        | (1,332)         | (28,678)        |
| Special item - Series 2008 refunding bond cost            | -               | -               | -               | 80,000          | -               | -               | -               | -               | -               | -               |
| Total governmental activities                             | 36,186,635      | 37,499,408      | 37,335,740      | 38,979,368      | 40,154,211      | 42,884,886      | 52,452,711      | 51,743,325      | 51,021,259      | 56,683,149      |
| <b>Total district-wide</b>                                | \$ 36,186,635   | \$ 37,499,408   | \$ 37,335,740   | \$ 38,979,368   | \$ 40,154,211   | \$ 42,884,886   | \$ 52,452,711   | \$ 51,743,325   | \$ 51,021,259   | \$ 56,683,149   |
| <b>Change in Net Position</b>                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Governmental activities</b>                            | \$ 218,538      | \$ (70,687)     | \$ 79,099       | \$ (562,648)    | \$ (25,033)     | \$ 65,320       | \$ (430,344)    | \$ 241,010      | \$ 966,345      | \$ 1,390,255    |
| <b>Business-type activities</b>                           | 23,526          | 27,691          | 160             | (28,488)        | (16,614)        | (1,356)         | 17,816          | 9,449           | (103,634)       | (150,123)       |
| <b>Total district</b>                                     | \$ 242,064      | \$ (42,996)     | \$ 79,259       | \$ (591,136)    | \$ (41,647)     | \$ 63,964       | \$ (412,528)    | \$ 250,459      | \$ 862,711      | \$ 1,240,132    |

**Source: District Records**

- (1) GASB 63 was implemented in the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.
- (2) GASB 68 was implemented in the 2015 fiscal year where additional on-behalf TPAF pension expense and offsetting contribution is reported.
- (3) GASB 75 was implemented in the 2018 fiscal year, where additional on-behalf OPEB expenses and offsetting contribution is reported.

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

|                                    | 2012         | 2013         | 2014       | 2015       | 2016       | 2017          | 2018         | 2019         | 2020         | 2021 (1)     |
|------------------------------------|--------------|--------------|------------|------------|------------|---------------|--------------|--------------|--------------|--------------|
| General Fund                       | \$ 1,305,425 | \$ 1,477,069 | \$ 938,156 | \$ 406,525 | \$ 595,441 | \$ 1,899,037  | \$ 2,430,557 | \$ 2,548,086 | \$ 3,684,973 | \$ 3,739,039 |
| Restricted                         | 709,083      | 922,470      | 1,039,022  | 382,128    | 915,022    | 632,675       | 689,040      | 765,102      | 1,243,045    | 1,496,019    |
| Committed                          | 383,678      | 200,000      | 276,424    | 562,513    | 481,055    | 288,597       | 327,459      | 442,077      | 69,938       | 127,682      |
| Assigned                           | 589,541      | 566,283      | 581,535    | 607,799    | 591,702    | 629,375       | 626,665      | 642,438      | 626,924      | 1,461,398    |
| Unassigned                         | 2,987,727    | 3,165,822    | 2,835,137  | 1,958,965  | 2,583,220  | 3,449,684     | 4,073,721    | 4,397,703    | 5,624,880    | 6,824,138    |
| Total general fund                 | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ 10,911,451 | \$ 1,353,649 | \$ 508,856   | \$ 27,758    | \$ -         |
| All Other Governmental Funds       | -            | -            | -          | -          | -          | -             | -            | -            | -            | -            |
| Committed, Capital Projects Fund   | -            | -            | -          | -          | -          | -             | -            | -            | -            | 99,018       |
| Students Activities                | -            | -            | -          | -          | -          | -             | -            | -            | -            | 149,601      |
| Scholarships                       | -            | -            | -          | -          | -          | -             | -            | -            | -            | -            |
| Unassigned, reported in:           | -            | -            | -          | -          | -          | 2,750,497     | 834,618      | 628,456      | 349,989      | -            |
| Capital projects fund              | -            | -            | -          | -          | -          | 45,423        | -            | -            | -            | -            |
| Debt service fund                  | -            | -            | -          | -          | -          | -             | -            | -            | -            | -            |
| Total all other governmental funds | \$ -         | \$ -         | \$ -       | \$ -       | \$ -       | \$ 13,707,371 | \$ 2,188,268 | \$ 1,137,312 | \$ 377,747   | \$ 323,568   |
|                                    |              |              |            |            |            |               |              |              |              | \$ 572,187   |

Source: District Records

Note: (1) In 2021 the District implemented GASB Statement 84 which required a restatement of the financial statements for the year ended June 30, 2021

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

|  | 2012              | 2013              | 2014                | 2015                |
|--|-------------------|-------------------|---------------------|---------------------|
| <b>Revenues</b>  |                   |                   |                     |                     |
| Tax levy   | \$ 31,916,359     | \$ 32,399,731     | \$ 32,635,348       | \$ 33,676,936       |
| Tuition charges  | 170,110           | 167,212           | 239,857             | 143,328             |
| Interest earnings  | 63,568            | 66,418            | 17,086              | 15,558              |
| Miscellaneous  | 105,295           | 98,965            | 178,071             | 190,350             |
| Private sources  | -                 | -                 | -                   | -                   |
| Grants   | 62,291            | 79,681            | 3,864               | (4,598)             |
| State sources  | 3,957,892         | 4,936,075         | 4,578,724           | 4,988,395           |
| Federal sources  | 627,205           | 545,782           | 531,779             | 543,879             |
| Total revenue  | <u>36,902,720</u> | <u>38,293,864</u> | <u>38,184,729</u>   | <u>39,553,848</u>   |
| <b>Expenditures</b>  |                   |                   |                     |                     |
| Current expense:   |                   |                   |                     |                     |
| Instruction  | 15,199,968        | 15,623,276        | 15,843,198          | 16,197,180          |
| Undistributed expenditures                                   | 19,660,151        | 20,671,486        | 20,877,601          | 22,469,848          |
| Capital outlay   | 67,991            | 666,209           | 411,149             | 542,346             |
| Debt service   | 1,486,430         | 1,495,178         | 1,486,537           | 1,445,516           |
| Total expenditures   | <u>36,414,540</u> | <u>38,456,149</u> | <u>38,618,485</u>   | <u>40,654,890</u>   |
| Excess (Deficiency) of revenues<br>over (under) expenditures | 488,180           | (162,285)         | (433,756)           | (1,101,042)         |
| <b>Other Financing sources (uses)</b>                        |                   |                   |                     |                     |
| Transfer to Enterprise Service                               | -                 | -                 | -                   | -                   |
| Capital leases (non-budgeted)                                | -                 | 340,380           | 103,071             | 270,292             |
| Bond proceeds  | -                 | -                 | -                   | -                   |
| Total other financing sources (uses)                         | <u>-</u>          | <u>340,380</u>    | <u>103,071</u>      | <u>270,292</u>      |
| Net change in fund balances                                  | <u>\$ 488,180</u> | <u>\$ 178,095</u> | <u>\$ (330,685)</u> | <u>\$ (830,750)</u> |
| Debt service as a percentage of<br>noncapital expenditures   | 4.1%              | 4.0%              | 3.9%                | 3.6%                |

**Source: District Records**

No Noncapital expenditures are total expenditures less capital outlay.

Exhibit J-4

|    | 2016              | 2017                 | 2018                   | 2019                | 2020              | 2021              |
|----|-------------------|----------------------|------------------------|---------------------|-------------------|-------------------|
| \$ | 34,565,901        | \$ 35,656,111        | \$ 36,947,048          | \$ 38,795,614       | \$ 39,641,961     | \$ 40,485,611     |
|    | 104,632           | 86,506               | 78,982                 | 71,532              | 130,865           | 129,180           |
|    | 18,867            | 86,028               | 137,915                | 130,231             | 93,392            | 19,463            |
|    | 126,424           | 783,808              | 147,241                | 291,444             | 177,222           | 292,708           |
|    | -                 | -                    | -                      | -                   | -                 | 206,505           |
|    | (7,394)           | (12,821)             | (11,090)               | (9,913)             | (4,752)           | 11,783            |
|    | 5,507,598         | 6,292,618            | 7,252,409              | 8,324,147           | 9,016,718         | 10,800,911        |
|    | 651,373           | 701,496              | 646,045                | 650,887             | 630,791           | 898,769           |
|    | <u>40,967,401</u> | <u>43,593,746</u>    | <u>45,198,550</u>      | <u>48,253,942</u>   | <u>49,686,197</u> | <u>52,844,930</u> |
|    | 16,445,109        | 17,164,055           | 17,699,174             | 18,413,397          | 18,591,089        | 19,105,350        |
|    | 22,303,251        | 23,829,077           | 24,664,216             | 26,589,282          | 27,236,247        | 30,055,606        |
|    | 219,110           | 2,593,281            | 11,700,431             | 2,108,320           | 1,666,086         | 718,852           |
|    | 1,448,610         | 1,449,240            | 2,078,031              | 2,049,053           | 2,063,913         | 2,077,231         |
|    | <u>40,416,080</u> | <u>45,035,653</u>    | <u>56,141,852</u>      | <u>49,160,052</u>   | <u>49,557,335</u> | <u>51,957,039</u> |
|    | 551,321           | (1,441,907)          | (10,943,302)           | (906,110)           | 128,862           | 887,891           |
|    | -                 | -                    | -                      | -                   | -                 | (78,000)          |
|    | 72,934            | 85,320               | 48,236                 | 179,136             | 338,750           | 104,310           |
|    | -                 | 15,885,000           | -                      | -                   | -                 | -                 |
|    | <u>72,934</u>     | <u>15,970,320</u>    | <u>48,236</u>          | <u>179,136</u>      | <u>338,750</u>    | <u>26,310</u>     |
| \$ | <u>624,255</u>    | <u>\$ 14,528,413</u> | <u>\$ (10,895,066)</u> | <u>\$ (726,974)</u> | <u>\$ 467,612</u> | <u>\$ 914,201</u> |
|    | 3.6%              | 3.4%                 | 4.7%                   | 4.4%                | 4.3%              | 4.1%              |

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

| Description            | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Fund:          |            |            |            |            |            |            |            |            |            |            |
| Interest on Investment | \$ 63,568  | \$ 66,418  | \$ 17,086  | \$ 15,558  | \$ 19,757  | \$ 28,375  | \$ 83,777  | \$ 114,448 | \$ 87,062  | \$ 19,463  |
| Tuition Revenue        | 170,110    | 167,212    | 239,857    | 143,328    | 104,632    | 86,506     | 78,982     | 71,532     | 130,865    | 134,814    |
| Rentals                | 42,682     | 42,625     | 41,411     | 30,430     | 30,439     | 29,656     | 39,955     | 43,612     | 34,589     | 25,404     |
| Miscellaneous          | 62,613     | 56,340     | 136,660    | 159,920    | 95,985     | 754,087    | 107,286    | 247,832    | 142,554    | 261,670    |
| Total                  | \$ 338,973 | \$ 332,595 | \$ 435,014 | \$ 349,236 | \$ 250,813 | \$ 898,624 | \$ 310,000 | \$ 477,424 | \$ 395,070 | \$ 441,351 |

Source: District Records

## **REVENUE CAPACITY**



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

| Year Ended<br>December 31, | Vacant Land   | Residential      | Farm Reg. | Ofarm | Commercial     | Industrial    | Apartment     | Total Assessed Value | Less: Tax-Exempt<br>Property | Business Personal<br>Property <sup>a</sup> | Net Valuation Taxable | Total Direct<br>School Tax<br>Rate <sup>b</sup> |
|----------------------------|---------------|------------------|-----------|-------|----------------|---------------|---------------|----------------------|------------------------------|--|-----------------------|---|
| 2012                       | \$ 13,434,100 | \$ 1,053,509,800 | \$ -      | \$ -  | \$ 131,942,885 | \$ 64,632,580 | \$ 35,711,600 | \$ 1,299,230,965     | \$ -                         | \$ 3,173,583                               | \$ 1,302,404,548      | 2.47  |
| 2013                       | 12,628,100    | 1,054,894,600    | -         | -     | 126,216,485    | 59,403,400    | 35,058,600    | 1,288,201,185        | -                            | 2,611,227                                  | 1,290,812,412         | 2.52  |
| 2014                       | 11,987,300    | 1,057,175,800    | -         | -     | 122,738,085    | 59,432,300    | 35,058,600    | 1,286,392,085        | -                            | 2,238,010                                  | 1,288,630,095         | 2.58  |
| 2015                       | 11,011,900    | 1,066,460,900    | -         | -     | 120,491,592    | 57,157,500    | 35,058,600    | 1,290,180,492        | -                            | 2,345,779                                  | 1,292,526,271         | 2.64  |
| 2016                       | 10,671,200    | 1,072,696,100    | -         | -     | 120,542,792    | 57,710,000    | 50,807,100    | 1,312,427,192        | -                            | 2,347,370                                  | 1,314,774,562         | 2.67  |
| 2017                       | 10,003,600    | 1,083,203,100    | -         | -     | 140,168,392    | 57,382,400    | 59,769,800    | 1,350,527,292        | -                            | 2,311,203                                  | 1,352,838,495         | 2.70  |
| 2018                       | 9,928,600     | 1,096,855,000    | -         | -     | 160,680,292    | 50,212,900    | 59,769,800    | 1,377,446,592        | -                            | 2,292,589                                  | 1,379,739,181         | 2.75  |
| 2019                       | 10,030,700    | 1,107,685,000    | -         | -     | 177,422,292    | 51,783,300    | 61,790,500    | 1,408,711,792        | -                            | 2,280,514                                  | 1,410,992,306         | 2.78  |
| 2020                       | 9,801,600     | 1,115,402,500    | -         | -     | 202,667,592    | 49,830,400    | 63,190,500    | 1,440,892,592        | -                            | 2,251,458                                  | 1,443,144,050         | 2.78  |
| 2021                       | 9,277,800     | 1,124,249,600    | -         | -     | 202,590,892    | 49,830,400    | 63,890,500    | 1,449,724,192        | -                            | 2,421,025                                  | 1,452,145,217         | 2.80  |

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

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

| Fiscal Year<br>Ended June<br>30, | New Providence Board of Education |   |              | Overlapping Rate                |              |                            |                         |                      | Total Direct and<br>Overlapping Tax<br>Rate |
|----------------------------------|-----------------------------------|---|--------------|---------------------------------|--------------|----------------------------|-------------------------|----------------------|---|
|                                  | General                           |   | Total Direct | Borough of<br>New<br>Providence | Union County | Union County<br>Open Space | Municipal Open<br>Space | Municipal<br>Library |   |
|                                  | Basic Rate <sup>a</sup>           | Obligation Debt<br>Service <sup>b</sup> |              |                                 |              |                            |                         |                      |   |
| 2012                             | 2.377                             | 0.094                                   | 2.471        | 0.872                           | 0.867        | 0.029                      | 0.002                   | 0.065                | 4.306                                       |
| 2013                             | 2.427                             | 0.094                                   | 2.521        | 0.892                           | 0.933        | 0.029                      | 0.002                   | 0.065                | 4.442                                       |
| 2014                             | 2.480                             | 0.095                                   | 2.575        | 0.910                           | 0.984        | 0.029                      | 0.002                   | 0.064                | 4.564                                       |
| 2015                             | 2.542                             | 0.099                                   | 2.642        | 0.926                           | 0.973        | 0.028                      | 0.003                   | 0.062                | 4.634                                       |
| 2016                             | 2.582                             | 0.085                                   | 2.667        | 0.938                           | 0.998        | 0.028                      | 0.005                   | 0.063                | 4.699                                       |
| 2017                             | 2.591                             | 0.104                                   | 2.695        | 0.950                           | 1.023        | 0.029                      | 0.006                   | 0.063                | 4.766                                       |
| 2018                             | 2.635                             | 0.111                                   | 2.746        | 0.967                           | 1.031        | 0.029                      | 0.007                   | 0.065                | 4.845                                       |
| 2019                             | 2.671                             | 0.111                                   | 2.782        | 0.971                           | 1.013        | 0.030                      | 0.008                   | 0.066                | 4.870                                       |
| 2020                             | 2.669                             | 0.110                                   | 2.779        | 0.990                           | 1.023        | 0.031                      | 0.009                   | 0.068                | 4.900                                       |
| 2021                             | 2.708                             | 0.087                                   | 2.795        | 1.019                           | 0.978        | 0.031                      | 0.010                   | 0.069                | 4.902                                       |

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

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

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

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

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

| Taxpayer                            | 2021                   |                 |  |                        | 2012            |  |  |  |
|-------------------------------------|------------------------|-----------------|--|------------------------|-----------------|--|--|--|
|                                     | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |  |  |
| Redwood - ERC NP LLC / Altus Group  | \$ 91,348,100          | 1               | 6.33%                                  | 21,085,800             | 1               | 1.62%                                  |  |  |
| Tower Spring Gardens                | 15,795,700             | 2               | 1.09%                                  | 17,143,400             | 2               | 1.32%                                  |  |  |
| UB New Providence                   | 14,272,800             | 3               | 1.09%                                  | 14,678,385             | 3               | 1.13%                                  |  |  |
| Shelbourne Spring LLC               | 12,392,000             | 4               | 0.99%                                  | 14,272,800             | 4               | 1.10%                                  |  |  |
| Redwood - ERC NP LLC / Altus Group  | 9,675,100              | 5               | 0.86%                                  | 11,500,000             | 5               | 0.88%                                  |  |  |
| 121 Chanlon LLC                     | 8,032,000              | 6               | 0.67%                                  | 11,352,600             | 6               | 0.87%                                  |  |  |
| Murray Hill Gardens LLC             | 7,978,400              | 7               | 0.56%                                  | 8,700,000              | 7               | 0.67%                                  |  |  |
| GH NP Central LLC                   | 7,649,600              | 8               | 0.55%                                  | 8,269,300              | 8               | 0.63%                                  |  |  |
| Murray Hill Gardens LLC             | 7,615,700              | 9               | 0.53%                                  | 7,705,200              | 9               | 0.59%                                  |  |  |
| Pur New Providence                  | 6,279,800              | 10              | 0.53%                                  | 5,907,600              | 10              | 0.45%                                  |  |  |
| The B.O.C Group, Inc                | -                      |                 |  |                        |                 |  |  |  |
| 41 Spring Street, LLC               | -                      |                 |  |                        |                 |  |  |  |
| Martindale-Hubbell, Inc.            | -                      |                 |  |                        |                 |  |  |  |
| N Providence, LLC                   | -                      |                 |  |                        |                 |  |  |  |
| C.R. Bard, Inc                      | -                      |                 |  |                        |                 |  |  |  |
| Erickson Living Properties, LLC     | -                      |                 |  |                        |                 |  |  |  |
| Murray Hill Apartments Company, LLC | -                      |                 |  |                        |                 |  |  |  |
| Tower Management Financing PTSP, LP | -                      |                 |  |                        |                 |  |  |  |
| Lucent Technologies, Inc.           | -                      |                 |  |                        |                 |  |  |  |
| Mack-Cali Realty Corp               | -                      |                 |  |                        |                 |  |  |  |
| <b>Total</b>                        | <b>\$ 181,039,200</b>  |                 | <b>13.20%</b>                          | <b>\$ 120,615,085</b>  |                 | <b>9.26%</b>                           |  |  |

**Source: Tax Assessor**

**NEW PROVIDENCE SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

| Fiscal Year<br>Ended June 30, | Taxes Levied for the<br>Fiscal Year | Collected within the Fiscal Year of<br>the Levy |                       | Collections in<br>Subsequent<br>Years |
|-------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
|                               |                                     | Amount  | Percentage of<br>Levy |                                       |
| 2012                          | \$ 31,916,359                       | \$ 31,916,359                                   | 100.00%               | \$ -                                  |
| 2013                          | 32,399,731                          | 32,399,731                                      | 100.00%               | -                                     |
| 2014                          | 32,635,348                          | 32,635,348                                      | 100.00%               | -                                     |
| 2015                          | 33,676,936                          | 33,676,936                                      | 100.00%               | -                                     |
| 2016                          | 34,565,901                          | 34,565,901                                      | 100.00%               | -                                     |
| 2017                          | 35,656,111                          | 35,656,111                                      | 100.00%               | -                                     |
| 2018                          | 36,947,048                          | 36,947,048                                      | 100.00%               | -                                     |
| 2019                          | 38,795,614                          | 38,795,614                                      | 100.00%               | -                                     |
| 2020                          | 39,641,961                          | 39,641,961                                      | 100.00%               | -                                     |
| 2021                          | 40,485,611                          | 40,485,611                                      | 100.00%               | -                                     |

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

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

## **DEBT CAPACITY**

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

| Fiscal<br>Year<br>Ended<br>June 30, | Governmental Activities     |                                  |                   |   | Business-Type<br>Activities |               | Total District | Percentage of<br>Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
|-------------------------------------|-----------------------------|----------------------------------|-------------------|---|-----------------------------|---------------|----------------|---|-------------------------|
|                                     | General<br>Obligation Bonds | Certificates of<br>Participation | Capital<br>Leases | Bond<br>Anticipation<br>Notes<br>(BANs) | Capital Leases              |               |                |   |                         |
| 2012                                | \$ 13,125,000               | \$ -                             | \$ 118,094        | \$ -                                    | \$ -                        | \$ 13,243,094 | 0.41%          | 53,638  |                         |
| 2013                                | 12,150,000                  | -                                | 285,167           | -                                       | -                           | 12,435,167    | 0.44%          | 54,382  |                         |
| 2014                                | 11,145,000                  | -                                | 180,976           | -                                       | -                           | 11,325,976    | 0.51%          | 57,306  |                         |
| 2015                                | 10,015,000                  | -                                | 228,496           | -                                       | -                           | 10,243,496    | 0.59%          | 60,089  |                         |
| 2016                                | 8,920,000                   | -                                | 152,867           | -                                       | -                           | 9,072,867     | 0.68%          | 61,808  |                         |
| 2017                                | 23,660,000                  | -                                | 82,968            | -                                       | -                           | 23,742,968    | 0.27%          | 65,130  |                         |
| 2018                                | 22,415,000                  | -                                | 24,118            | -                                       | -                           | 22,439,118    | 0.30%          | 68,313  |                         |
| 2019                                | 21,110,000                  | -                                | 130,848           | -                                       | -                           | 21,240,848    | 0.33%          | 70,865  |                         |
| 2020                                | 19,745,000                  | -                                | 243,679           | -                                       | -                           | 19,988,679    | N/A            | N/A   |                         |
| 2021                                | 18,315,000                  | -                                | 93,435            | -                                       | -                           | 18,408,435    | N/A            | N/A   |                         |

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

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

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

| Fiscal Year<br>Ended June<br>30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of<br>Property | Per Capita <sup>b</sup> |
|----------------------------------|---------------------------------|------------|---|--|-------------------------|
|                                  | General<br>Obligation<br>Bonds  | Deductions | Net General<br>Bonded Debt<br>Outstanding |  |                         |
| 2012                             | \$ 13,125,000                   | \$ -       | \$ 13,125,000                             | 1.01%  | 53,638                  |
| 2013                             | 12,150,000                      | -          | 12,150,000                                | 0.94%  | 54,382                  |
| 2014                             | 11,145,000                      | -          | 11,145,000                                | 0.86%  | 57,306                  |
| 2015                             | 10,095,000                      | -          | 10,095,000                                | 0.78%  | 60,089                  |
| 2016                             | 8,920,000                       | -          | 8,920,000                                 | 0.68%  | 61,808                  |
| 2017                             | 23,660,000                      | -          | 23,660,000                                | 1.80%  | 65,130                  |
| 2018                             | 22,415,000                      | -          | 22,415,000                                | 1.62%  | 68,313                  |
| 2019                             | 21,110,000                      | -          | 21,110,000                                | 1.50%  | 70,865                  |
| 2020                             | 19,745,000                      | -          | 19,745,000                                | 1.37%  | N/A                     |
| 2021                             | 18,315,000                      | -          | 18,315,000                                | 1.26%  | N/A                     |

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021  
UNAUDITED**

| <u>Governmental Unit</u>                          | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>a</sup></u> | <u>Estimated Share<br/>of Overlapping<br/>Debt</u> |
|---|-----------------------------|---|--|
| <b>Debt repaid with property taxes</b>            |                             |   |  |
| New Providence Borough                            | \$ 24,570,346               | 100%  | \$ 24,570,346                                      |
| <b>Other debt</b>                                 |                             |   |  |
| Union County                                      | 506,173,656                 | 3.87%   | <u>19,576,350</u>                                  |
| Subtotal, overlapping debt                        |                             |   | 44,146,696   |
| <b>New Providence School District Direct Debt</b> | 18,315,000                  | 100%  | <u>18,315,000</u>                                  |
| <b>Total direct and overlapping debt</b>          |                             |   | <u><u>\$ 62,461,696</u></u>                        |

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

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

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



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

Legal Debt Margin Calculation for Calendar Year

|  | 2012           | 2013           | 2014           | 2015          | 2016          | 2017          | 2018           | 2019           | 2020           | 2021           |
|--|----------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Debt limit   | \$ 102,030,310 | \$ 100,849,042 | \$ 100,185,750 | \$ 98,608,797 | \$ 98,248,486 | \$ 99,233,578 | \$ 103,094,609 | \$ 107,382,843 | \$ 112,551,416 | \$ 116,374,028 |
| Total net debt applicable to limit                                   | 13,125,000     | 12,150,000     | 11,145,000     | 10,095,000    | 8,920,000     | 23,660,000    | 22,415,000     | 21,110,000     | 19,745,000     | 18,315,000     |
| Legal debt margin  | \$ 88,905,310  | \$ 88,699,042  | \$ 89,040,750  | \$ 88,513,797 | \$ 89,328,486 | \$ 75,573,578 | \$ 80,679,609  | \$ 86,272,843  | \$ 92,806,416  | \$ 98,059,028  |
| Total net debt applicable to the limit as a percentage of debt limit | 12.86%         | 12.05%         | 11.12%         | 10.24%        | 9.08%         | 23.84%        | 21.74%         | 19.66%         | 17.54%         | 15.74%         |

|  | 2020             | 2019             | 2018             |
|--|------------------|------------------|------------------|
| Equalized valuation basis                          | \$ 2,980,745,950 | \$ 2,946,479,381 | \$ 2,800,826,743 |
|  |                  |                  | \$ 8,728,052,074 |
| Average equalized valuation of taxable property    | \$ 2,909,350,691 |                  |                  |
| Debt limit (4 % of average) Net bonded school debt | 116,374,028      |                  |                  |
| Legal debt margin                                  | 18,315,000       |                  |                  |
|  | \$ 98,059,028    |                  |                  |

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

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

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

| Year | Population <sup>a</sup> | Personal Income<br>(thousands of<br>dollars) <sup>b</sup> | Per Capita Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|---|--|-----------------------------------|
| 2012 | 12,293                  | \$ -  | \$ 54,649                                  | 6.9%                              |
| 2013 | 12,357                  | -   | 54,889                                     | 4.7%                              |
| 2014 | 12,421                  | -   | 57,306                                     | 4.2%                              |
| 2015 | 12,469                  | -   | 60,089                                     | 3.7%                              |
| 2016 | 12,758                  | -   | 60,808                                     | 3.4%                              |
| 2017 | 13,308                  | -   | 64,413                                     | 3.1%                              |
| 2018 | 13,486                  | -   | 68,262                                     | 2.70%                             |
| 2019 | 13,595                  | -   | 70,865                                     | 2.30%                             |
| 2020 | 13,994                  | -   | N/A  | 5.90%                             |
| 2021 | N/A                     | -   | N/A  | N/A                               |

**Source:** <sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development  
\*Estimates supplied by U. S. Census Bureau

<sup>b</sup> Personal income could not be compiled based on available data.

<sup>c</sup> Per Capita income based on Union County figures.

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

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

| Employer | 2021      |      |                                | 2012      |      |                                |
|----------|-----------|------|--------------------------------|-----------|------|--------------------------------|
|          | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
| *        | -         | -    | -                              | -         | -    | -                              |
|          | <u>-</u>  |      | <u>0.00%</u>                   | <u>-</u>  |      | <u>0.00%</u>                   |

\*Data not available from Borough of New Providence

## **OPERATING INFORMATION**

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

| <b>Function/Program</b>                           | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction                                       |              |              |              |              |              |              |              |              |              |              |
| Regular   | 148.5        | 149.5        | 150.5        | 153.5        | 152          | 153.7        | 159          | 160          | 163          | 164.5        |
| Supplemental (Special Education)                  | 16.9         | 19           | 20           | 23           | 24           | 25           | 25           | 26           | 28           | 29           |
| Vocational  | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            |
| Support Services                                  |              |              |              |              |              |              |              |              |              |              |
| Certificated:                                     |              |              |              |              |              |              |              |              |              |              |
| Educational Support (Includes Special Ed)         | 30.3         | 30.3         | 31.3         | 28.3         | 30.3         | 30.5         | 30.9         | 31.3         | 32.3         | 32.3         |
| General administrative services                   | 1.8          | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| Business administrative services                  | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            |
| School administrative services                    | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         | 10.5         |
| Non-Certificated:                                 |              |              |              |              |              |              |              |              |              |              |
| Teacher Aides                                     | 14.5         | 16           | 18.5         | 20           | 21           | 23           | 23           | 24           | 20           | 20           |
| Technicians                                       | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| Clerical/Secretarial                              | 21.8         | 21.8         | 21.8         | 22           | 21           | 21           | 21           | 21           | 21           | 20           |
| Service Workers (Includes Playground/Lunch/Aides) | 24.3         | 24.3         | 24.3         | 23           | 22           | 20.5         | 20.5         | 20.8         | 20.8         | 19.8         |
| Skilled Crafts (Includes Maintenance)             | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 9            |
| <b>Total</b>                                      | <b>279.6</b> | <b>284.4</b> | <b>289.9</b> | <b>293.3</b> | <b>293.8</b> | <b>297.2</b> | <b>302.9</b> | <b>306.6</b> | <b>308.6</b> | <b>311.1</b> |

**Source: CSI Personnel System**

NEW PROVIDENCE SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Pupil/Teacher Ratio

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |               |             | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|-------------|---|---|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   |                             | Elementary          | Middle School | High School |   |   |                                      |                               |
| 2012        | 2,258      | \$ 34,121,350                       | 15,111         | 1.35%             | 199.3                       | 1:11                | 1:16          | 1:9         | 2,229                                       | 2,141                                       | 1.00%                                | 96.10%                        |
| 2013        | 2,305      | 35,573,051                          | 15,433         | 2.13%             | 199.8                       | 1:12                | 1:12          | 1:10        | 2,269                                       | 2,160                                       | 1.79%                                | 95.20%                        |
| 2014        | 2,369      | 36,090,830                          | 15,235         | -1.29%            | 202.8                       | 1:12                | 1:12          | 1:11        | 2,335                                       | 2,247                                       | 2.89%                                | 96.25%                        |
| 2015        | 2,378      | 38,050,251                          | 16,001         | 5.03%             | 205.8                       | 1:12                | 1:12          | 1:11        | 2,342                                       | 2,254                                       | 0.32%                                | 96.25%                        |
| 2016        | 2,410      | 38,027,095                          | 15,779         | -1.39%            | 207.3                       | 1:12                | 1:12          | 1:11        | 2,383                                       | 2,297                                       | 1.75%                                | 96.38%                        |
| 2017        | 2,403      | 40,228,906                          | 16,741         | 6.10%             | 209.2                       | 1:14                | 1:12          | 1:11        | 2,388                                       | 2,292                                       | 0.20%                                | 96.00%                        |
| 2018        | 2,421      | 41,649,220                          | 17,203         | 2.76%             | 214.9                       | 1:14                | 1:10          | 1:10        | 2,359                                       | 2,269                                       | -1.20%                               | 96.00%                        |
| 2019        | 2,444      | 44,413,339                          | 18,172         | 5.63%             | 218.7                       | 1:13                | 1:10          | 1:10        | 2,384                                       | 2,302                                       | 1.05%                                | 96.00%                        |
| 2020        | 2,387      | 45,224,294                          | 18,946         | 4.26%             | 223.7                       | 1:13                | 1:10          | 1:10        | 2,385                                       | 2,327                                       | 0.05%                                | 97.55%                        |
| 2021        | 2,388      | 47,989,948                          | 20,096         | 6.07%             | 226.8                       | 1:13                | 1:11          | 1:10        | 2,340                                       | 2,266                                       | -1.90%                               | 96.84%                        |

Sources: District records

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

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

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

|   | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b><u>District Building</u></b>         |         |         |         |         |         |         |         |         |         |         |
| <b><u>Elementary</u></b>                |         |         |         |         |         |         |         |         |         |         |
| Allen W. Roberts (1962)                 |         |         |         |         |         |         |         |         |         |         |
| Square Feet                             | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  | 72,114  |
| Functional Capacity (students)          | 575     | 575     | 575     | 562     | 562     | 562     | 562     | 562     | 562     | 562     |
| Enrollment                              | 617     | 652     | 649     | 663     | 637     | 657     | 671     | 671     | 673     | 674     |
| Salt Brook (1968)                       |         |         |         |         |         |         |         |         |         |         |
| Square Feet                             | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  | 92,920  |
| Functional Capacity (students)          | 579     | 579     | 579     | 570     | 570     | 570     | 570     | 570     | 570     | 570     |
| Enrollment                              | 649     | 643     | 662     | 638     | 669     | 649     | 650     | 654     | 643     | 641     |
| <b><u>High School/Middle School</u></b> |         |         |         |         |         |         |         |         |         |         |
| New Providence HS/MS (1957)             |         |         |         |         |         |         |         |         |         |         |
| Square Feet                             | 180,892 | 180,892 | 180,892 | 180,892 | 180,892 | 180,892 | 185,752 | 185,752 | 185,752 | 185,752 |
| Functional Capacity (students)          | 1,041   | 1,041   | 1,041   | 1,039   | 1,039   | 1,039   | 1,052   | 1,052   | 1,052   | 1,052   |
| Enrollment                              | 948     | 971     | 1,021   | 1,040   | 1,025   | 1,019   | 1,034   | 1,037   | 1,040   | 1,033   |
| <b><u>Other</u></b>                     |         |         |         |         |         |         |         |         |         |         |
| Maintenance Garage                      |         |         |         |         |         |         |         |         |         |         |
| Square Feet                             | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   | 5,467   |

Number of Buildings at June 30, 2021  
 Elementary = 2  
 High School/Middle School = 1  
 Other = 1

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

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



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

| UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES<br>11-000-261-XXX |               | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|---|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| School Facilities   | Project # (s) |            |            |            |            |            |            |            |            |            |            |
| Allen W. Roberts School   | N/A           | \$ 111,997 | \$ 118,981 | \$ 120,387 | \$ 124,307 | \$ 120,520 | \$ 129,474 | \$ 120,594 | \$ 140,366 | \$ 129,923 | \$ 134,360 |
| Salt Brook School   | N/A           | 144,309    | 153,307    | 155,118    | 158,967    | 176,026    | 152,981    | 162,624    | 334,423    | 142,011    | 160,382    |
| Middle/High School  | N/A           | 280,976    | 298,495    | 302,023    | 301,017    | 314,727    | 303,332    | 323,310    | 172,174    | 310,424    | 338,996    |
| Total School Facilities   |               | 537,282    | 570,783    | 577,528    | 584,491    | 611,274    | 585,786    | 606,528    | 646,962    | 582,360    | 633,738    |
| Other Facilities  |               | 8,514      | 9,045      | 9,152      | 7,643      | 8,006      | 7,946      | 7,630      | 7,897      | 7,395      | 7,821      |
| Grand Total   |               | \$ 545,796 | \$ 579,828 | \$ 586,680 | \$ 592,134 | \$ 619,280 | \$ 593,732 | \$ 614,158 | \$ 654,859 | \$ 589,755 | \$ 641,559 |

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

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

**NEW PROVIDENCE SCHOOL DISTRICT  
INSURANCE SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED**

|   | <u>Coverage</u>                               | <u>Deductible</u> |
|---|---|-------------------|
| Multi-Peril Policy - Utica National Insurance Group   |   |                   |
| Property, Blanket Building & Contents, replacement costs<br>Boiler & Machinery (Actual values 96,199,281) | \$ 89,096,872                                 | 1,000             |
| Comprehensive General Liability (includes B.O.E. liability)   | 1,000,000                                     | 7,500 *           |
| Automobile Liability - Graphic Arts Mutual  | 1,000,000                                     | 500/1000          |
| Umbrella Liability Policy - Utica National Ins. Group.  | 15,000,000                                    | 10,000            |
| Public Employee Blanket Bond - Selective Insurance Co.  | 250,000                                       | 2,500             |
| Public Official Bond - Selective Insurance Co.  | 275,000                                       | 0                 |
| Workers Compensation - New Jersey School<br>Insurance Group   | In Accordance with<br>statutory requirements. |                   |
| Athletic Accident - Zurich American Insurance Company   | 5,000,000                                     | Full Excess       |
| Foreign Liability - Chubb & Son   | 1,000,000                                     | 0                 |
| Foreign Worker's Compensation - Chubb & Son   | Statutory                                     | 0                 |
| Cap Excess Umbrella Liability - Fireman's Fund  | 30,000,000                                    | 0                 |
| Cyber Liability - Hiscox Insurance Co.  | 1,000,000                                     | 10,000            |

**Source: District Records**

**SINGLE AUDIT SECTION**

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

*Certified Public Accountants*

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## EXHIBIT K-1

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of governmental activities, the business-type activities, and each major fund of the Board of Education of the New Providence School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise of the Board of Education of the New Providence School District's basic financial statements, and have issued our report thereon dated March 1, 2022.

#### Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

Bayonne, New Jersey  
March 1, 2022

# DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

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## EXHIBIT K-2

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

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

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

We have audited the Board of Education of the New Providence School District, in the County of Union, State of New Jersey compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the New Providence School District's major federal and state programs for the year ended June 30, 2021. The Board of Education of the New Providence School District's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

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

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

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

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

In our opinion, the Board of Education of the New Providence School District complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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



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



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

Bayonne, New Jersey  
 March 1, 2022

NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the Fiscal Year Ended June 30, 2021

| FEDERAL<br>CFDA<br>NUMBER   | FEDERAL<br>FAIN<br>NUMBER | PROGRAM<br>OR<br>AWARD<br>AMOUNT | GRANT PERIOD<br>FROM TO | BALANCE<br>AT<br>JUNE 30, 2020 | CASH<br>RECEIVED | BUDGETARY<br>EXPENDITURES | REPAYMENT<br>OF PRIOR<br>YEARS'<br>BALANCES | BALANCE AT JUNE 30, 2021<br>(ACCOUNTS<br>RECEIVABLE) | DUE TO<br>GRANTOR | MEMO<br>CUMULATIVE<br>TOTAL<br>EXPEN-<br>DITURES |
|---|---------------------------|----------------------------------|-------------------------|--------------------------------|------------------|---------------------------|---|--|-------------------|--|
|   |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| 21.019  | Not Available             | \$ 66,599                        | 03/13/20 12/31/20       | \$ -                           | \$ 66,599        | \$ (66,599)               | \$ -  | \$ -   | \$ -              | \$ (66,599)                                      |
| U.S. DEPARTMENT OF TREASURY<br>PASSED-THROUGH STATE<br>DEPARTMENT OF EDUCATION:<br>SPECIAL REVENUE FUND<br>Coronavirus Relief Fund (CRF)  |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| 21.019  | Not Available             | 120,150                          | 07/01/20 12/31/20       | -                              | 120,150          | (120,150)                 | -   | -  | -                 | (120,150)  |
| U.S. DEPARTMENT OF TREASURY<br>PASSED-THROUGH COUNTY OF UNION<br>SPECIAL REVENUE FUND<br>Coronavirus Relief Fund (CRF)  |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| <b>TOTAL U.S. DEPARTMENT OF TREASURY</b>  |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| U.S. DEPARTMENT OF EDUCATION<br>PASSED-THROUGH STATE<br>DEPARTMENT OF EDUCATION:<br>Elementary and Secondary Education Act:<br>Title I - Part A Basic<br>Title I - Part A Basic |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| 84-010  | S010A200030               | 31,354                           | 07/01/20 09/30/21       | -                              | 11,304           | (22,226)                  | -   | (11,731)   | 709               | (22,226)   |
| 84-010  | S010A190030               | 133,903                          | 07/01/19 09/30/20       | (38,539)                       | 38,539           | -                         | -   | (11,731)   | 709               | -  |
| 84-367A   | S367A200029               | 35,439                           | 07/01/20 09/30/21       | -                              | 9,656            | (12,786)                  | (3,743)                                     | (3,130)  | -                 | (12,786)   |
| 84-367A   | S367A190029               | 25,295                           | 07/01/19 09/30/20       | 1,909                          | 1,834            | -                         | (3,743)                                     | (3,130)  | -                 | -  |
| 84-365A   | S365A200030               | 6,261                            | 07/01/20 09/30/21       | -                              | 350              | (3,346)                   | -   | (2,996)  | -                 | (3,346)  |
| 84-365A   | S365A190030               | 4,688                            | 07/01/19 09/30/20       | (1,533)                        | 1,533            | -                         | -   | (2,996)  | -                 | -  |
| 84-424  | S424A200031               | 16,418                           | 07/01/20 09/30/21       | -                              | 6,150            | (6,561)                   | -   | (411)  | -                 | -  |
| 84-424  | S424A190031               | 10,000                           | 07/01/19 09/30/20       | 3,406                          | 53               | -                         | (3,459)                                     | (411)  | -                 | -  |
| 84-027A   | H027A200100               | 525,975                          | 07/01/20 09/30/21       | -                              | 413,581          | (499,558)                 | -   | (85,977)   | -                 | (499,558)  |
| 84-027A   | H027A190100               | 471,179                          | 07/01/19 09/30/20       | (4,503)                        | 25,868           | -                         | (21,365)                                    | -  | -                 | -  |
| 84-173  | H173A200114               | 19,157                           | 07/01/20 09/30/21       | -                              | 9,637            | (9,637)                   | (21,365)                                    | -  | -                 | (9,637)  |
|   |                           |                                  |                         | (4,503)                        | 449,086          | (509,195)                 | (21,365)                                    | (85,977)   | -                 | -  |
| CARES Emergency Relief Grant  |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| 84-425D   | S425D200027               | 118,883                          | 03/13/20 09/30/22       | -                              | 118,799          | (118,799)                 | -   | -  | -                 | (118,799)  |
| 84-425D   | S425D210027               | 5,305                            | 07/16/20 10/31/20       | -                              | 5,305            | (5,305)                   | -   | -  | -                 | (5,305)  |
| 84-425D   | S425D210027               | 283,709                          | 03/13/20 09/30/23       | -                              | 124,104          | (160,896)                 | -   | (36,792)   | -                 | (36,792)   |
|   |                           |                                  |                         | -                              | -                | -                         | -   | (36,792)   | -                 | (36,792)   |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>   |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| <b>TOTAL SPECIAL REVENUE FUND</b>   |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
| <b>TOTAL FEDERAL FINANCIAL AWARDS</b>   |                           |                                  |                         |                                |                  |                           |   |  |                   |  |
|   |                           | \$ 829,538                       |                         | \$ (39,260)                    | \$ 829,538       | \$ (901,859)              | \$ (28,567)                                 | \$ (141,037)   | \$ 709            | \$ (66,599)                                      |



NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
for the Fiscal Year Ended June 30, 2021

| STATE DEPARTMENT OF EDUCATION<br>GENERAL FUND         | GRANT OR STATE PROGRAM NUMBER | PROGRAM OR AWARD AMOUNT | GRANT PERIOD |          | BALANCE AT JUNE 30, 2020               |                | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PRIOR YEARS' BALANCES | BALANCE AT JUNE 30, 2021 |                | MEMO                 |                               |
|---|-------------------------------|-------------------------|--------------|----------|--|----------------|---------------|------------------------|------------------------------------|--------------------------|----------------|----------------------|-------------------------------|
|   |                               |                         | FROM         | TO       | UNEARNED REVENUE/(ACCOUNTS RECEIVABLE) | DUE TO GRANTOR |               |                        |                                    | (ACCOUNTS RECEIVABLE)    | DUE TO GRANTOR | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| Special Education Categorical Aid                     | 21-495-034-5120-089           | \$ 1,257,118            | 07/01/20     | 06/30/21 | \$ -                                   | \$ -           | \$ 1,257,118  | \$ (1,257,118)         | \$ -                               | \$ -                     | \$ (125,712)   | \$ 1,257,118         |                               |
| Security Aid  | 21-495-034-5120-084           | 186,941                 | 07/01/20     | 06/30/21 | -                                      | -              | 186,941       | (186,941)              | -                                  | -                        | (18,694)       | 186,941              |                               |
| State Aid Cluster                                     |                               |                         |              |          |  |                | 1,444,059     | (1,444,059)            |                                    |                          | (144,406)      |                      |                               |
| Transportation Aid                                    | 21-495-034-5120-014           | 250,347                 | 07/01/20     | 06/30/21 | -                                      | -              | 250,347       | (250,347)              | -                                  | -                        | (22,935)       | 250,347              |                               |
| Examination Aid                                       | 21-495-034-5120-064           | 238,325                 | 07/01/20     | 06/30/21 | -                                      | -              | -             | (82,325)               | -                                  | -                        | -              | 62,325               |                               |
| Nonpublic Textbook Aid                                | 21-495-034-5120-064           | 8,434                   | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (1,263)                            | -                        | -              | 8,434                |                               |
| Nonpublic Textbook Aid                                | 21-495-034-5120-064           | 452,380                 | 07/01/19     | 06/30/20 | -                                      | -              | 452,380       | (452,380)              | -                                  | -                        | -              | 452,380              |                               |
| On-behalf TPAF Post Retirement Medical Contributions  | 21-495-034-5094-001           | 1,552,523               | 07/01/20     | 06/30/21 | -                                      | -              | 1,552,523     | (1,552,523)            | -                                  | -                        | -              | 1,552,523            |                               |
| On-behalf TPAF Pension Contribution                   | 21-495-034-5094-002           | 4,954,054               | 07/01/20     | 06/30/21 | -                                      | -              | 4,954,054     | (4,954,054)            | -                                  | -                        | -              | 4,954,054            |                               |
| On-behalf TPAF Long-Term Disability Insurance         | 21-495-034-5094-004           | 3,225                   | 07/01/20     | 06/30/21 | -                                      | -              | 3,225         | (3,225)                | -                                  | -                        | -              | 3,225                |                               |
| Reimbursed TPAF Social Security Contributions         | 21-495-034-5094-003           | 1,322,045               | 07/01/20     | 06/30/21 | -                                      | -              | 1,322,045     | (1,322,045)            | -                                  | -                        | -              | 1,322,045            |                               |
| Reimbursed TPAF Social Security Contributions         | 20-495-034-5094-003           | 1,308,174               | 07/01/19     | 06/30/20 | -                                      | -              | 65,403        | -                      | -                                  | -                        | -              | 1,308,174            |                               |
| <b>TOTAL GENERAL FUND</b>                             |                               |                         |              |          | (517,783)                              | -              | 10,044,036    | (10,208,578)           | -                                  | (682,325)                | (167,341)      | 9,997,899            |                               |
| <b>SPECIAL REVENUE FUND</b>                           |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| N.J. Nonpublic Aid:                                   |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| Nonpublic Textbook Aid                                | 21-100-034-5120-064           | 7,881                   | 07/01/20     | 06/30/21 | -                                      | -              | 7,881         | (7,111)                | -                                  | -                        | -              | 7,881                |                               |
| Nonpublic Textbook Aid                                | 20-100-034-5120-064           | 8,434                   | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (1,263)                            | -                        | -              | 8,434                |                               |
| Nonpublic Nursing Services                            | 21-100-034-5120-070           | 12,444                  | 07/01/20     | 06/30/21 | -                                      | -              | 12,444        | (9,390)                | -                                  | -                        | -              | 12,444               |                               |
| Nonpublic Nursing Services                            | 20-100-034-5120-070           | 15,714                  | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (4,899)                            | -                        | -              | 15,714               |                               |
| Nonpublic Auxiliary Services Aid Ch. 192              |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| Compensation Education                                | 21-100-034-5120-067           | 19,160                  | 07/01/20     | 06/30/21 | -                                      | -              | 19,160        | (9,232)                | -                                  | -                        | -              | 19,160               |                               |
| Compensation Education                                | 20-100-034-5120-067           | 21,091                  | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (9,085)                            | -                        | -              | 21,091               |                               |
| English as a Second Language                          | 20-100-034-5120-067           | 827                     | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (827)                              | -                        | -              | 827                  |                               |
| Transportation  | 21-100-034-5120-068           | 4,022                   | 07/01/20     | 06/30/21 | -                                      | -              | 4,022         | -                      | -                                  | -                        | -              | 4,022                |                               |
| Total Nonpublic Auxiliary Services Aid Ch. 192        |                               |                         |              |          | 9,912                                  | -              | 23,182        | (9,232)                | (9,912)                            | -                        | -              | 13,950               |                               |
| Nonpublic Handicapped Services Aid Ch. 193            |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| Examination and Classification                        | 21-100-034-5120-066           | 17,275                  | 07/01/20     | 06/30/21 | -                                      | -              | 17,275        | (15,041)               | -                                  | -                        | -              | 17,275               |                               |
| Examination and Classification                        | 20-100-034-5120-066           | 13,004                  | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (5,199)                            | -                        | -              | 13,004               |                               |
| Speech Instruction                                    | 21-100-034-5120-066           | 7,291                   | 07/01/20     | 06/30/21 | -                                      | -              | 7,291         | (3,372)                | -                                  | -                        | -              | 7,291                |                               |
| Speech Instruction                                    | 20-100-034-5120-066           | 9,714                   | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (162)                              | -                        | -              | 9,714                |                               |
| Supplementary Instruction                             | 21-100-034-5120-066           | 9,714                   | 07/01/20     | 06/30/21 | -                                      | -              | 9,714         | (6,637)                | -                                  | -                        | -              | 9,714                |                               |
| Supplementary Instruction                             | 20-100-034-5120-066           | 12,142                  | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (6,313)                            | -                        | -              | 12,142               |                               |
| Total Nonpublic Handicapped Services Aid Ch. 193      |                               |                         |              |          | 11,674                                 | -              | 34,280        | (25,058)               | (11,674)                           | -                        | -              | 9,230                |                               |
| Nonpublic Technology Initiative                       | 20-100-034-5120-373           | 5,760                   | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (303)                              | -                        | -              | 5,760                |                               |
| Nonpublic Security Aid                                | 21-100-034-5120-509           | 22,575                  | 07/01/20     | 06/30/21 | -                                      | -              | 22,575        | (18,939)               | -                                  | -                        | -              | 22,575               |                               |
| Nonpublic Security Aid                                | 20-100-034-5120-509           | 24,300                  | 07/01/19     | 06/30/20 | -                                      | -              | -             | -                      | (24,198)                           | -                        | -              | 24,300               |                               |
| <b>TOTAL SPECIAL REVENUE FUND</b>                     |                               |                         |              |          | 52,159                                 | -              | 100,362       | (69,722)               | (52,159)                           | -                        | -              | 30,640               |                               |
| <b>DEBT SERVICE FUND</b>                              |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| Debt Service Aid                                      | 21-100-034-5120-017           | 530,510                 | 07/01/20     | 06/30/21 | -                                      | -              | -             | (530,510)              | -                                  | -                        | -              | 530,510              |                               |
| <b>TOTAL STATE DEPARTMENT OF EDUCATION</b>            |                               |                         |              |          | (517,783)                              | -              | 10,674,908    | (10,808,810)           | (52,159)                           | (682,325)                | (167,341)      | 530,510              |                               |
| <b>GRAND TOTAL</b>                                    |                               |                         |              |          | (517,783)                              | -              | 10,674,908    | (10,808,810)           | (52,159)                           | (682,325)                | (167,341)      | 530,510              |                               |
| <b>LESS:</b>  |                               |                         |              |          |  |                |               |                        |                                    |                          |                |                      |                               |
| On-behalf TPAF Post Retirement Medical Contributions  |                               |                         |              |          |  |                |               | 1,552,523              |                                    |                          |                |                      |                               |
| On-behalf TPAF Pension Contribution                   |                               |                         |              |          |  |                |               | 4,954,054              |                                    |                          |                |                      |                               |
| On-behalf TPAF Long-Term Disability Insurance         |                               |                         |              |          |  |                |               | 3,225                  |                                    |                          |                |                      |                               |
| <b>TOTAL STATE ASSISTANCE SUBJECT TO SINGLE AUDIT</b> |                               |                         |              |          |  |                |               | \$ (4,299,008)         |                                    |                          |                |                      |                               |

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 - GENERAL**

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

**NOTE 2 - BASIS OF ACCOUNTING**

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

**NOTE 3 - INDIRECT COST RATE**

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

**NOTE 4 - EXPENDITURES PASSED THROUGH TO SUBRECIPIENTS**

The District did not pass through any expenditures of federal awards to subrecipients.

**NOTE 5 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,899) for the General Fund and \$8,693 for the Special Revenue Fund. See *Note 1* (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 basic financial statements on a GAAP basis as follows:

|  | <u>Federal</u>    | <u>State</u>         | <u>Total</u>         |
|--|-------------------|----------------------|----------------------|
| General fund                             | \$ -              | \$ 10,200,679        | \$ 10,200,679        |
| Special Revenue Fund                     | 898,769           | 69,722               | 968,491              |
| Capital Projects                         | -                 | -                    | -                    |
| Debt Service Fund                        | -                 | 530,510              | 530,510              |
|  | <u>-</u>          | <u>530,510</u>       | <u>530,510</u>       |
| Total Awards and<br>Financial Assistance | <u>\$ 898,769</u> | <u>\$ 10,800,911</u> | <u>\$ 11,699,680</u> |

**NOTE 6 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NEW PROVIDENCE SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7 - OTHER**

The amount of \$4,954,054 reported as TPAF Pension Contributions, \$3,225 reported as TPAF Long-Term Disability Insurance, and \$1,552,523 reported as TPAF Post-Retirement Medical Contributions represent the amounts paid by the State on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contributions in the amount of \$1,322,045 represent the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2021.

**NOTE 8 - ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf expenditures for the District by the State 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 basic financial statements and the amount subject to the State single audit and major program determination.

**NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section 1 - Summary of Auditors' Results*

Financial Statement Section

- A) Type of Auditors Report Issued: \_\_\_\_\_ Unmodified \_\_\_\_\_
- B) Internal Control over Financial Reporting:
- 1) Material weakness(es) identified? \_\_\_\_\_ Yes                      ✓ No
- 2) Significant deficiency(ies) identified? \_\_\_\_\_ Yes                      ✓ None reported
- C) Noncompliance material to basic financial statements noted? \_\_\_\_\_ Yes                      ✓ No

Federal Awards Section

- D) Internal Control over major programs:
- 1) Material weakness(es) identified? \_\_\_\_\_ Yes                      ✓ No
- 2) Significant deficiency(ies) identified? \_\_\_\_\_ Yes                      ✓ None reported
- E) Type of auditor's report on compliance for major program \_\_\_\_\_ Unmodified \_\_\_\_\_
- F) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? \_\_\_\_\_ Yes                      ✓ No

G) Identification of major programs:

| <u>CFDA Number(s)</u> | <u>FEIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|-----------------------|---|
| 84.027A               | H027A200100           | IDEA Cluster:                             |
| 84.173                | H173A200114           | IDEA Basic                                |
|                       |                       | IDEA Preschool                            |

- H) Dollar threshold used to distinguish between Type A and Type B Programs. \_\_\_\_\_ \$750,000 \_\_\_\_\_
- I) Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes                      ✓ No

**NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section 1 - Summary of Auditors' Results*

State Awards Section

|   |   |           |   |
|---|---|-----------|---|
| J) Dollar threshold used to distinguish between Type A and Type B Programs.   | _____                                   | \$750,000 | _____   |
| K) Auditee qualified as low-risk auditee?   | <input checked="" type="checkbox"/> Yes |           | <input type="checkbox"/> No                       |
| L) Internal Control over major programs:  |   |           |   |
| 1) Material weakness(es) identified?  | _____ Yes                               |           | <input checked="" type="checkbox"/> No            |
| 2) Significant deficiency(ies) identified?  | _____ Yes                               |           | <input checked="" type="checkbox"/> None reported |
| M) Type of auditor's report on compliance for major programs:   |   | _____     | Unmodified  |
| N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 15-08 as applicable? | _____ Yes                               |           | <input checked="" type="checkbox"/> No            |
| O) Identification of major programs:  |   |           |   |
|   | <u>State Grant/Project Number(s)</u>    |           | <u>Name of State Program</u>                      |
|   | _____                                   |           |   |
|   | 21-495-034-5120-044                     |           | Extraordinary Aid                                 |
|   | 21-495-034-5094-003                     |           | Reimbursed TPAF Social Security Contributions     |

**NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Section II - Financial Statement Findings*

(This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provision of contracts and grants agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting.)

**No matters were reported.**

**NEW PROVIDENCE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

(This section identifies audit findings required to be reported by 2 CFR 200 Section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, as applicable.)

**FEDERAL AWARDS**

**No matters were reported.**

**STATE FINANCIAL ASSISTANCE**

**No matters were reported.**

**NEW PROVIDENCE SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

(This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (¶.511 (a)(b)) and New Jersey OMB Circular 15-08, as applicable.)

**STATUS OF PRIOR YEAR FINDINGS**

**BASIC FINANCIAL STATEMENTS**

No matters were reported in prior year

**FEDERAL AWARDS**

No matters were reported in prior year

**STATE FINANCIAL ASSISTANCE**

No matters were reported in prior year